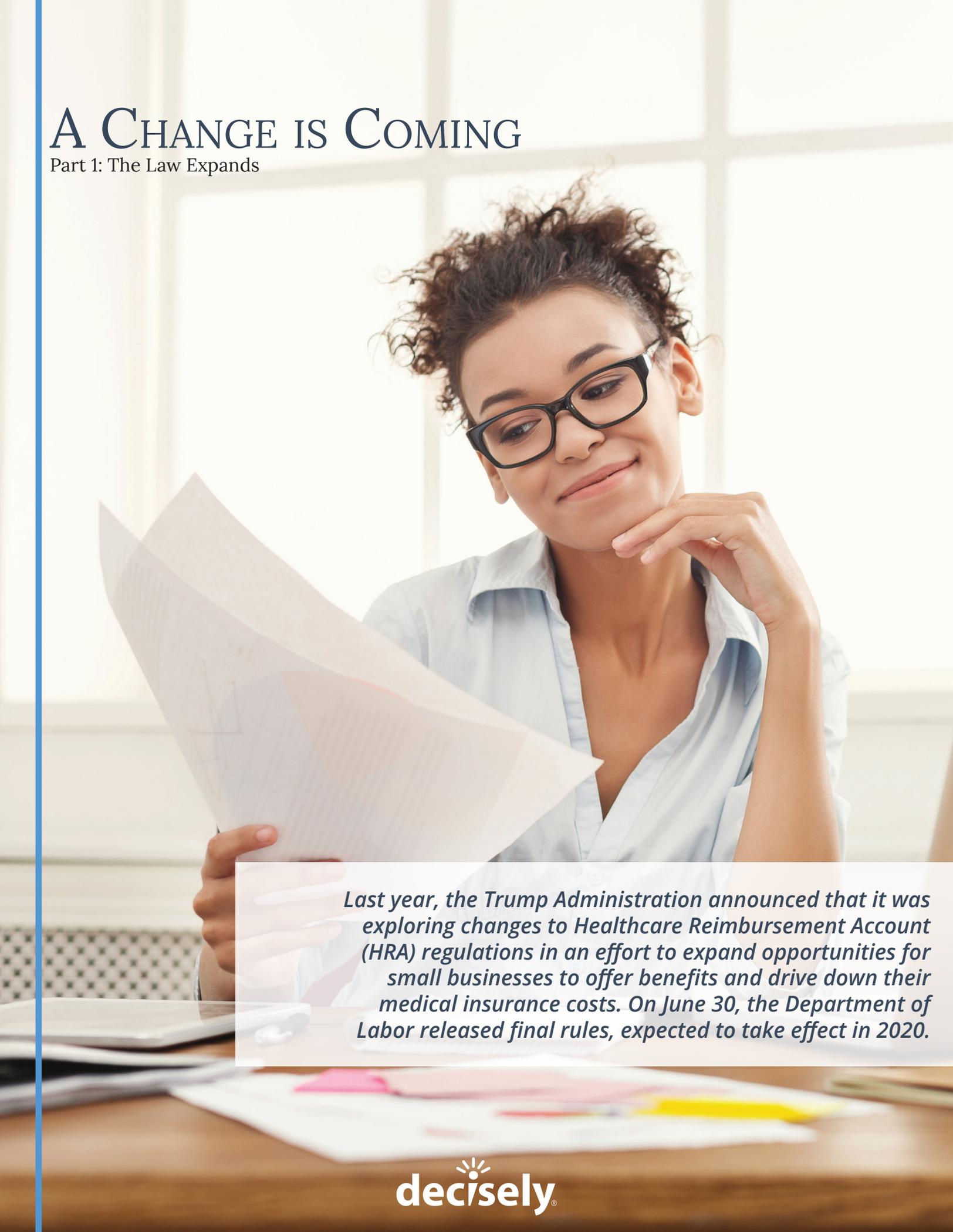


# A CHANGE IS COMING

Part 1: The Law Expands



*Last year, the Trump Administration announced that it was exploring changes to Healthcare Reimbursement Account (HRA) regulations in an effort to expand opportunities for small businesses to offer benefits and drive down their medical insurance costs. On June 30, the Department of Labor released final rules, expected to take effect in 2020.*

## What's an HRA?

Health Reimbursement Accounts (HRAs) already exist today through a little-known program called a Qualified Small Employer HRA, abbreviated as QSEHRA. With a QSEHRA, an employer contributes funds to a tax-deductible HRA for each employee. When an employee selects and obtains a health insurance plan, money from their HRA is paid out to them to help offset the cost of premiums. The catch with a QSEHRA was that there was a cap on eligibility by business size. Starting in 2020, all employers, regardless of size, will qualify.

The new option is called an Individual HRA, or IHRA. What was once a great measure for small businesses may also now be an attractive option for mid-sized businesses.

Based on research that Decisely has conducted with over 8,000 small businesses, barely half of employers under 50 lives offer health benefits to their employees. Any option that expands benefits access for the 40 million people currently working for a small business has the potential to do a lot of good.

## Why would a business offer an IHRA?

Business owners can only fund what they can afford. According to a study conducted by the Kaiser Family Foundation, the average annual premium for individual coverage in 2018 was \$6,896. Employers are required to pay for at least

half of that premium. Many small businesses can't afford to pay \$3,434 per employee. An HRA gives employers the opportunity to contribute an amount that works for them.

An HRA also makes offering benefits much simpler than traditional group benefits. The employee is responsible for sourcing and purchasing individual health insurance. Employees get plans customized to them and employers gain significant time savings.

Competition for qualified employees is fierce in today's job market. Employers often have to provide more than a paycheck to attract and retain the best talent. It's no secret that employees will go where they are valued, and a great way for employers to show they value their employees can be to provide a way of reducing the heavy (and always increasing) burden of insurance costs.

## How do I get an HRA for my employees?

The clock is ticking—if you want to take advantage of the new rules, your employees must enroll in an individual plan during the 2019 open enrollment period (Nov 1 – Dec 15). Setting up the actual HRA will take a bit of professional guidance. That's where we can help.

Decisely can quickly and easily help set up your HRA in time for open enrollment. Take some time to visit [decisely.com/benefits](https://decisely.com/benefits) today to get started doing what's best for your employees and your business. 🌟



### About the Author

Chris Duncan is the EVP & COO of Decisely, an insurtech firm specializing in small business solutions for Brokers, Associations and Franchises. He is also the former Risk Manager/Head of Security for a major national franchisee brand in the Quick Service Restaurant Industry.



### About Decisely

Decisely is a Benefits brokerage and HR services firm specializing in integrated technology solutions for Small Businesses. Supported by licensed benefit brokers and industry professionals, the Decisely solution provides the right mix of healthcare benefits, recruiting, HR admin, compliance, and payroll on one easy-to-use platform. For more information visit [decisely.com](https://decisely.com).