



Month Day, Year

ICHRA PLANS

THE USI  ONE ADVANTAGE[®]

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Unsustainable Health Care Premiums

Double-digit, compounded rate increases and the ACA requirement to offer coverage are putting some businesses at risk



Insurance carrier consolidation has created a limited market for employer-sponsored health care.



Family coverage can often represent 50% of low-income employee's wages.



Employers are often forced to select a single carrier for the many different needs of their employees.



Administration expenses and time investment created an undue burden for employers.



Self-funded employers may be subject to larger liability leaving them responsible for large claims.

Key Observations

- The Affordable Care Act (ACA) did not address cost mitigation solutions instead it generally increased costs due to expanded and guaranteed issue coverage.
- The ACA created federal and state-based exchanges with regulations designed to expand the individual marketplace.
- Employees have typically not accessed these exchanges because of the availability of an employer-sponsored group plan.

Individual Coverage Health Reimbursement Account (ICHRA)

USI assists employers seeking to offer a broad array of individual coverages in replacement of group coverage.

Individual Coverage Health Reimbursement Arrangement (ICHRA) Plans facilitate the purchase of individual coverage with an employer contribution to meet ACA requirements.

Employers seeking to stabilize their budgets may fix or set contributions over a multi-year period, allowing employees to choose:

- to pay the rate increase difference; or
- select new lower-cost plans.

Employers may offer payroll deductions to replicate employer sponsored experience to support as an employee retention.

Individual plan rates are based on age, sex, and zip code, reducing costs for younger employees.

Key Observations

- An ICHRA plan enables employers to meet the ACA requirement that employers with >50 employees offer minimal essential, minimal value, and affordable coverage.
- USI assists employers in determining the contribution levels ranging from:
 - fixed dollar amount; or
 - percentage of the lowest plan; or
 - “minimal affordable” contributions.
- USI’s compliance, underwriting, HR technology, and communication teams work together to ensure an economical, compliant, comprehensive employee strategy.

Pros and Cons of ICHRA Plans

Employer Pros

- Eliminate much of the burden of offering & administering health insurance.
- Reduce enrollment & bill paperwork.
- Expand employee choice and boost retention.
- Employers may select a TPA or ICHRA vender to administer the program.
- Avoid ACA penalties.



Employer Cons

- Medicare-eligible employees and spouses must move to Medicare.
- Employees may perceive that employer has “dropped” coverage.



Employee Pros

- Wide array of coverages allows employees to select coverage that best suits their needs.
- Typically, employees are offered a lower cost option than traditional group plan.
- Employee owns coverage and is not tied to employment. Employer reimbursement is subject to employment.



Employee Cons

- Typically, carrier networks are smaller than those offered through group insurance plans.
- Older employees are likely to see contribution increases from traditional group coverage.



ICHRA Plan Administrators

USI assists employers with the selection of the appropriate ICHRA plan administrator to meet employer goals and employee needs.

- USI creates communications strategies to facilitate a smooth transition from traditional group insurance to an ICHRA.
- USI maintains an extensive vendor database to provide employers with the broadest array of vendors in the marketplace.

Key Observations

- Employer options may include:
 - A simple pre-tax reimbursement amount with employee responsible for plan selection and payment
 - A curated employee enrollment experience replicating a traditional benefits administration platform
- Appropriate COBRA vendor selection (admin that understands what an ICHRA is and how to bill COBRA participant for it).



DECISION
MAKING

**NEXT
STEPS**



INNOVATION



GROWTH



TIMING

VISION

USI underwriters perform
an analysis for your
review

- Copy of renewals from prior two years
- Census file



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