

Individual Coverage Health Reimbursement Arrangement (ICHRA) FAQ

Updated February 2026

Frequently Asked Questions About ICHRA

What is ICHRA?

An Individual Coverage Health Reimbursement Arrangement, or ICHRA, is a relatively new model for employer-sponsored health insurance. An ICHRA allows employers to provide tax-free reimbursement to employees for health insurance and qualified medical expenses. Employees shop for an individual plan on- or off-Exchange that meets their needs and receive a defined contribution from their employer to offset some or all of their premium. ICHRA allows price sensitive employer groups to shift health coverage from the Group to Individual market without losing the tax benefit long tied to Group health coverage. It is important to note that to receive ICHRA, eligible employees will have to decline any federal or state subsidies they would have otherwise qualified for. As a broker, you can help the employee (consumer) determine which of these sources is most beneficial for their situation.

What is the difference between ICHRA and QSEHRA?

A Qualified Small Employer Health Reimbursement Arrangement (QSEHRA) works similarly to ICHRA, but the main difference between the two is that QSEHRA can only be used by small businesses (50 employees or less), whereas ICHRA can be used by companies of any size. There are also some other key differences, such as full employee class participation requirements, ability for employee to retain a portion of their subsidy (offset by employer contribution), plus limits on how much a company can contribute and eligible employees. For more information about QSEHRA, please visit healthcare.gov/small-businesses/learn-more/qsehra

Initiating ICHRA

Who can assist brokers with better understanding ICHRA and how it works?

Although working with an ICHRA third-party administrator (TPA) is not required, they can provide valuable assistance. TPAs bring expertise in regulatory compliance, administrative efficiency, and financial oversight to facilitate effective ICHRA management. For example, ICHRA administrators can provide a broad range of services including support to employers by getting the ICHRA set up plus management of employer and employee contributions for premium and out-of-pocket medical expenses. They can also provide support to employees in selecting and enrolling in a plan. They can further support brokers they partner with.

When deciding which TPA to partner with, it's important to have a clear sense of your needs, because not all TPAs provide the same services – some administrators work exclusively with employers and do very little to support employees or brokers, whereas others provide a more "white glove" service supporting employer, employees and partner brokers.

TPA services can include:

- Ensuring employees meet the criteria for ICHRA participation
- Assisting in structuring the ICHRA in compliance with regulatory frameworks, including contribution limits and employee classifications
- Staying abreast of federal and state regulations to ensure ICHRA remains compliant
- Providing employees with information about benefits and procedures
- Managing the entire enrollment procedure, including annual re-enrollment, if needed
- Managing premium payment and reimbursement of employee's out-of-pocket medical expenses, including pre-tax payroll deduction of employee contribution.

For a step-by-step guide to Off-Exchange ICHRA enrollment process, refer to:

[ICHRA Enrollment Process FAQ](#)

[ICHRA Enrollment Process FAQ - Spanish](#)

Can the premium payment be billed separately between the employer and subscriber (employee)?

No, all invoices will be sent to the subscriber; UHC does not split billing. Regardless of cost-share between employer and subscriber, payment must come from a single source (either the subscriber or employer/TPA). If the subscriber pays the premium, they can submit to their employer for reimbursement of the employer's contribution. If the employer or TPA pays, they can deduct the employee's contribution from their paycheck, and, if the enrollment is off-exchange, the employee contribution deduction can be done pre-tax.

How can I set up autopay to deduct ICHRA payments from an employer's account?

If the employer has agreed to pay the premium and wishes to pay directly, it is strongly recommended that the employer's preferred account is set up for autopay at the time of enrollment, using the "early pay" option.

For ICHRA/QSEHRA employer payments, the agent or broker of record (A/BOR) can make binder and/or monthly premium payments and set up/manage autopay by calling the Producer Help Desk (PHD) at 888-381-8581 or the state-specific member toll-free numbers provided on the "Contact Us" page in Jarvis. (This phone number can also be found on the back of the member's ID card and on monthly invoices.) Brokers calling in to Member Services have the option to utilize an automated interactive voice response (press 2 to make payment) or to be assisted by a Member Service Advocate.

*If the broker does not have the member on the line with them, broker authentication and member information must be provided to meet HIPAA requirements. The broker must be the agent of record for the member in question.

Discontinuing ICHRA

It is the subscriber's responsibility to initiate termination of their current healthcare plan, as they are the responsible party. Brokers should support the subscriber by guiding them through the termination process and can assist them in finding more appropriate coverage.

If a subscriber loses their ICHRA due to a change in employment, what steps need to be taken?

If there is a change in employment status that causes the ICHRA to be discontinued, the subscriber can terminate coverage or elect to pay the full premium to retain coverage. Alternatively, if the subscriber loses their ICHRA, they do qualify for a Special Enrollment Period (SEP), which allows them to select new coverage that may be a better fit given their change in circumstance.

If a subscriber loses coverage due to being unable to pay their portion of the premium, what steps need to be taken?

If the subscriber is unable to pay the monthly premium, coverage will be terminated. The employer (ICHRA sponsor) must be notified by the subscriber if/when coverage has been cancelled or terminated. If the subscriber incurs substantiated expenses prior to losing coverage, they may still be eligible for reimbursement for those costs.

How can brokers help an employer terminate autopay on the ICHRA payment for an employee who is no longer employed by the company?

If the subscriber is no longer employed by the company providing ICHRA benefits, the subscriber will still be enrolled in their health plan and will continue to receive invoices for their monthly premium. **If the employer had an account set up for autopay, the payment will continue to go through until autopay has been cancelled.**

To remove an employer's account from autopay after ICHRA has been terminated, the agent or broker of record can contact the Producer Help Desk (PHD) at 888-381-8581 or Member Services. Member Services can be reached via the state-specific member toll-free numbers provided on the "Contact Us" page in Jarvis. This phone number can also be found on the back of the member's ID card.

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