



Tips for Choosing the Right Healthcare Plan

When employees are selecting a health plan in conjunction with an Individual Coverage Health Reimbursement Arrangement (ICHRA), there are several key factors to consider. ICHRA gives employees the flexibility to choose the plan that best meets their needs while also providing a financial contribution from the employer.

Here's what employees should think about:

01 Plan Coverage and Network

Provider Network: Ensure the health plan includes your preferred doctors, hospitals, and specialists. Check if your existing healthcare providers are in-network, as out-of-network care can be significantly more expensive.

Covered Services: Review the list of covered services (e.g., prescription drugs, mental health services, maternity care, preventive care). Make sure the plan covers the services and treatments you or your family frequently use.

02 Monthly Premiums

Affordability: Compare premium costs, especially considering the allowance limits set by your employer. You'll want a plan with premiums that fit within your budget, even with the ICHRA allowance.

Employer Contribution: Understand the maximum allowance amount offered by your employer under the ICHRA and how that offsets your premium.

03 Out of Pocket Costs

Deductibles and Copayments: Look at the plan's deductible (the amount you pay before insurance starts covering costs) and copayment or coinsurance amounts (your share of costs after meeting the deductible). Lower premiums often come with higher out-of-pocket costs, so balance these based on your expected healthcare usage.

Out-of-Pocket Maximums: Consider the plan's annual out-of-pocket maximum, which is the most you'll have to pay for covered services in a year. This can help protect against catastrophic healthcare expenses.

04 Type of Plan

HMO, PPO, EPO, or POS: The type of health plan (Health Maintenance Organization, Preferred Provider Organization, Exclusive Provider Organization, or Point of Service) impacts your flexibility in choosing providers and getting care without referrals.

- **HMO:** Requires you to stay within a network and get referrals to see specialists.
- **PPO:** Offers more flexibility with both in-network and out-of-network care but at higher costs for out-of-network providers.
- **EPO:** A balance of network-based care without the need for referrals but typically no out-of-network coverage.
- **POS:** Combines HMO and PPO features but usually requires a primary care doctor referral for specialists.

05 Prescription Drug Coverage

If you or your family members rely on prescription medications, review the drug formulary (list of covered drugs) and the associated costs. Check if your medications are covered and at what tier, as this affects your copayments.

06 Special Health Needs

Consider whether you or your family have specific health needs that require particular treatments, therapies, or specialists. Some plans may be more accommodating for chronic conditions or specific healthcare requirements.

07 Carrier Reputation and Customer Service

Research the insurance carrier's reputation for customer service and how easy it is to work with them regarding claims processing, network management, and general support.

08 Plan Flexibility for Family Members

If you're covering dependents, evaluate the plan options for their specific health needs as well. Some plans may have better pediatric coverage or support for family planning services.

09 Tax Considerations

ICHRAs are tax-advantaged for both employees and employers, so be aware of how much of your premium is covered by your employer's contribution tax-free. This can impact how you manage healthcare expenses overall.

10 Availability of Alternative Options

Consider if alternative coverage options, such as ACA Marketplace plans, Medicaid, or other government-subsidized programs, may better meet your needs. With ICHRA, you have the flexibility to shop for individual coverage that fits your specific requirements.

By carefully considering these factors, employees can make an informed decision when selecting health coverage with ICHRA, ensuring they maximize the value of the employer's contribution and choose a plan that fits their health and financial needs.