



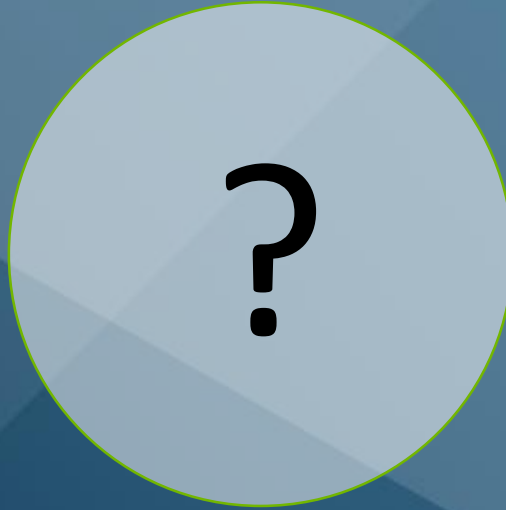
➤ September 10, 2025

## Individual Coverage Health Reimbursement Arrangements (ICHRA): The Benefit On the Rise

# Before We Begin



We are  
recording today's  
webinar



Submit your  
questions at  
any time



Please  
complete the  
exit survey

# Coast to Coast Administration



**BASIC services over  
20,000 employers  
nationwide.**



# Technology Driven HR Solutions to Take Your Company Further

Suite of HR Benefits, Payroll and Leave Management, and Compliance solutions offered individually or bundled.



HR Solutions should be simple. **Keep it BASIC.**

# ➤ Presenter



## Maren Thompson

Maren is a Regional Director at BASIC, serving businesses from the West Coast to Montana. With nearly a decade of experience in account management, combined with her industry expertise, Maren has proven to be a valuable ally for brokers and their diverse portfolios of clients. After seven years with BASIC, Maren has quickly developed lasting relationships with broker partners to ensure their clients have the best benefits administration and compliance solutions possible.



# ➤What is an ICHRA?

- Introduced in 2019
- New type of HRA
- Fulfill offer of coverage for Applicable Large Employer (ALE)



# ➤ ICHRA Overview

- Employer size
- Employee eligibility
- Other eligibility
- Contribution limits
- Eligible expenses
- Notice requirements
- Compliance



# ➤ Group Benefits vs. an ICHRA

## Traditional Group Benefits

- Annual renewals are cumbersome
- Human resources have to be heavily involved in the administration and management of the employee benefits
- Employees have limited choices of coverage options
- Dependents have to receive the same benefits as the employee
- There are limited plan choices, often only one or two plans
- Participation requirements as high as 60%

## ICHRA Benefits

- Human resources no longer has to manage or administer benefits for employees
- Employees can find plans that are right for them, and their dependents
- Each employee can pick their own plan; it's no longer a one size fits a few health plan
- Depending on the county, employees can choose from many carriers, and 20+ plans
- No minimum participation requirements

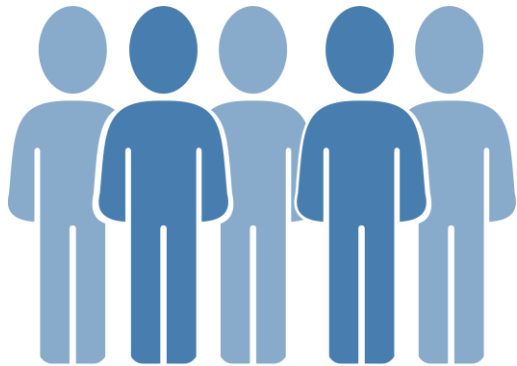


# ➤ Group Benefits vs. an ICHRA

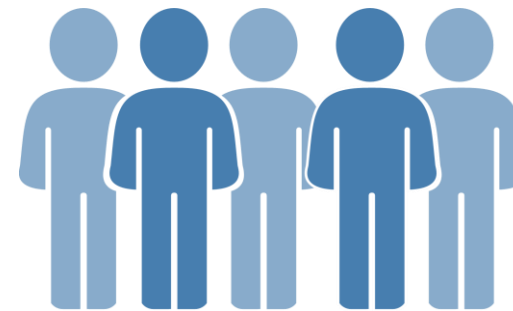
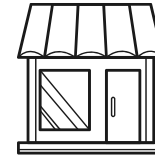
## Traditional Carrier Model



## Single Carrier



## ICHRA Model



Carrier #1

Carrier #2

Carrier #3

Carrier #4

Carrier #5

# ➤ Employer Class Design

Employer can choose to structure the eligibility and contribution criteria using 11 employee classes defined by the ICHRA regulations:

- Full-time employees
- Part-time employees
- Seasonal employees
- Salaried employees
- Non-salaried employees (such as hourly)
- Employees covered by a particular collective bargaining arrangement (different bargaining units can be separate classes)
- Employees who have not satisfied a waiting period
- Temporary employees of staffing firms
- Non-resident aliens with no US-based income
- Employees working in the same insurance rating area (geographic location, state or region)
- Any combination of two or more of the above



# ➤ Class Rules

- **Minimum Class Size Rule:**

Applies **only** if employer offers a traditional GHP to one class of employees and an ICHRA to another class based on:

- Full-time vs. part-time status
- Salaried vs. non-salaried status
- Geographic location (if smaller than a state)
- Combination of any class above with any other class (except waiting period class)

- **Minimum Class Size is:**

- **10%** of total # employees



# ➤ Contribution Strategies

Employers define the monthly amount they want to contribute to the ICHRA; it can be as little (provided it is affordable) or as much as they want. With an ICHRA there are no minimum or maximum contribution limits.

## Contribution examples:

- **Defined Contribution** by giving all employees \$\$\$ (flat amount) per month. May vary by class and status.
- **Define the Employer Contribution** by “benchmarking” by age band.
- **Define the Employer Contribution** by “benchmarking” to a tier-based plan.

# ➤ ICHRA Reimbursement of Premiums

## Can reimburse premiums for:



- Individual Market
- State or Federal Exchange
- Medicare and Medicare Supplement (regardless of size of employer)

## Cannot reimburse premiums for:



- Spousal Group Coverage
- Fixed indemnity plans
- TRICARE

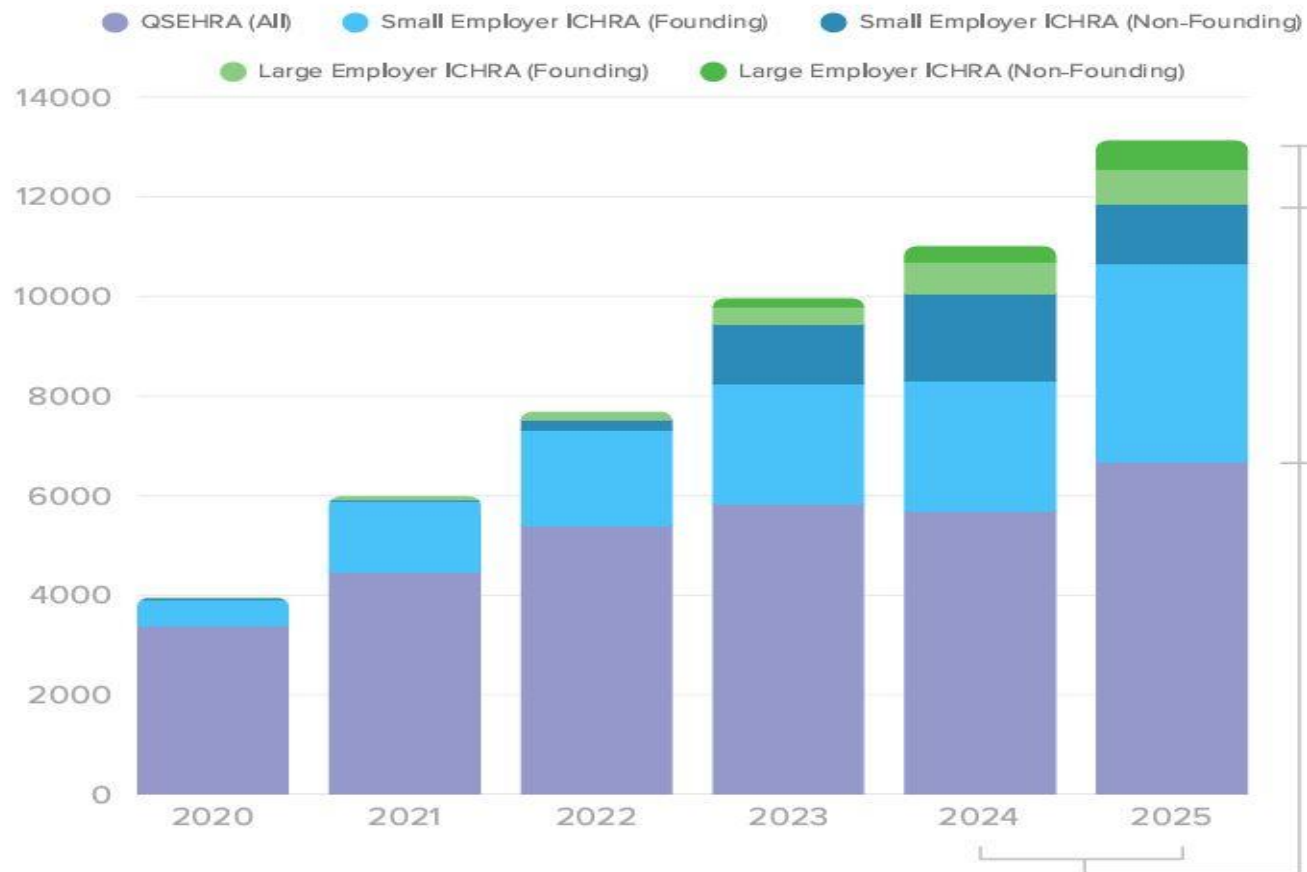


The background is a light blue gradient with a large, dark blue diagonal band. On the left, a man in a suit is silhouetted against the light, holding a telescope to his eye. Several stylized, light blue clouds are scattered across the top. On the right, a large, light blue arrow points upwards and to the right. A line graph with circular nodes is visible in the lower half, showing an upward trend. The title 'ICHRA Trends' is centered in the dark blue band.

# ICHRA Trends

# ➤ ICHRA Adoption is Up

## ICHRA & QSEHRA Adoption by Small & Large Employers (2020-2025)



### 2024-25 Growth Highlights

#### Large Employer Adoption (ICHRA)

↑ 34% (Aggregated)

↑ 9% (Founding Members)

#### Small Employer Adoption (ICHRA Only)

↑ 18% (Aggregated)

↑ 52% (Founding Members)

#### Total ICHRA & QSEHRA Adoption (Employers of All Sizes)

↑ 19% (Aggregated)

↑ 27% (Founding Members)

Source: HRA Council Growth Trends for ICHRA & QSEHRAs, vol 2024-2025

The US Treasury department expects that by the end of 2030, 800,000 employers will offer an ICHRA, and more than 15 million employees will have an ICHRA.

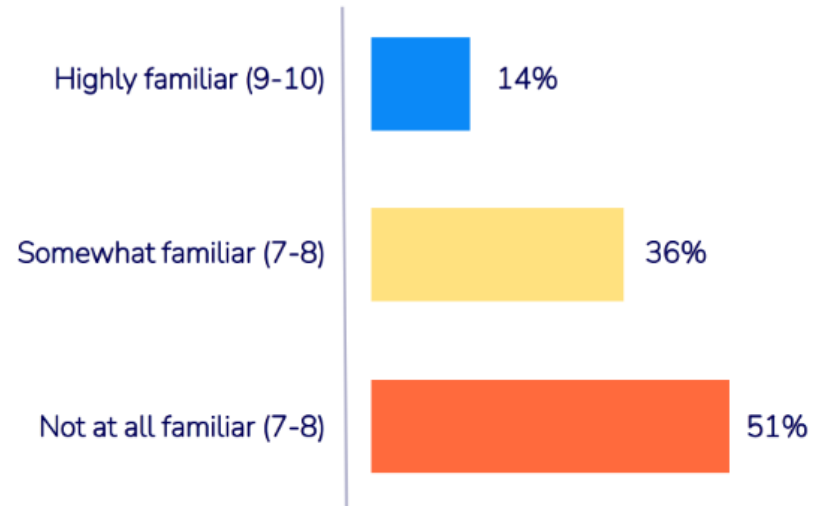
- Attributed to the Center for Medicare & Medicaid Services



# ➤ Employer Perspective

Employers are increasingly open to learning about ICHRA—especially when proactive education is provided.

## EMPLOYERS' FAMILIARITY WITH ICHRA



Base: General Employer Sample, Not Currently Offering ICHRA, n=81

## WHERE EMPLOYERS WOULD GO TO LEARN MORE ABOUT ICHRA



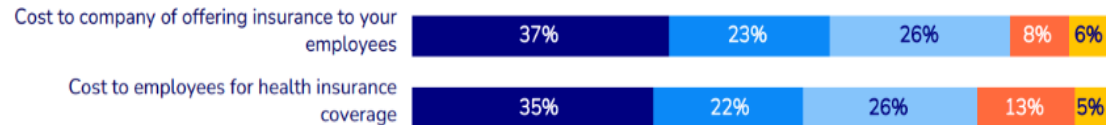
Base: General Employer Sample, n=204  
Multiple Response

Source: 2025 Deft Research Study, 2025 ICHRA Report

# ➤ Cost: A Priority for Employer & Brokers Alike

## EMPLOYER VIEW OF ICHRA VS. TRADITIONAL GROUP

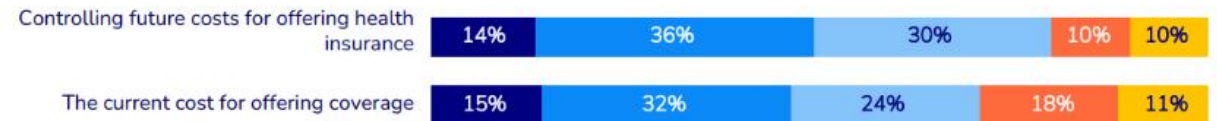
- Much better with ICHRA
- Slightly better with ICHRA
- About the same
- Slightly better with traditional group insurance
- Much better with traditional group insurance



Base: General Employer Sample and zizzi Clients Offering ICHRA, Offered Traditional Group Prior to ICHRA, n=78

## BENEFITS CONSULTANTS' VIEW OF ICHRA ATTRACTIVENESS TO EMPLOYERS

- ICHRA is much more attractive
- ICHRA is slightly more attractive
- Traditional group coverage and ICHRA are about the same
- Traditional group coverage is slightly more attractive
- Traditional group coverage is much more attractive



Base: Benefits Consultants Selling Traditional Group, n=184

Source: 2025 Deft Research Study, 2025 ICHRA Report



A blurred background image of a medical setting. In the foreground, a silver stethoscope is visible. Behind it, there are several papers and a pen on a desk. The overall tone is light blue and professional.

# Benefits & Challenges

# ➤ Challenges Facing Employers Today

- Health care costs
- Recruiting and retention
- “One-size-fits-few” insurance
- ACA non-compliance
- ACA mandates for Applicable Large Employers (ALEs)



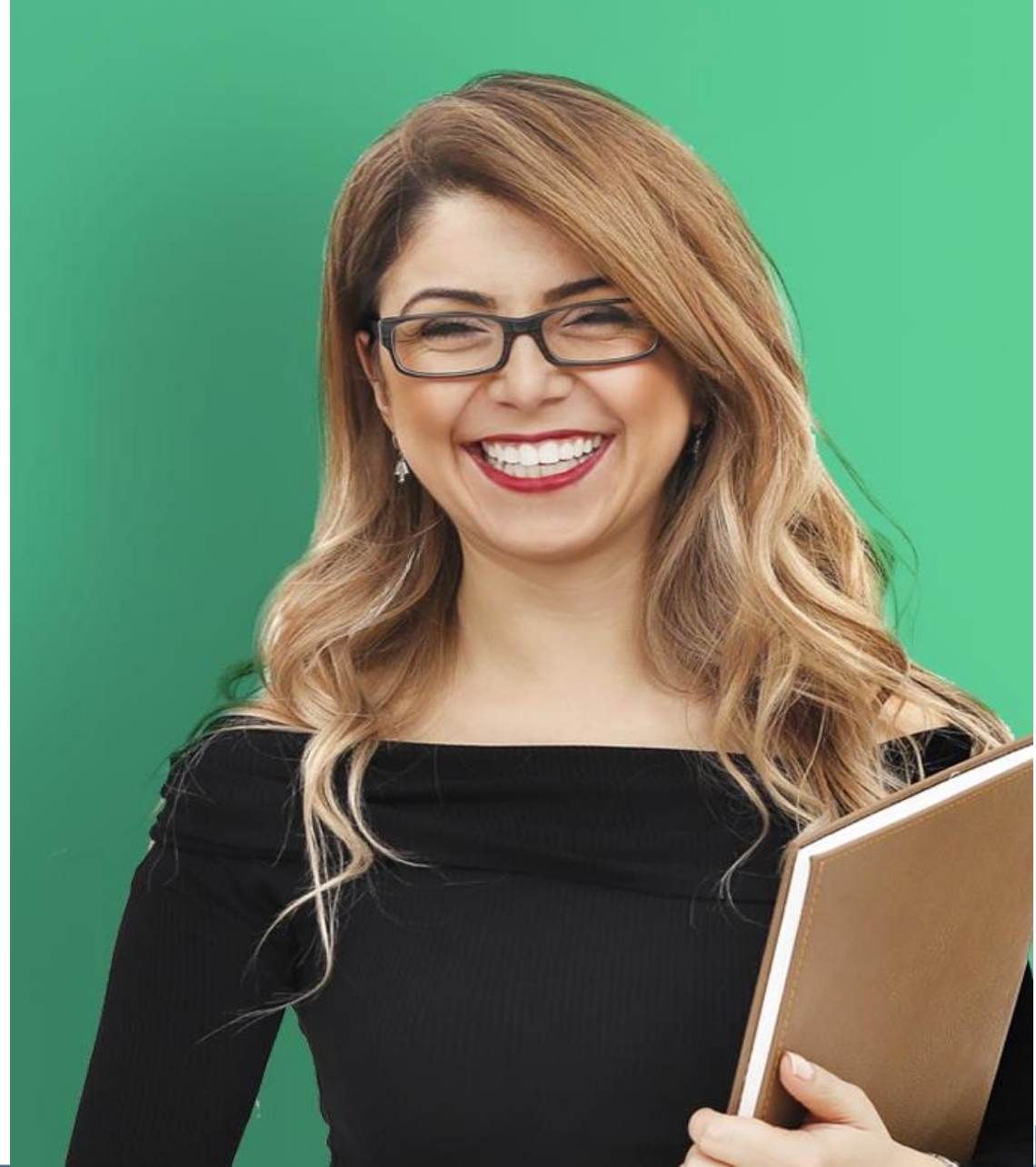


# Employer Benefits

- Flexibility
- Attraction/Retention
- Controlled Costs & Risks
- ACA Compliance
- Tax Efficiency
- Administration Reduction

# ➤ Employee Benefits

- Presents more plan options
- Provides tax advantages
- Provides plan portability
- Provides privacy
- Creates trust and sense of care



# BASIC's Solution

Benefits Integration with COBRA



# ➤ Introducing BASIC's New Platform

- ✓ All COBRA & Benefit Accounts on **one platform**
- ✓ COBRA clients have **easy access** to “Endless Aisle” of CDA benefit accounts
- ✓ **Employee-Centric:** respond to & manage diverse needs of workforce at any life stage
- ✓ Vendor **consolidation**
- ✓ **Peace of Mind:** Audit Guarantee and Hold Harmless

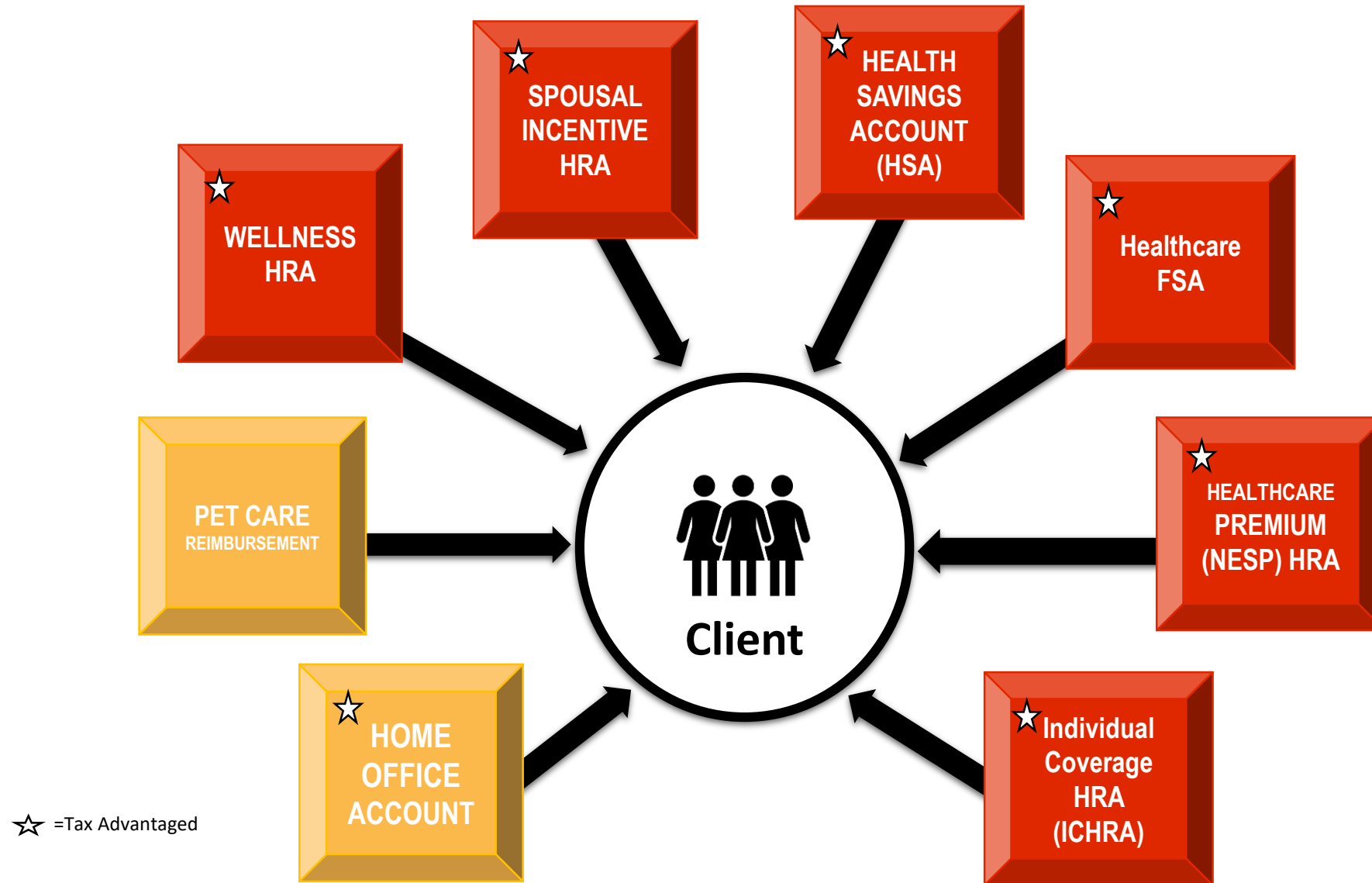
*CUSTOMERS WANT IT, AND WE  
DELIVERED IT!*



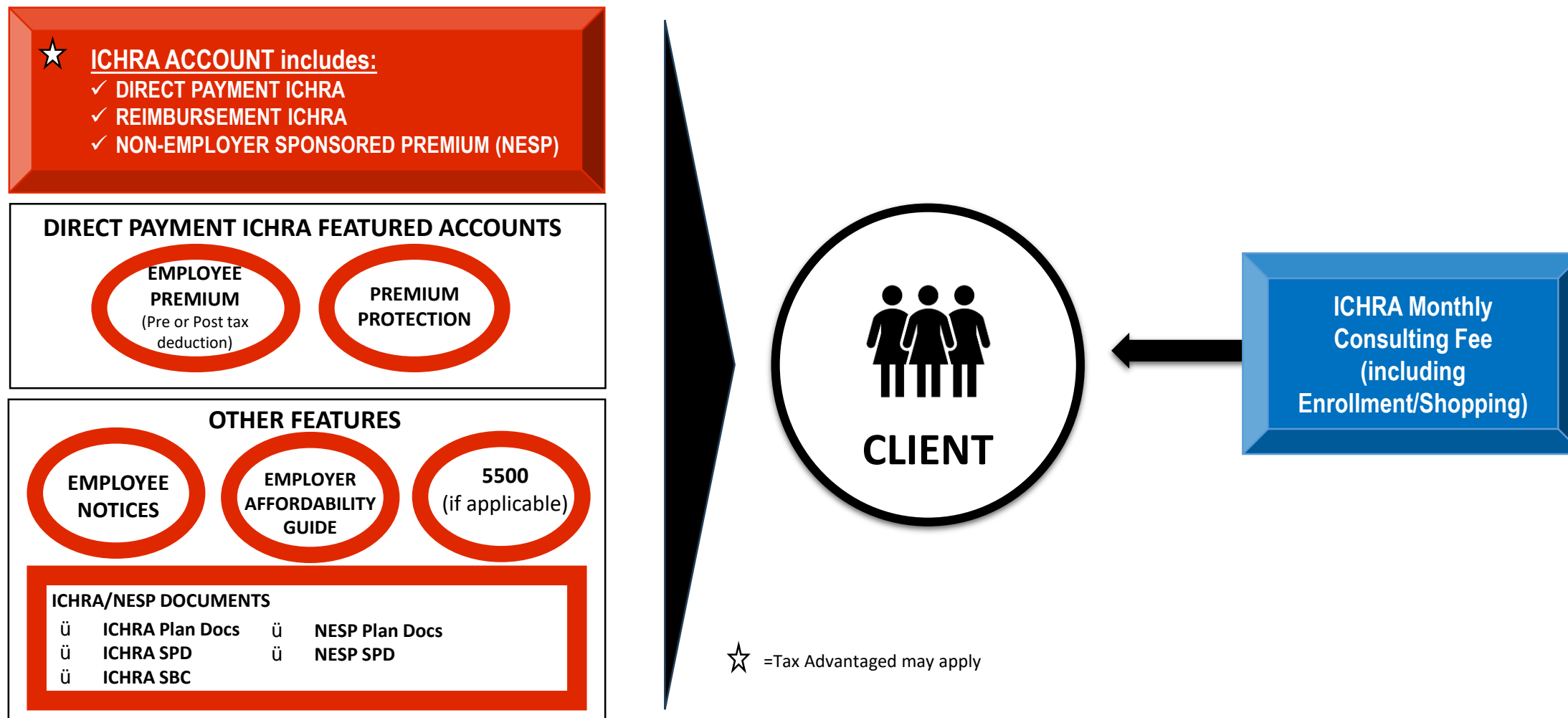
# ➤ One Integrated Experience

- One Platform
- One Single Sign-on
- One Mobile App
- One Debit Card
- Includes:
  - 50+ Benefit Accounts
  - COBRA
  - State COBRA
  - Retiree Billing
  - Leave of Absence Billing





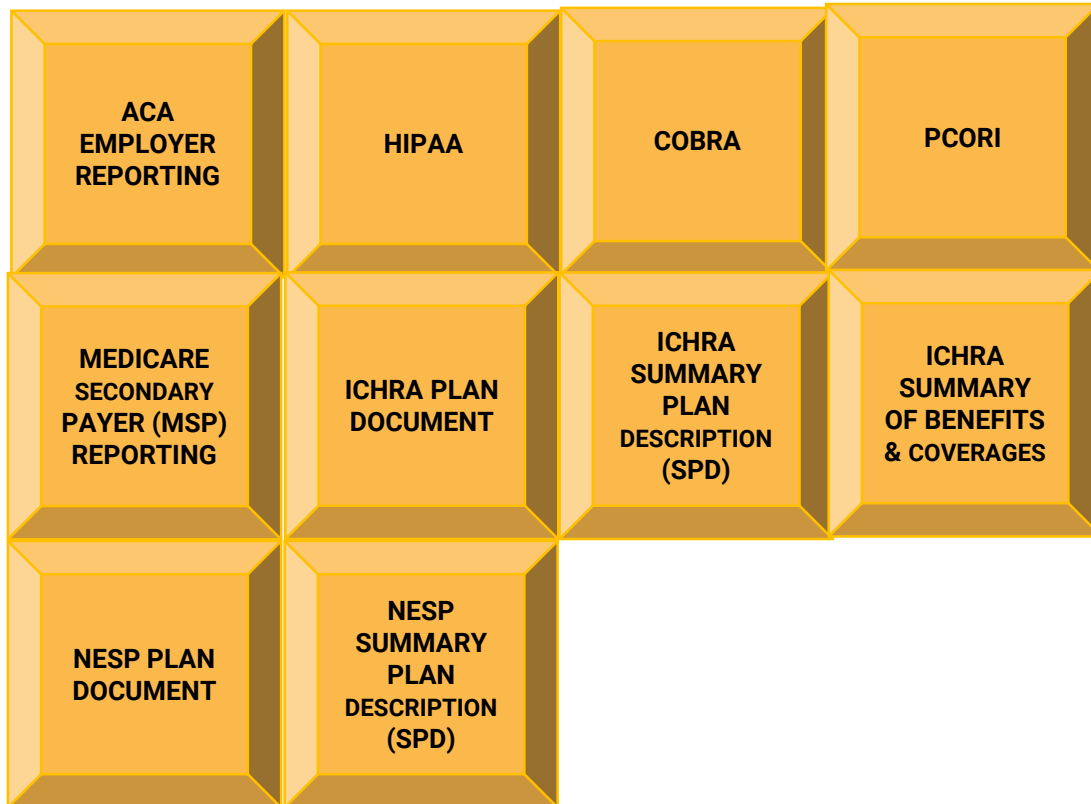
# ➤ ICHRA Account Features



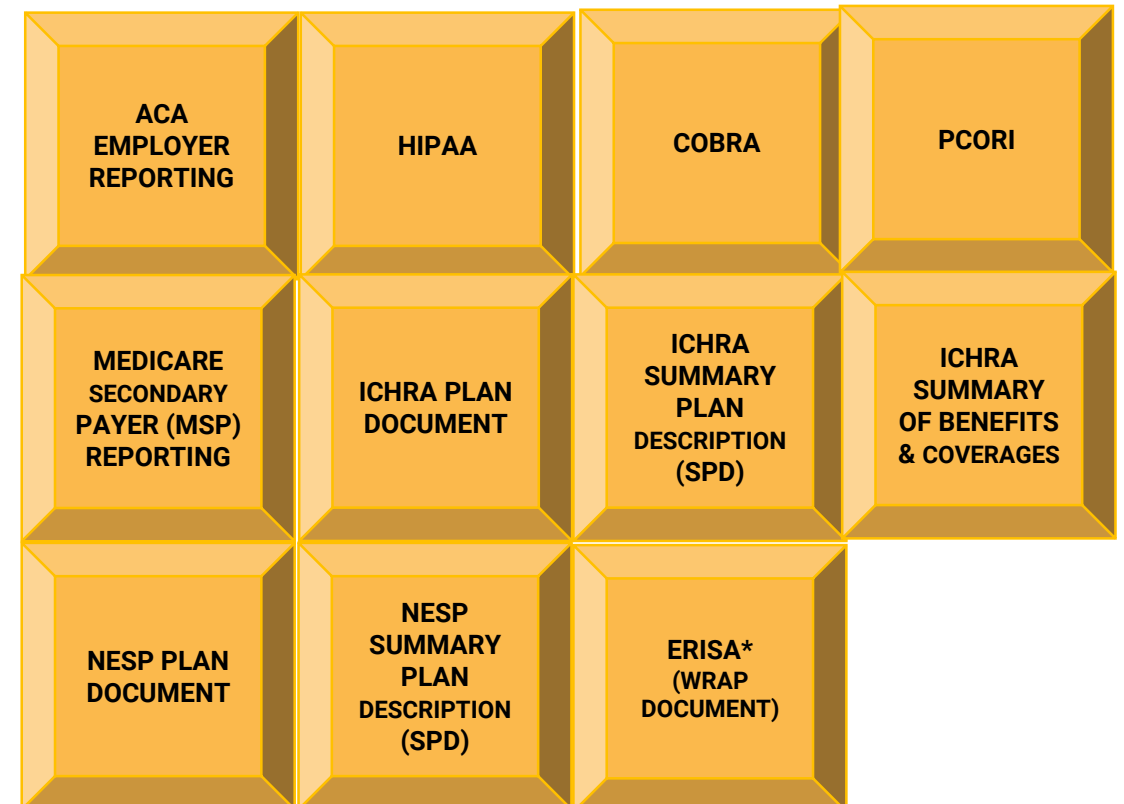
# ➤ ICHRA Compliance

\*ERISA includes the Wrap document and applicable 5500 for any group sponsored benefit plans (i.e. dental, vision, life, etc.).

## ICHRA Complete Compliance



## ICHRA Complete Compliance Plus





# Before Q&A



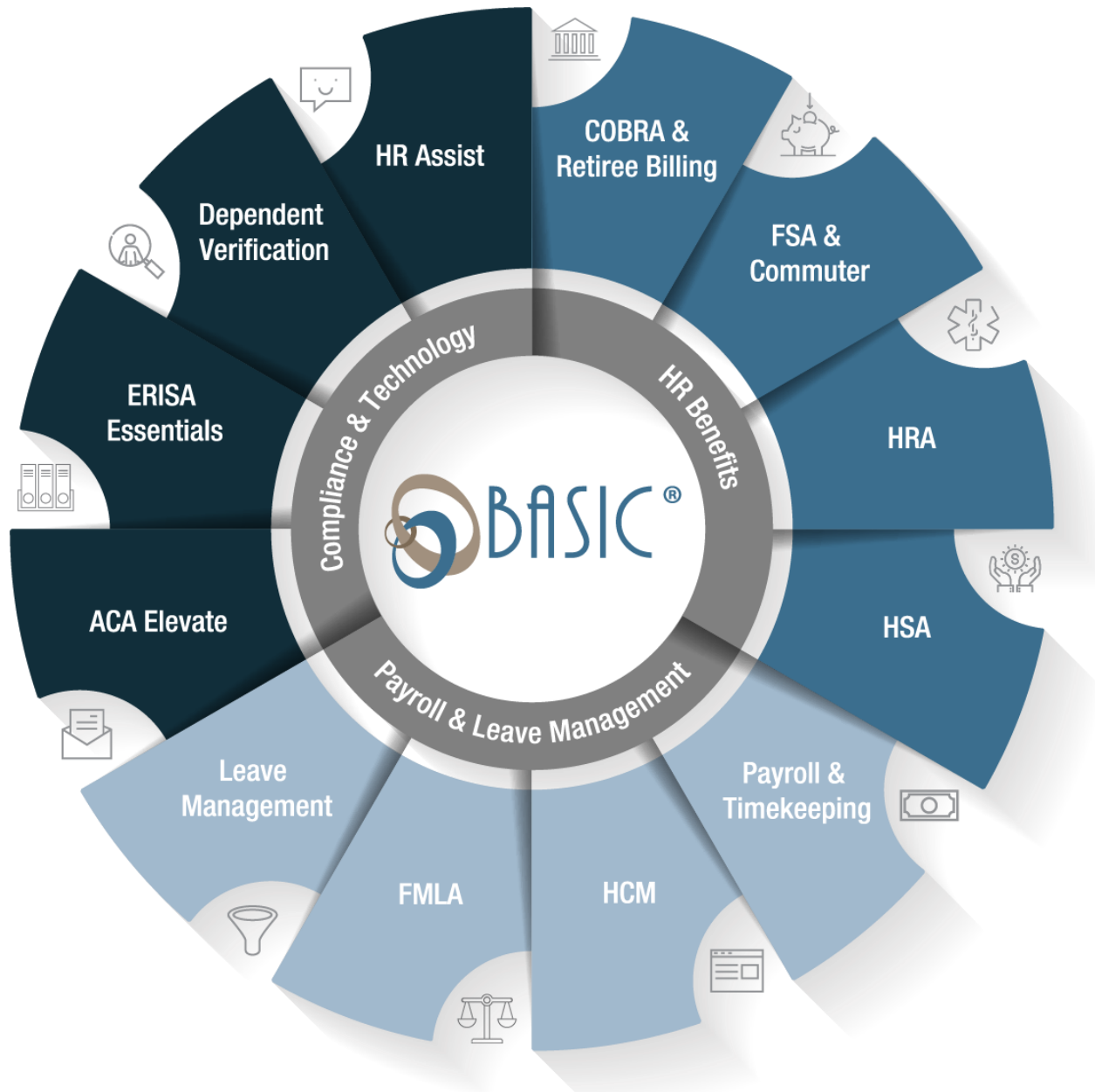
Receive an  
email tomorrow  
with the slides &  
recording



Please  
complete the  
exit survey

# QUESTIONS





## Request a Proposal

For you or your client at this link:

<https://www.basiconline.com/request-a-proposal/>

BASIC Sales  
888-602-2742

HR Solutions should be simple. **Keep it BASIC.**

# THANK YOU

View our current webinar schedule at  
[www.basiconline.com/webinar](http://www.basiconline.com/webinar).



# Disclaimer

This presentation is designed to provide accurate information in regard to the subject matter covered. It is provided with the understanding that BASIC is not engaged in rendering legal or other professional services. If legal advice or other expert assistance is required, the services of a competent attorney or other professional person should be sought. Due to the numerous factual issues which arise in any human resource or employment question, each specific matter should be discussed with your attorney.