



# President Signs HRA Revisions: BBP Admin is able to immediately support provisions

On December 13, 2016, President Obama signed H.R. 34, which includes a variety of healthcare provisions, including the 21st Century Cures Act and the HRA provision for eligible small employers. For HRA provision specifics, see [page 824, section 18001](#) of the legislation.

The provision allows for eligible small employers to offer Health Reimbursement Arrangements (HRAs) that are funded solely by the employer to reimburse employees for qualified medical expenses, including health insurance premiums.

This provision overturns Department of Labor and IRS guidance that currently prevents some employers from funding employee HRAs because these arrangements were found to violate the Affordable Care Act insurance market reforms. The agency guidance would still prohibit these arrangements for larger employers.

In order for an employer to qualify for this new HRA allowance, they must have less than 50 full time employees, do not offer a group health plan and must provide the HRA on the same terms to all eligible employees. The maximum reimbursement small employers can provide under the plan is \$4,950 for individuals and \$10,000 for families, and the provision is effective for plan years beginning after December 31, 2016. The coverage and payments under a qualified HRA are excluded from gross income, unless the employee does not have minimum essential coverage for the month in which the medical care was provided.

**To learn how BBP Admin is ready to support this change,** contact us at [info@bbpadmin.com](mailto:info@bbpadmin.com) or 630-773-2337 today!