



HRA Council

Jack Hooper, Board Chair
Robin Paoli, Executive Director
Contact: robin@hracouncil.org

January 27, 2022

Chiquita Brooks-LaSure

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-9911-P
P.O. Box 8016
Baltimore, Maryland 21244-1850

Submitted Electronically: www.regulations.gov

Re: Comments on 2023 Notice of Benefit and Payment Parameters

Dear Administrator Brooks-LaSure:

Thank you for the opportunity to comment on the proposed Notice of Benefit and Payment Parameters. We are writing this letter on behalf of the HRA Council—a non-profit, non-partisan advocacy group comprised of health reimbursement arrangement (HRA) administrators and practitioners working to create a vibrant HRA market by easing employers' ability to offer HRAs and employees' ability to use an HRA to enroll in coverage. Our mission is to promote education and awareness around HRAs and build upon them to improve the stability and affordability of individual market health coverage. Collectively, organizations comprising the HRA Council are working with thousands of employers and hundreds of thousands of employees and their dependents to help them with their respective offer and receipt of health insurance using HRAs.

A previous rule from HHS and the Departments of Treasury and Labor created individual coverage health reimbursement arrangements (ICHRAs). This rule took effect on January 1, 2020. Employer contributions to worker ICHRAs are tax-preferred, so this rule essentially equalizes the tax treatment between traditional employer group plans and this new defined contribution mechanism. Most employers that offer health insurance only provide workers with a single option, so ICHRAs have the potential to significantly increase worker choice and control over their health insurance.

While ICHRAs are important for employers and employees, they work within the Affordable Care Act's basic framework, where tax-free employer contributions are leveraged by employees to increase the number of insureds and boost individual market enrollment. Based on the experiences of HRA Council



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member organizations, there is a lot of momentum for ICHRAs with a significant increase in enrollment in 2022.

We believe the evidence suggests that ICHRAs are already improving the individual market. Our members report that enrollees using ICHRAs are much younger than individuals purchasing coverage through the exchanges. The typical employee using an ICHRA to purchase an individual market plan is between their mid-30's and mid-40's—nearly 15 years younger than the typical enrollee purchasing through a health insurance exchange.

We support the proposals in the proposed rule to collect information on ICHRAs, so policymakers can gather the information needed to best support this new market opportunity. The HRA Council is also working to gather pertinent information about employers offering ICHRAs and about the characteristics of employees and their family members enrolling in coverage using ICHRAs. ICHRAs will only remain a viable option for employers and employees to the extent the individual market offers attractive coverage. We look forward to working to provide you with the information that the department needs on ICHRAs as well as in its development of policies that improve the individual market for health insurance.

Sincerely,

/s/

HRA Council

Jack Hooper, Board Chair

Sheilla Jones, Policy & Advocacy Chair

Brian Blase, Policy Advisor

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