

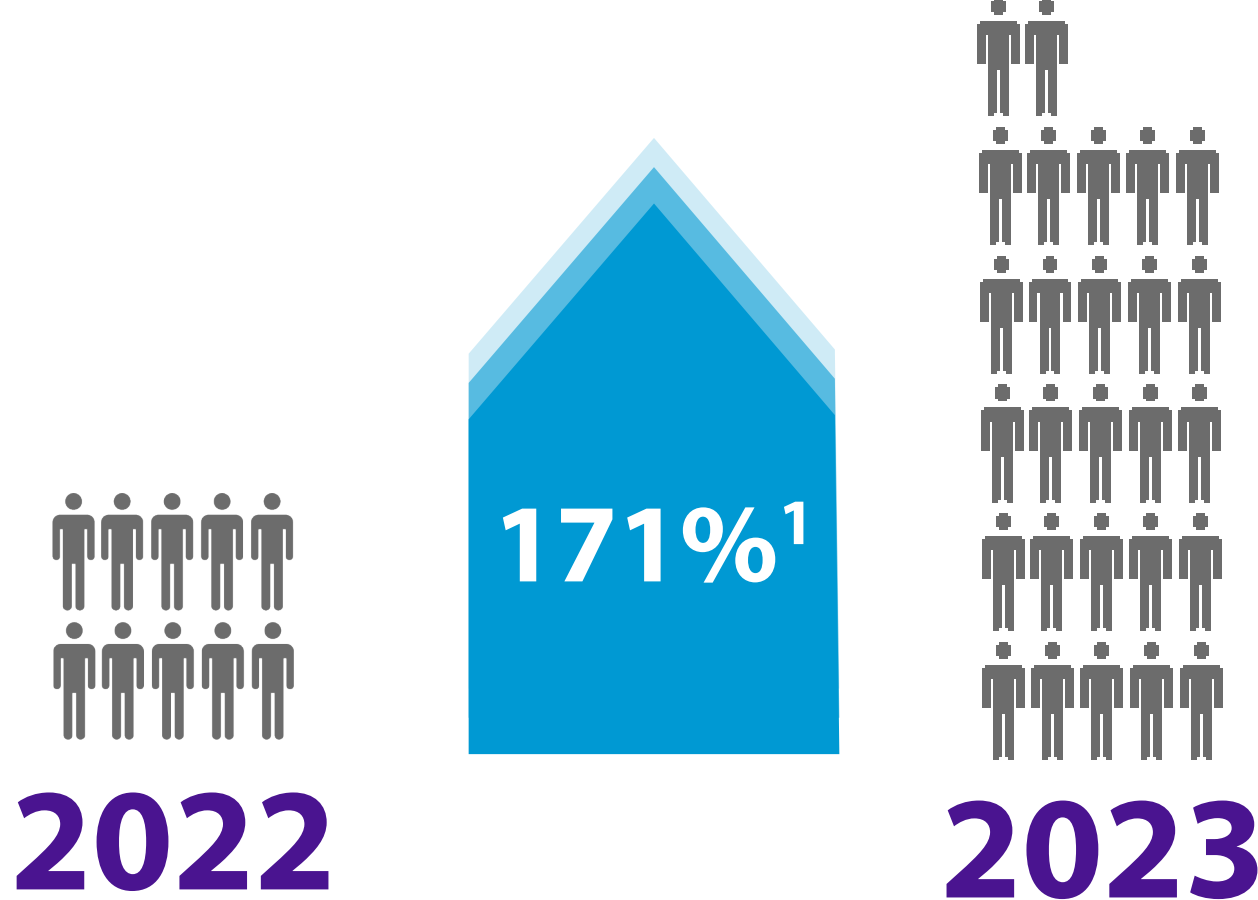


What is an ICHRA? (pronounced "ick-rah")

An ICHRA (Individual Coverage Health Reimbursement Arrangement) is a company-funded health benefit that reimburses employees for valid healthcare expenses such as monthly premiums, copays, and other qualified medical expenses, up to the plan allowance.

The Rise of ICHRA Adoption

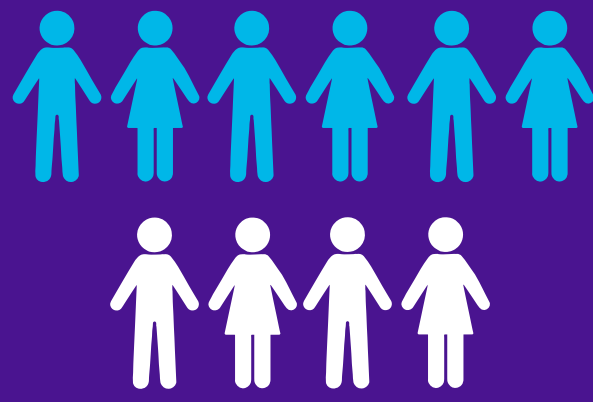
Growth in the number of U.S. workers offered ICHRAs



As a cost-effective alternative for employers and expanding the freedom of choice to employees, the final rule from 2019 estimated **11.4 million** employees would receive coverage through an ICHRA by **2029**.²



Nearly 6 in 10 Employees Offered an HRA Accepted in 2022³



Nearly 6 in 10 employees accept ICHRA or QSEHRA when offered by their employer, approaching national figures for employees accepting traditional ESI. **Why doesn't every employee accept the offer of an HRA or other ESI?** Some employees are covered as a dependent under a spouse, partner, or parent's insurance, and other employees decide they don't need, can't afford, or aren't yet ready to select health insurance.

The Advantages

Empower Choice



Employees can choose their own health insurance plan, right-sized to their needs.

Cost Savings



Employers can establish an affordable, more predictable annual healthcare budget.

Administration: The Tricky Part

Employer's ask

"How do you pay different carriers, plans, and coverage every month for each individual employee?"



Compliance - Employers can't simply add a paycheck allowance to maintain tax-free status.



Funding Premiums - Requiring employees to fund premiums upfront diminishes the affordability of an ICHRA plan.



Administration - Monthly reimbursement process and compliance paperwork can overwhelm employers and employees.

ICHRA + Payment Automation

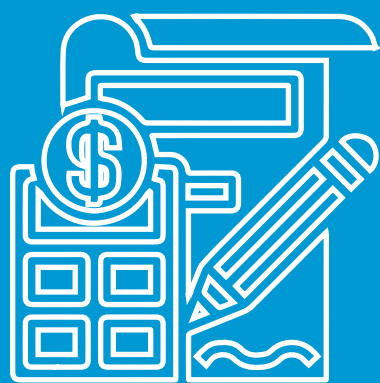
Payment automation, combined with regulatory compliance, helps any ICHRA work like a traditional health benefits plan.

- Automation
- Eliminate cumbersome paperwork and employee involvement
- Compliance
- Automatically meet substantiation and regulatory requirements
- Flexibility
- Payment options to meet the needs of any carrier's payment preferences
- Visibility
- Clear reporting and a user-friendly experience



Expanding Affordable Healthcare Coverage with ICHRA

The personalized benefits and flexibility of an ICHRA plan will increasingly meet the needs of a modern workforce. For brokers and employers to keep up, they need to invest in automation for simplicity, compliance, efficiency, and support.



SOURCES:

- ¹ <https://www.hracouncil.org/>
² A Rule by the Internal Revenue Service, the Employee Benefits Security Administration, and the Health and Human Services Department on 06/20/2019
³ Growth Trends for ICHRA and QSEHRA 2020-2022', https://hracouncil.wildapricot.org/resources/Documents/2022_HRAC_Data_FullReport_Final.pdf