NEWS BRIEF

CMS Renames ICHRAs as CHOICE Arrangements

The Centers for Medicare and Medicaid Services (CMS) recently introduced a new name for individual coverage health reimbursement arrangements (ICHRAs), now referred to as CHOICE Arrangements. CHOICE Arrangement stands for Custom Health Option and Individual Care Expense Arrangement.

On Sept. 3, CMS Administrator Dr. Mehmet Oz joined the U.S. Small Business Administration to promote the renamed plans and encourage broader adoption among employers.

"CHOICE gives employers another option—instead of funding a plan, they get to fund their people. It's a name that finally captures what this benefit has always been about: giving employees the power to choose their own coverage."

Jon Whitmer, senior VP of Carrier Relations, Remodel Health

As part of the announcement, CMS published a new CHOICE Arrangement fact sheet outlining how the arrangements work. Officials reiterated that employers may contribute the same fixed dollar amount toward coverage for every employee enrolled in the arrangement, regardless of age or family size, a design feature intended to simplify administration and support predictable budgeting.

The rebranding also does not change the structure or regulatory requirements of the arrangements. Employers offering or considering this type of coverage will continue to follow the same eligibility and contribution rules that applied under the ICHRA. Consider the following four steps from CMS for employers to get started with CHOICE Arrangements:

- Learn the basic structure of CHOICE Arrangements.
- Estimate the company's costs and see if it's a good fit for the workforce.
- Connect with a broker or third-party administrator to see how they offer support.
- Visit CMS' new website for more information, including an overview of the accounts, a cost and contribution calculator and a list of CHOICE Arrangement vendors.

Employer Takeaway

Employers do not need to take any immediate action as a result of the name change. Existing ICHRA plan documents, payroll setups and employee communications remain valid.

Contact us for more information about ICHRAs/CHOICE Arrangements. We'll keep you updated with any notable developments.