

# Health Reimbursement Arrangement

Health Reimbursement Arrangements (HRAs) are employer-funded group health plans from which employees are reimbursed tax-free for qualified medical expenses up to a fixed dollar amount per year. Unused amounts may be rolled over to be used in subsequent years. The employer funds and owns the arrangement. Health Reimbursements Arrangements are sometimes called Health Reimbursement Accounts.

An HRA is not traditional health coverage through an employer

Your employer contributes a certain amount to the HRA. You use the funds to pay for qualifying medical expenses. For some types of HRAs, you can also use the funds to pay monthly premiums for a health plan you purchase yourself.

You must have health coverage to use the HRA

For certain types of HRAs, you and possibly other household members, must be enrolled in a health plan to use the HRA money

## Individual Coverage Health Reimbursement Arrangement

A type of Health Reimbursement Arrangement that reimburses medical expenses, like monthly premiums, and requires eligible employees and dependents to have minimum essential coverage for each month they are covered by the individual coverage HRA.

An employer can offer an individual coverage HRA instead of other job-based insurance that meets requirements for affordability and minimum value standards.

Employees and dependents with an individual coverage HRA offer, qualify for premium tax credits only if the employer's offer doesn't meet minimum standards for affordability, and they opt out of individual coverage HRA coverage.

## Qualified Small Employer HRAs (QSEHRAs)

Small employers who do not offer group health coverage to their employees can help employees pay for medical expenses through a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA). If your employer provides you with a QSEHRA, you can use it to help pay your household's health care costs (like your monthly premium) for qualifying coverage. Your employer may call this arrangement something else. Your employer will notify you if you are being provided an HRA that also requires you to enroll in minimum essential coverage.

## Minimum Essential Coverage:

Certain kinds of individual health insurance coverage, Marketplace coverage, Medicare Parts A (Hospital Insurance) and B (Medical Insurance) or Part C (Medicare Advantage), and possibly coverage through a family member's employment.

More detailed information available at <https://www.healthcare.gov/job-based-help/>

