



## ICHRA Masterclass:

How Groups With 200+ Employees Can Invigorate Group Benefits With the Power of the Individual Market

# About SureCo

The **ICHRA** Partner Made for **Large Groups**

**SureCo**

## Mission Driven

Improving the health and well-being of working Americans by building the first Enterprise healthcare marketplace.

## Made for Large Groups (200+ EEs)

A benefit administration & enrollment platform tailor-made for the priorities of large and distributed teams.

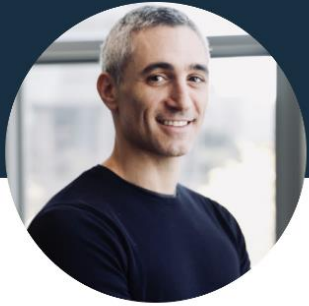
## Experience and Results

60+ years of combined healthcare compliance and ICHRA experience, with 98% customer retention.

## Lobbying Efforts

Instrumental in the lobbying efforts that led to the passing of ICHRA.

# Presenters



**Adam Pines**  
Chief Growth Officer

SureCo



**Chris Krusiewicz**  
SVP, Employee Benefits

Burnham Benefits



**Patty MacDonald**  
HR Director

Volta Oil



**Jason Pappas**  
Regional Director

SureCo



**Lindsey Unterberger**  
VP of Product Marketing

SureCo

# Syllabus

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# Lesson 01

# What Is an ICHRA?

# What Is an ICHRA?

## Individual Coverage Health Reimbursement Arrangement

### **A cost-effective, ACA-compliant group health insurance model that:**

- Provides an easy way to offer quality, custom benefits at scale.
- Allows each employee to pick the plan that matches their needs from the individual market.
- Enables companies to set pre-tax contribution amounts.
- Saves large companies an average of 23% on yearly premiums.
- Was the result of a bipartisan regulatory change that went into effect in 2020.

# Let's Talk About the Individual Market



## What It Is

Where any American can go buy a health insurance plan.

## Plans

Includes both on- and off-exchange plans that are high quality and ACA compliant.

## Rates

Renewal rates are driven by the stable individual market instead of unpredictable claims.

## Growth

Carrier participation continues steady 5-year growth.

# ICHRA vs Traditional Group Health

## ICHRA vs Traditional Group

	ICHRA	Traditional
Vast Carrier & Plan Selection	<input checked="" type="checkbox"/>	Limited
Contribution Strategy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Plan Design & Carrier Negotiation	None	Annually
Administrative Ease	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cost Friendly	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Geographic Flexibility	<input checked="" type="checkbox"/>	Limited
Claims Risk	None	High
Mitigation for Older & Riskier Employees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Simplified ACA & COBRA Compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Broker Endorsed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



# How an ICHRA Works

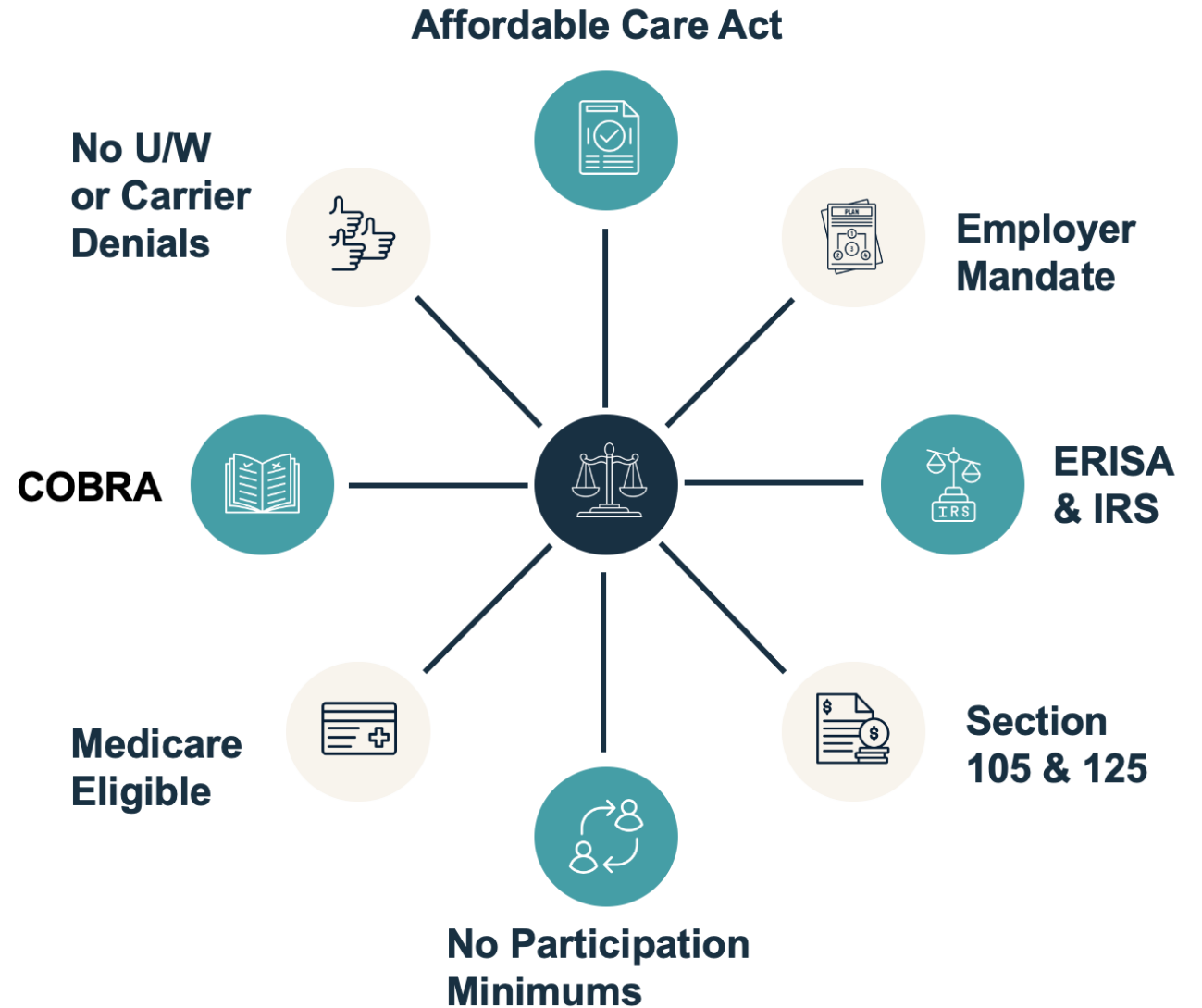


- 1 Define Your Contribution Strategy
- 2 Employees Choose Their Health Plan
- 3 Administration & Compliance

... & with the *right partner* ICHRA will mimic your traditional group experience

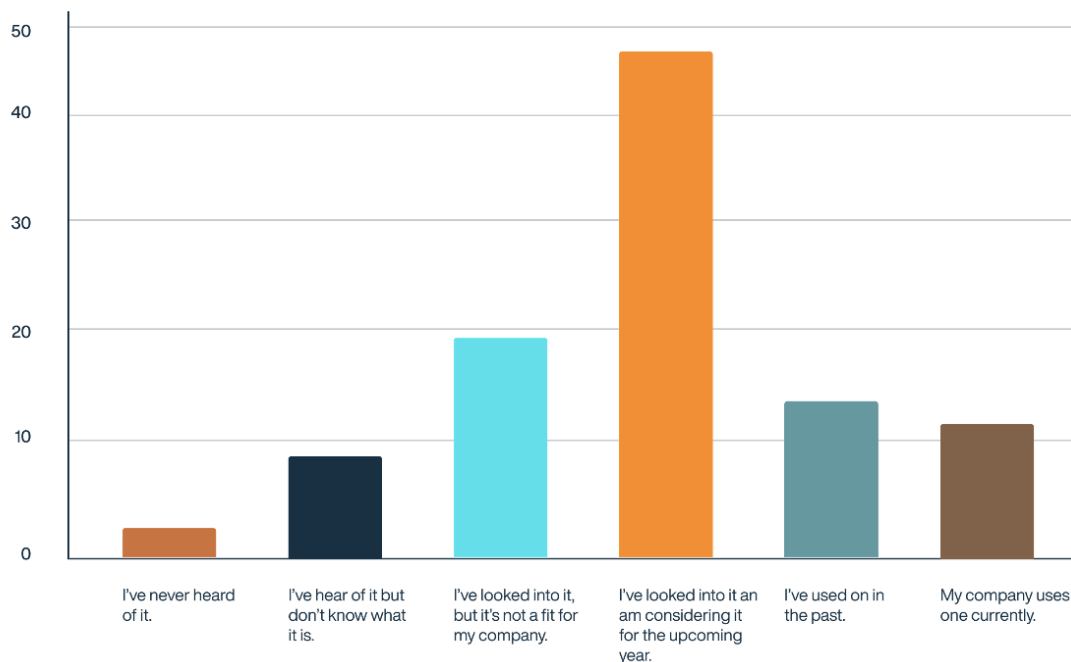
# Compliance & Regulation

When administered correctly, ICHRAs satisfy everything a company needs to stay compliant and reduce new risks downstream.



# ICHRAs: A Cost-Containing Benefits Model on the Rise for Large Groups

How Familiar Are You With ICHRAs?



42%

of employers are considering an ICHRA for the upcoming year

63%

of brokers believe ICHRAs will take over at least 50% of the market in the next decade

78%

of employers said their broker raised an ICHRA to them

# A Closer Look at How ICHRA's Benefit **Employees**



Access to in-network, local coverage



Option to keep their doctors at the best price



Freedom to choose a plan that matches their needs & budget



Ability to keep coverage due to plan portability

**72% of employees** say the ability to customize their benefits increases loyalty to their employer (MetLife)

# A Closer Look at How ICHRAs Benefit **Large Employers**



Improve employee satisfaction and ensure a healthy, engaged workforce



Attract top-tier talent with competitive benefits offerings



Control long-term cost and risk without compromising quality



Reduce administrative burden and free up HR teams' time

**56% of employees** say they're more productive when they feel cared for at work (MetLife)

# POP QUIZ!

## An ICHRA....

- a) Offers large employers an easy way to provide quality custom benefits at scale
- b) Gives employees the option to retain their doctors, often at a better price
- c) Gives employees flexibility and localization in their plan options
- d) Provides employers with increased cost and risk control
- e) All of the above

## Lesson 02

# Large Companies That Benefit From ICHRAS

# Characteristics of Companies Best-Suited for an ICHRA



Companies that want to offer employees more plan choices



Employers who want to escape the financial risk associated with the health of their employees



Geographically distributed workforces



A high percentage of Medicare-eligible employees



High-risk & high-turnover industries



# Industries That Reap Major Benefits From Moving to an ICHRA



## Retail/Wholesale

Affordable and scalable solution for varied wage earners—from minimum-wage to C-suite.



## Technology

Access to local, in-network coverage for remote workers regardless of where they live.



## Education

A cost-saving benefits model to help defray revenue challenges due to declining enrollment.



## Healthcare

Attractive benefits to attract and retain workers in an industry plagued by labor shortages.



## Manufacturing

Cost predictability & streamlined administration offset supply chain disruptions + high turnover.



## Non-Profit

No participation minimums and customized coverage options for a diverse workforce.

*...and many more*

# ICHRA in Action



## Technology

- » 722 EEs
- » \$1M saved on premiums
- » 80% employee satisfaction



## Healthcare

- » 1,874 EEs
- » 35% premium savings
- » 56 unique plans chosen



## Education

- » 265 EEs
- » 40% premium savings
- » 34 unique plans chosen



## Non Profit

- » 428 EEs
- » 1.4M premium savings
- » 24 Medicare-eligible workers

# Real People, Real Solutions

6 People

2 ICHRA Plans

1 Happy Family



# POP QUIZ!

## True or False?

ICHRAs are a great solution for enterprise-level companies and diverse, distributed workforces.

## True or False?

An ICHRA can raise your employee satisfaction scores.

## True or False?

ICHRAs present a huge opportunity for cost savings.

## Lesson 03

# What Moving to an ICHRA Means for HR Leaders

# Case Study: How **Volta Oil** Avoided a 29% Increase by Switching to an ICHRA



**Volta Oil, a wholesale petroleum company with a transportation division and a chain of 17 convenience stores and gas stations was facing its second consecutive year of more than 23% renewal rate increases.**

**200+**

employees spread across 3 states

**14%**

annual premium savings

**23**

unique plans chosen from 6 carriers

# How ICHRA Changed My Work Life for the Better

- 1 Open enrollment has never been easier**  
I'm an HR department of 1, so used to do every single enrollment online. Now I don't have to do any!
- 2 Renewals no longer keep me up at night**  
Because my rates aren't based on claims, I'm not worried about a few employees causing increases for everyone.
- 3 COBRA is virtually non-existent**  
I had signed up for a COBRA administrator, but I don't need it anymore because employees can keep their plans.



**"I've overseen open enrollment for three companies for the past 20 years. That's 60 open enrollments, and I can say open enrollment on ICHRA has been the easiest by far."**

—Patty MacDonald, Volta Oil

# My Employees Love ICHRA

**"Everyone, from my 86-year-old CEO to my younger, minimum-wage workers have been thrilled! They'll all saved so much on their premiums that they feel like they were given de facto raises!"**

—Patty MacDonald, Volta Oil



# Increased HR Efficiencies

How an ICHRA frees up my time to focus on employee development



**Onboarding:** Onboard and enroll new employees seamlessly.



**Reporting:** Gather metrics on contribution expenses, participation rates, and more.



**Systems:** Work with your existing benefits consultant and integrate with HRIS and payroll systems.



**Separation:** Employee plan ownership = virtually no COBRA.

# POP QUIZ!

## Switching to an ICHRA will allow you to...

- a) Customize employee coverage
- b) Use your cost savings for new initiatives
- c) Lessen your team's workload around compliance and reimbursement
- d) All of the above

# Lesson 04

## How a Benefits Consultant Evaluates ICHRA Admin Partners for Large Groups

# A Benefits Consultant's Perspective on ICHRA

“ICHRA is the third way to do employee benefits. Every company should consider ICHRA just like they do fully insured and self-funded options.”

—Chris Krusiewicz, Burnham Benefits

Necessary

ICHRA is a much-needed new tool in a consultant's toolbox.

Inevitable

Change is here to stay.

Easy

ICHRA can be a great fit for large groups **with the right partner.**



# Picking the Right ICHRA Administration Platform

Best-in-class features to look for when evaluating a platform



Intuitive  
UI/UX for  
employees &  
admin



Filters that allow  
for sorting by  
plan type (PPO,  
HMO, HDHP, etc)



Provider look-  
up and plan  
comparison  
functionality



Integrations  
with existing  
payroll and  
HRIS

The right platform will **reduce** the administrative burden for you and your benefits consultant, so you can both focus on adding strategic value.

# Picking the Right ICHRA Administration Partner

The right partner will provide...



Employee  
classification  
and  
affordability  
calculations



Education,  
training, and  
communication  
for employees &  
dependents



Robust  
reporting for  
participation,  
satisfaction,  
& compliance



Ongoing high-  
touch  
administration  
and employee  
support

The right partner will **work with you and your benefits consultant** to provide a seamless migration from group health coverage to an ICHRA for your company and employees.

# Questions to Ask When Evaluating a Potential Partner

## Will this partner...

- ✓ Include me, as the benefits consultant, in the process?
- ✓ Provide support after implementation and open enrollment?
- ✓ Educate my clients and their employees?
- ✓ Handle affordability calculations and other compliance requirements?

## Does this platform...

- ✓ Integrate with my client's HRIS, handle deductions, have a file or API feed, etc...?
- ✓ Provide robust reporting metrics?
- ✓ Allow employees to easily compare plans?
- ✓ Substantiate plan enrollment and pay carriers directly?

# POP QUIZ!

**Jane Smith, a VP of Human Resources, is evaluating multiple ICHRA administration partners. What should she consider?**

- a) Will this partner reduce my department's administration burden?
- b) Will this partner take care of payment for each carrier?
- c) Does this partner provide reporting ACA compliance?
- d) Does this partner offer a user-friendly platform for employees to compare plans?
- e) All of the above



# Lesson 05

# Explaining ICHRAAs to Stakeholders

# So, You're Thinking About Switching to an ICHRA



## Taking the First Steps

- ✓ Talk to your benefits consultant.
- ✓ Survey your employees about their benefits priorities.
- ✓ Assess your current financials & calculate your potential ICHRA Savings.
- ✓ Make the business case to your company's stakeholders.

# Determine If an **ICHRA** Is Right for Your Company

Estimate your savings using a  
free ICHRA calculator:

## Calculate Your Benefits Savings Instantly

We've saved mid-market and large employers up to 40% on their health insurance premiums. Get an estimate of how much we could save your company now.

1 Personal Information 2 Details 3 Summary

First, Let's start with some basic information

Please provide your email so we can send you your estimate\*  
john@gmail.com

What industry best describes your business?  
Please select an option from the dropdown

Total Participating Employees\*  
250

Where is your corporate headquarters?  
Please select a state from the dropdown

Please make sure only to include the number of employees who are currently...

# How to Build Your Case for an ICHRA

## ICHRA Overview

- ✓ Start with an overview that explains ICHRA.
- ✓ Touch on the value it provides to all stakeholders.
- ✓ Share some macro trends.

### The Solution |

### Individual Coverage Health Reimbursement Arrangement (ICHRA)

#### ICHRA Easily Defined

The Individual Coverage Health Reimbursement Arrangement (ICHRA) is a type of employer-provided health benefit plan that allows employees to choose their own health insurance coverage from the individual market and receive reimbursement from their employer for a portion of the premiums.

#### Employee Satisfaction

- Employees choose a plan that fits their *needs/budget*
- Employees can keep their *preferred* doctors and facilities

#### Benefits Quality

- All plans are *fully insured & ACA* compliant
- Offered *pre-tax* through payroll
- Easy coverage for *out-of-state employees*

#### Lower Cost

- Predictable *cost & price* transparency
- Significant premium *decreases*

#### Easy Administration

- Fully integrated via *HRIS* systems
- More choice *without administration hassle*
- Employee plan ownership (*goodbye COBRA*)

**12%** savings on yearly premiums with an ICHRA in 2022

Since 2020, **17.5 million** employees have been enrolled in individual plans

**40%** time saved on administration hassles

By 2025, over **8 million** employers will offer ICHRAs & **11 million** previously uninsured workers will now opt into employer coverage

# How to Build Your Case for an ICHRA

## ICHRA vs Group Comparison

- ✓ Showcase side-by-side comparisons of the value ICHRA delivers to employees of different ages & locations.
- ✓ Include premiums, co-pays, deductibles, & out-of-pocket maximums.

### [company logo] Employee Savings – Real-World Examples

	Employee #1		Employee #2	
	Traditional Group	ICHRA	Traditional Group	ICHRA
Age	61	61	35	35
Sex	M	M	M	M
Family	Yes	Yes	No	No
Location	Florida	Florida	Illinois	Illinois
Carrier	Cigna	Florida Blue	Cigna	Blue Cross Blue Shield IL
Plan Type	HMO	PPO	HMO	PPO
Monthly Premium	\$481.56	\$11.09	\$98.78	\$56.68
Deductible	\$1,500	\$500	\$2,500	\$2,500
OOP Max	\$8,000	\$8,550	\$8,000	\$8,550
Primary Care Copay	\$20	\$0	\$20	\$10
Specialist Copay	\$40	\$20	\$40	\$40
Rx Tier 1	\$10	\$4	\$10	\$5
Rx Tier 2	\$30	\$30	\$30	\$15
Doctor Match	Yes	Yes	Yes	Yes
Facilities Match	Yes	Yes	Yes	Yes
		<b>Annual Savings = \$5,645.64</b>		
			<b>Annual Savings = \$505.20</b>	

# How to Build Your Case for an ICHRA

## Example Case Study

- ✓ Showcase another company's savings on ICHRA.
- ✓ Include premiums & number of eligible employees.
- ✓ Address what could have happened if they didn't switch (i.e would their premiums increase?).

### ICHRA Case Study | KR Management

#### KR Management

KR Management has over 1,000 employees & specializes in the administration of senior living communities, including 14 skilled nursing facilities, independent living, assisted living, and memory care in Florida.

#### KR Management Before ICHRA

- Heavy benefits administration
- Got hit with 25% premium increase in 2022
- Loss ratio around 170% - 200%

#### KR Management with ICHRA

- 35% savings on yearly premiums (\$350,000+)
- 950 eligible employees
- Quick implementation (under 21 days)
- Payroll reductions done seamlessly through their current HRIS system, Paycom

**35% savings**  
on yearly  
premiums

"I'm thrilled and our ownership is thrilled. This solution makes so much sense for mid-size employers like us. Other companies would be silly not to consider it."

—Heather McKamey, Vice President of Human Resources

# How to Build Your Case for an ICHRA

## Savings Analysis

- ✓ Translate your calculated analysis to an easy-to-read worksheet.
- ✓ Who doesn't love a worksheet?
- ✓ Remember to summarize the benefits of your proposal & win!

[company logo] **ICHRA Implementation + Potential Savings**

### Enrollment Platform

- Broker friendly
- Turnkey solution
- Price transparency
- Decreased yearly premiums
- Tax advantage
- HRIS integration
- Simplified ACA & COBRA compliance
- More choice, greater customization
- Administration relief

### Our Cost Savings Analysis

Current number of eligible employees:  
Number of out-of-state employees:

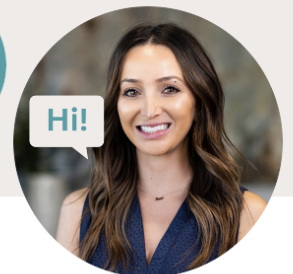
	Current Costs	Savings With ICHRA
Monthly Savings - Employees		
Annual Savings - Employees		
Monthly Costs - Employer		
Annual Costs - Employer		

Find this full  
**6-slide deck** in the  
resource section, with  
**step-by-step audio**  
guidance on ensuring  
your success.

[your company logo]

## Why [company name] Should Make the Switch to an ICHRA

Better Health Benefits & Cost Savings for Our Business & Employees





# Q&A