

Companies with fewer than 50 full-time employees that don't offer group health insurance can help employees pay for medical expenses through a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA). This company-funded, tax-free health benefit is used to reimburse employees for personal health care expenses.

How it works: A company sets a monthly allowance for employees and employees with dependents. The 2022 annual limit is \$5,450 and \$11,050, respectively. With their own money, employees buy the health care products and services they want. After incurring an expense, employees submit proof of their purchase for reimbursement.

An Individual Coverage Health Reimbursement Arrangement (ICHRA) is like QSEHRA but has higher limits. In fact, with an ICHRA, employers can offer as much or as little as they'd like, as long as it's offered fairly to each employee class. With traditional group health plans, it is often difficult to find one plan that works for everybody. QSEHRAs and ICHRAs give employees the ability to essentially own their health plan and choose plans and doctors that work for them.