

PY27 UHC CHOICE Arrangement Quick Reference Guide



What is it?

A CHOICE Arrangement, which stands for Custom Health Option and Individual Care Expense Arrangement (previously known as ICHRA), allows employers to provide tax-free reimbursement to employees for health insurance and qualified medical expenses. Employees choose an individual plan and receive a defined employer contribution to offset premiums and/or medical expenses.

What it is

- Employer funded
- Flexible
- Tax-Advantaged
- Employee choice
- Regulated
- Portable

What it isn't

- Health Savings Account
- One-size "Fits All" solution
- Compatible with premium tax credits
- Health insurance policy
- Group health plan

How does it work?

- 1 Employers offer funds for **premiums and/or medical expenses** to employees. Employers can **customize how much they offer** different types of employees.
- 2 Employees take employer funds and **enroll in ACA plans via an online platform** (ACA Marketplaces, payer sites, third-party platforms) or through a **broker**
- 3 **Employees can then use their plan** and if applicable, can receive reimbursement directly from their employer or through their platform

Eligibility requirements



Employees **are required** to enroll in an ACA compliant Qualified Health Plan



Short term, indemnity and health care sharing ministry plans are **ineligible**



Employees **cannot** utilize premium tax credits on a CHOICE Arrangement

Engagement to date

Since its introduction in 2019, CHOICE Arrangement (formerly ICHRA) has grown steadily each year. More employers are exploring it as a flexible, cost-effective option for employees, particularly in markets where group insurance premiums are higher than individual premiums. With more plan options and better cost control, both interest and insurer participation continue to rise.



Who are the consumers?

Household income:

>\$75K (58%)¹

Average age: 34² (51% between ages 19-39)¹

Education: 4-year College Degree (57%)¹

Home ownership:

Owns Home (72%)¹

Employer size:

<50 Employees¹

Avg. monthly employer CHOICE Arrangement contribution: \$524³

Employer industry:

Restaurants, Hospitality, Professional Services, Healthcare, Landscaping, Construction⁴

Higher preference for **Gold/Platinum** plans, indicating desire for richer benefits and having family on the plan¹

Preference for **larger network**¹

More likely to **keep the same carrier** that they previously had¹

¹ 2024 Deft Commercial Study Group and ICHRA Study

² <https://www.prnewswire.com/news-releases/sureco-analysis-finds-ichras-vastly-expand-consumer-choice-strengthen-individual-insurance-markets-301970607.html>

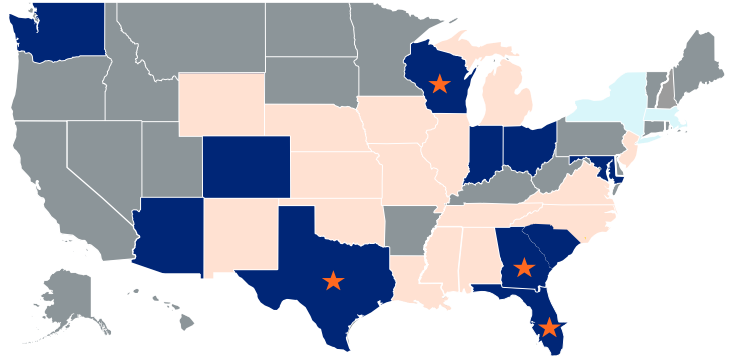
³ <https://www.peoplekeep.com/blog/optimizing-ichra-contributions-strategies-to-maximize-value>

⁴ The State of ICHRA 2025, SureCo

UHC CHOICE Arrangement offerings

Overview

UnitedHealthcare offers targeted CHOICE Arrangement solutions through select off-exchange individual market portfolios. CHOICE Arrangement-focused product offerings are designed to provide employers with access to individual market coverage options while offering members a range of plan choices across metal levels. Product availability and portfolio configurations vary by state and market.



Standalone Off-Exchange Portfolio: AZ, CO, FL, GA, IN, MD, OH, SC, TX, WA, WI



2027 Standalone Off-Exchange Silver Plans Without CSR Loading



Broad Network Off-Exchange Portfolio (UHC Complete): FL, GA, TX, WI



No Standalone Off-Exchange Portfolio

UHC Complete Plans

UHC Complete Plans are off-exchange individual market products featuring broad commercial provider networks. These products are designed to provide greater provider choice while supporting the growing demand for individual market coverage solutions, including CHOICE Arrangements.

- Available in Georgia, Florida, Texas and Wisconsin.
- Broad commercial provider network design.
- Offered as off-exchange individual market products.
- Plan availability and network configurations vary by market.
- Plans are HMO and ungated.

Please note that a member does not need to participate in a CHOICE Arrangement in order to be enrolled in a UHC Complete plan.

UHC operational support for CHOICE Arrangement

White glove service

UHC utilizes a support model whereby if any agent or agency should encounter any CHOICE Arrangement-related issues – enrollment, payment, or otherwise – they should contact their Agency Manager. Agency managers are very attuned to key in on these issues and have an internal team of CHOICE Arrangement specialists they will tap for resolution.

The benefits described may not be offered on all plans or in all states. Some plans may require copayments, deductibles and/or coinsurance for these benefits. The policy has exclusions, limitations, reduction of benefits, and terms under which the policy may be continued in force or discontinued. For costs and complete details of the coverage, review the plan coverage documents, or call or write your insurance agent/broker or the company, whichever is applicable.

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