



ICHRA for OPRA

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What are we talking about?



Topics

What do you want to learn today?

What is ICHRA?

How does ICHRA work?

Where (when) does ICHRA work?

Q & A



Take
Command



Gallagher

What do you want to learn today?
(Hint: this is where you start asking us
questions)

HRA Overview

What is ICHRA and how does it work?

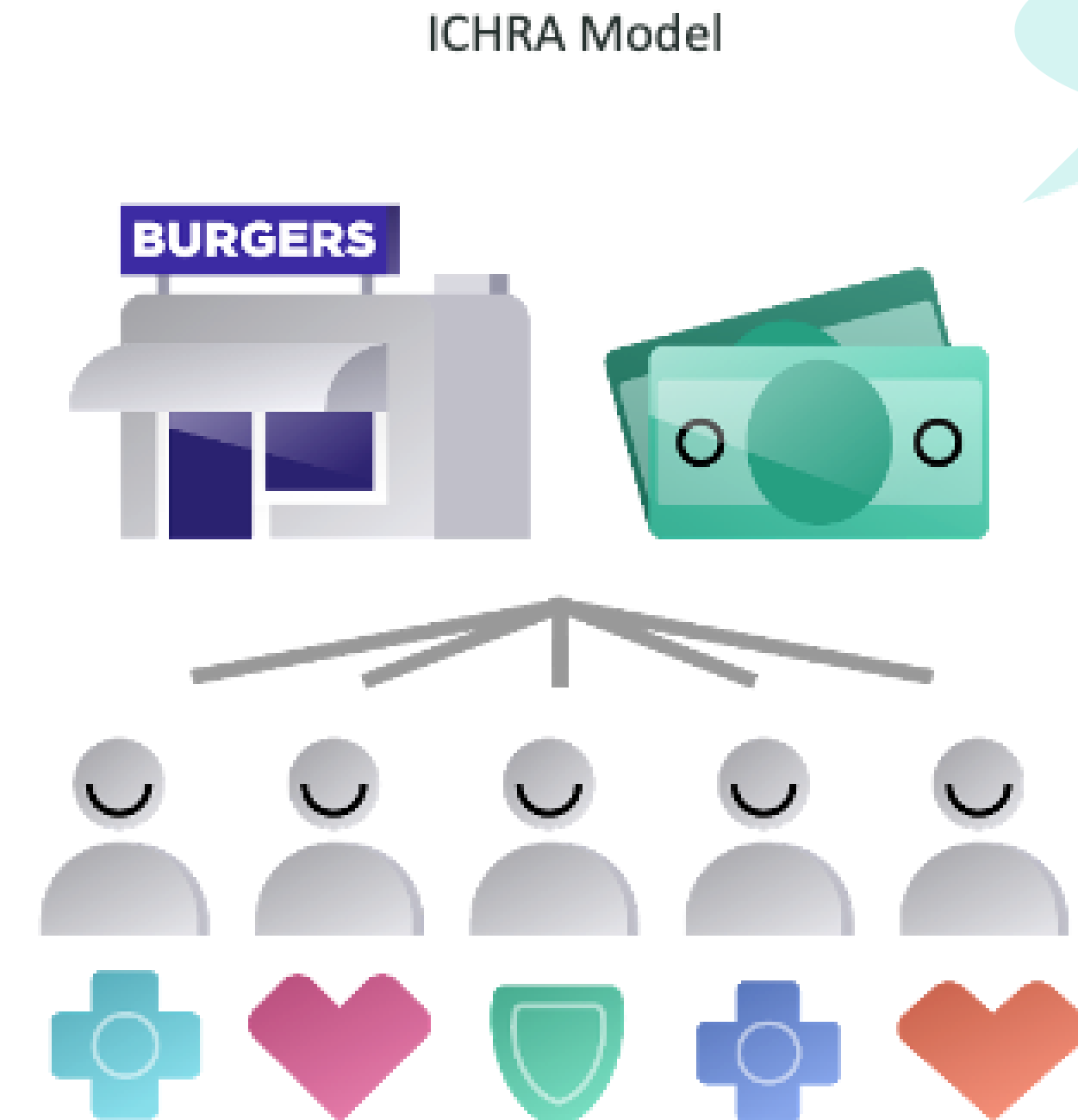
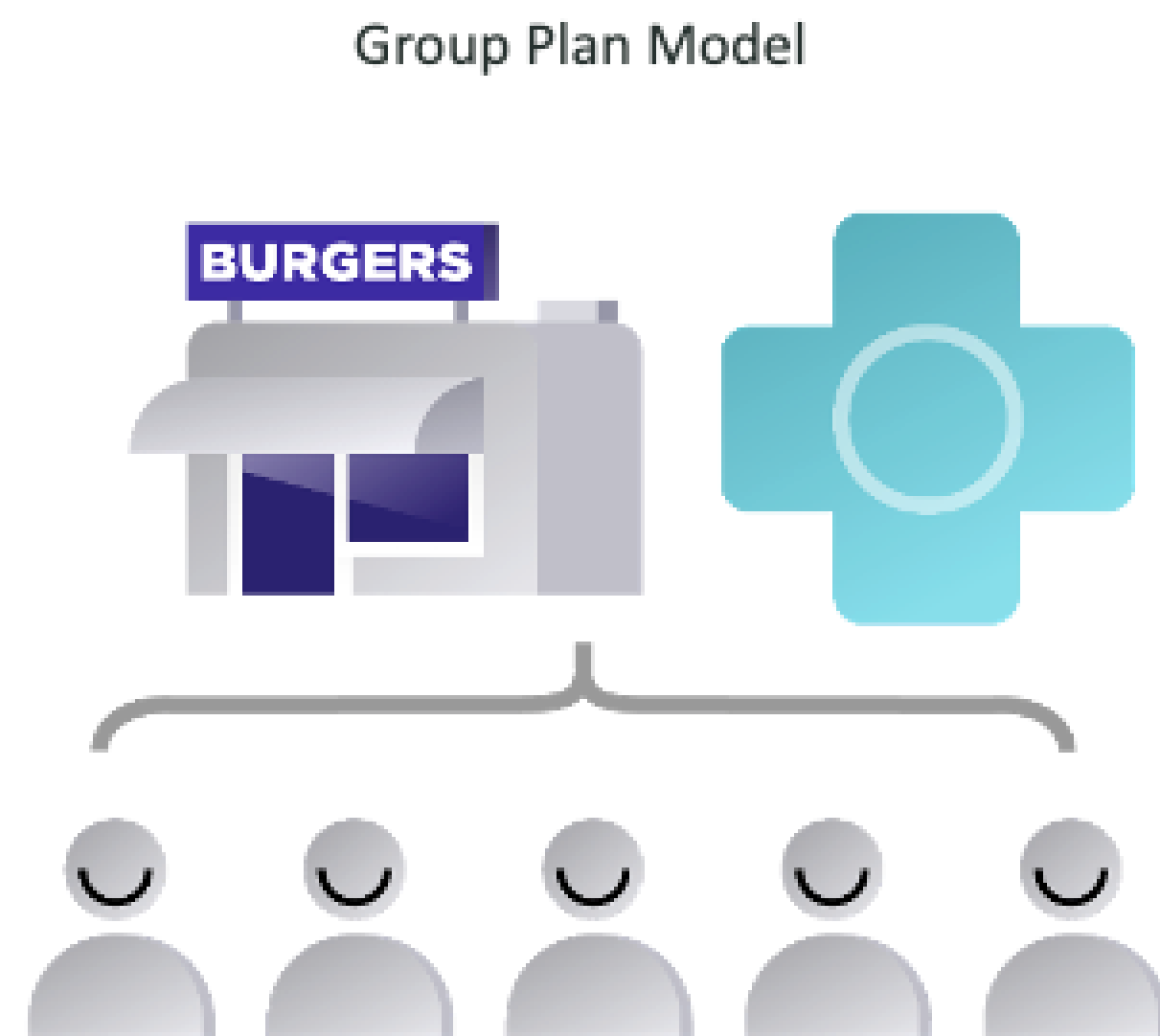


What is ICHRA? A new way to offer health insurance

What is ICHRA?

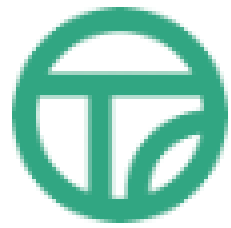
An “Individual Coverage Health Reimbursement Arrangement” (ICHRA for short) enables employers of any size to reimburse their employees tax-free for health insurance premiums and medical expenses. Employers set an allowance and employees choose the plan that fits their needs.

Employers set an allowance and employees choose the plan that fits their needs.



[Link to
Explainer
Video](#)

Unlike group insurance, ICHRA provides employees the freedom to choose from multiple health plan options from various insurance carriers.



QSEHRA Qualified Small Employer HRAs

ICHRA Individual Coverage HRA

Plan type	Individual	Individual
Size Limits	1-50 employees	None
Contribution Limits	\$5,300 single \$10,700 family	No limits
Reimbursement Options	Premiums + Expenses (Including Excepted Benefits)	Premiums + Expenses (Including Excepted Benefits)
Employer Design Flexibility	Can vary rates by family size or age	Can offer different plans by allowable classes. Can vary rates within class by family size or age
Employee Requirements	MEC	Coverage that meets PHS2711 & 2713

The *advantages* of an ICHRA health insurance model

For Employers

Cost Control: Set your budget & cap spend

Savings: Keep unclaimed reimbursements

Remove Risk: No more carrier renewals

Participation: No minimum requirements

Compliant: Satisfies employer mandate

For Employees

Choice: Pick the health plan to meet needs

Portability: Keep their health insurance

Control: Secure the right level of coverage





Employer Landscape

Employer Size



Consistent Themes

- ✓ Risk Management
- ✓ Need for Choice & Flexibility

The Individual Market

Notes on the ACA-Compliant Individual Health Insurance Market

Individual Market: Comprehensive Coverage & Choice

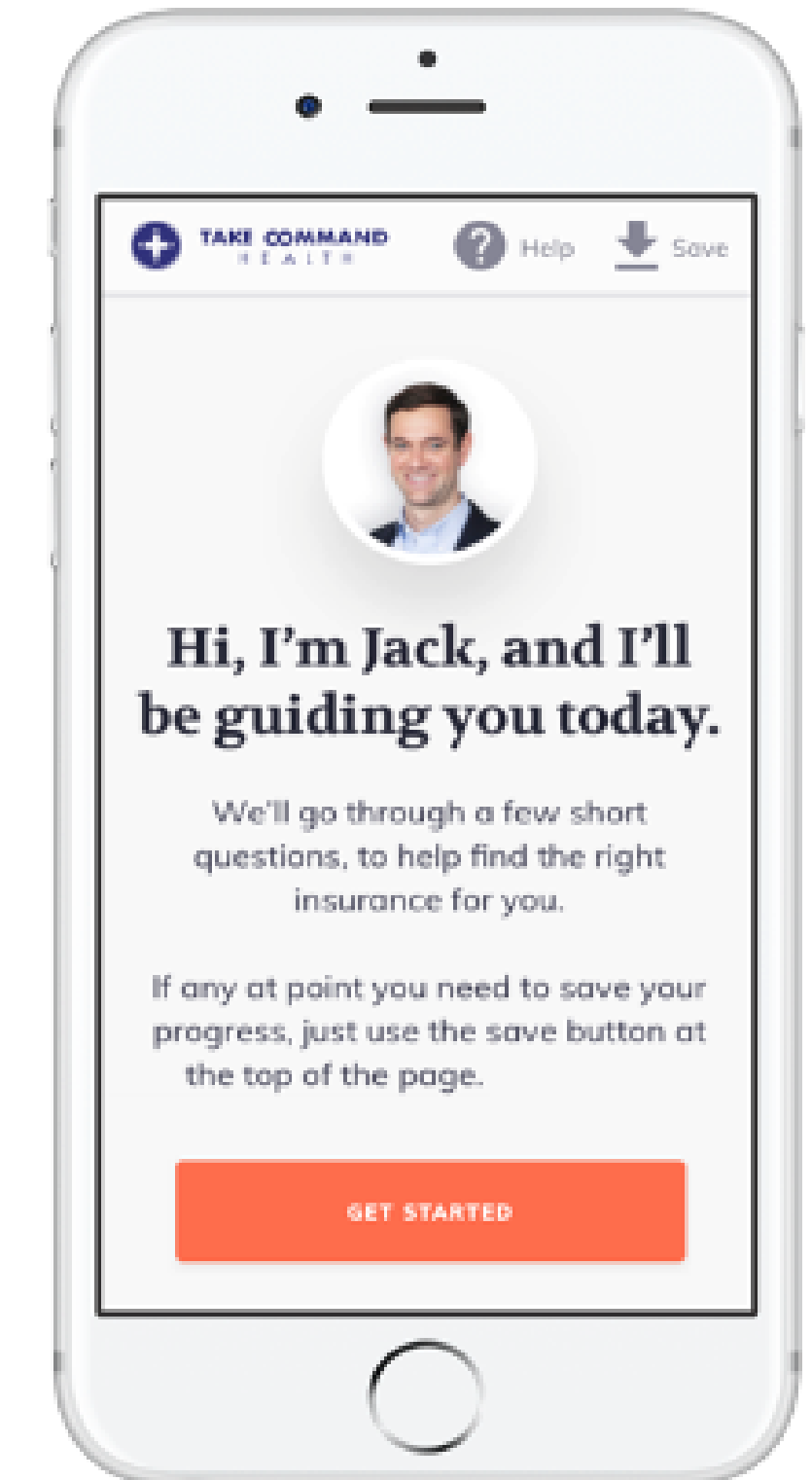
All ACA-compliant plans include:

- ✓ Free preventive care
- ✓ Coverage for Essential Health Benefits
- ✓ Coverage for pre-existing conditions
- ✓ No medical underwriting (premiums vary by age)

Some plans include extra perks:

- ✓ Free and unlimited telemedicine
- ✓ Free generic drugs
- ✓ Wellness benefits
- ✓ Dental & vision

For employees 65+ years old...Medicare will be reimbursed



Insurance companies and plan options vary by geography



Individual market trends?!

Carrier Expansion & Stabilization

- For plan year 2021...
 - 30 insurers entered new states
 - 61 insurers expanded service areas
 - Average of 5 insurers per state
- Premiums have stabilized (along with MLRs)
- State-level reinsurance programs have lowered premiums in some states

Continued Momentum

“California health insurance premiums to increase 1.8% in 2022”

- Los Angeles Times [link](#)

“CVS-Aetna Branded Plans Target 8 States for 2022 Launch”

- Forbes [link](#)

“Insurers flock to offer coverage in 2022...”

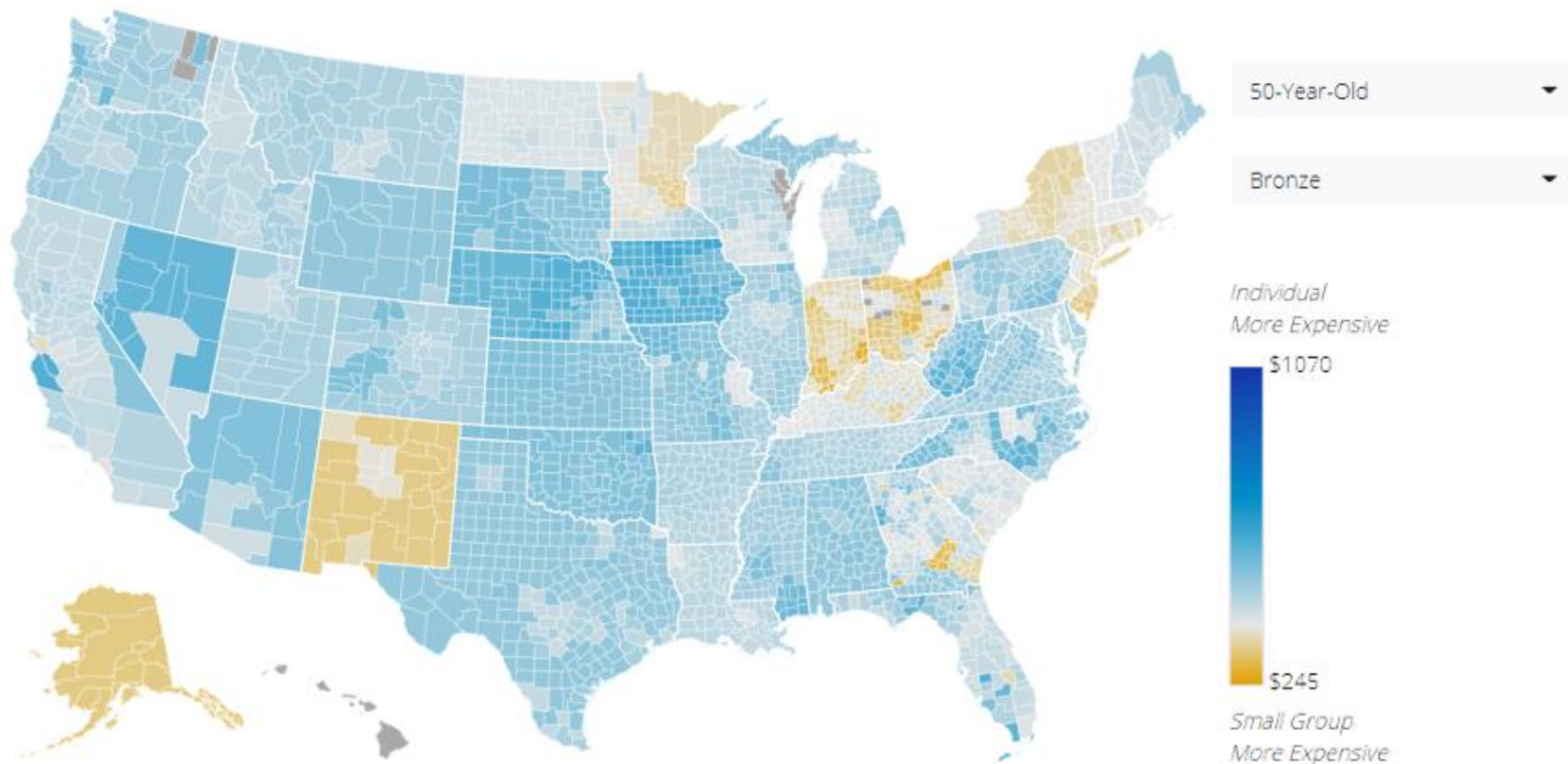
- Georgia Health News [link](#)

Insurance carriers have doubled-down on the ACA-compliant individual market

Market Trends | Individual vs. Group Costs - 2019

Difference Between the Lowest Cost Bronze Plans on the
Individual and Small Group ACA Markets by County, 2019:
Monthly Premium for a 50-Year-Old

Vericred



Market Trends | Individual vs. Group Costs - 2020

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Vericred

50-Year-Old

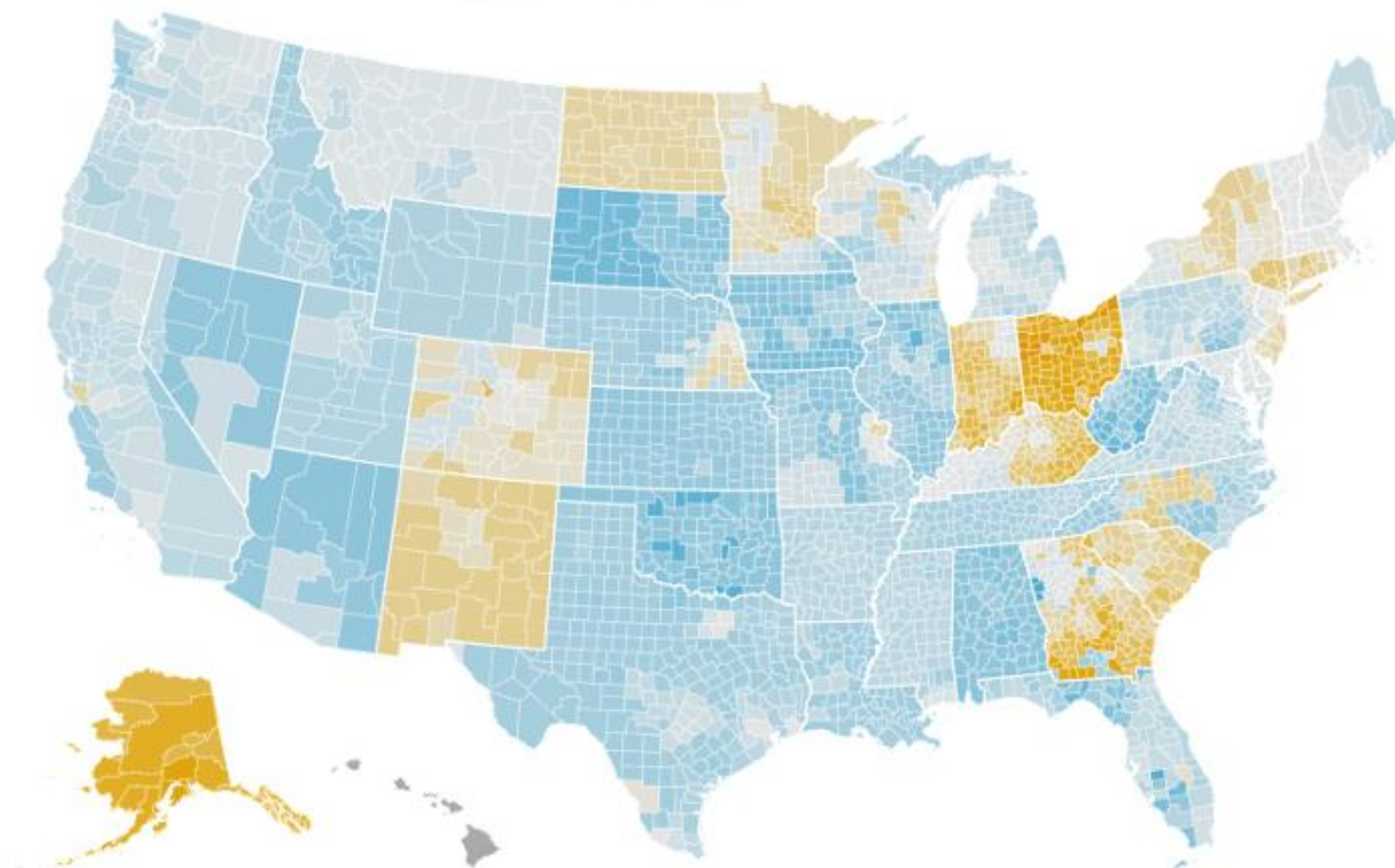
Bronze

Individual
More Expensive

\$900

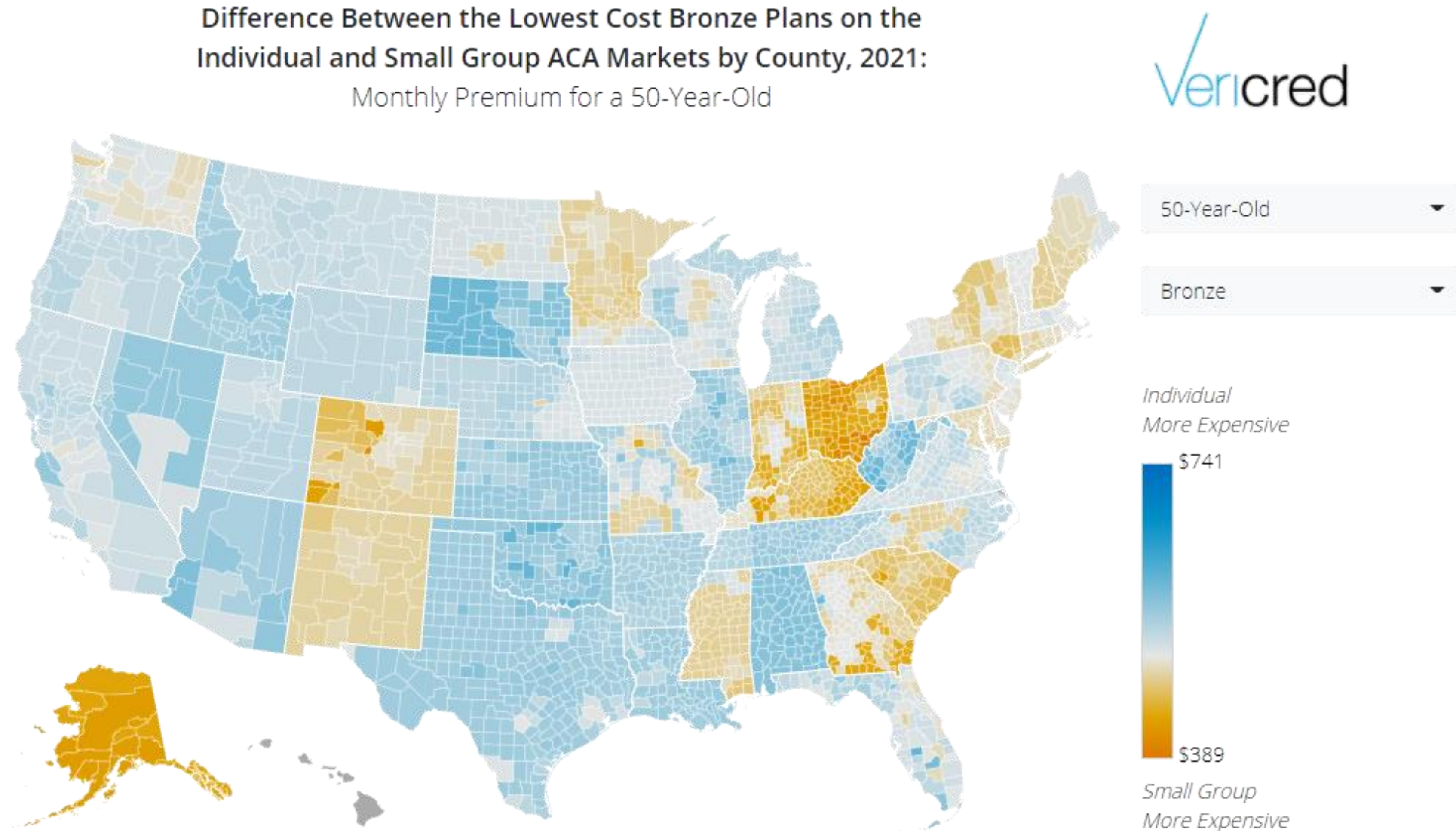
\$300

Small Group
More Expensive





Market Trends | Individual vs. Group Costs - 2021

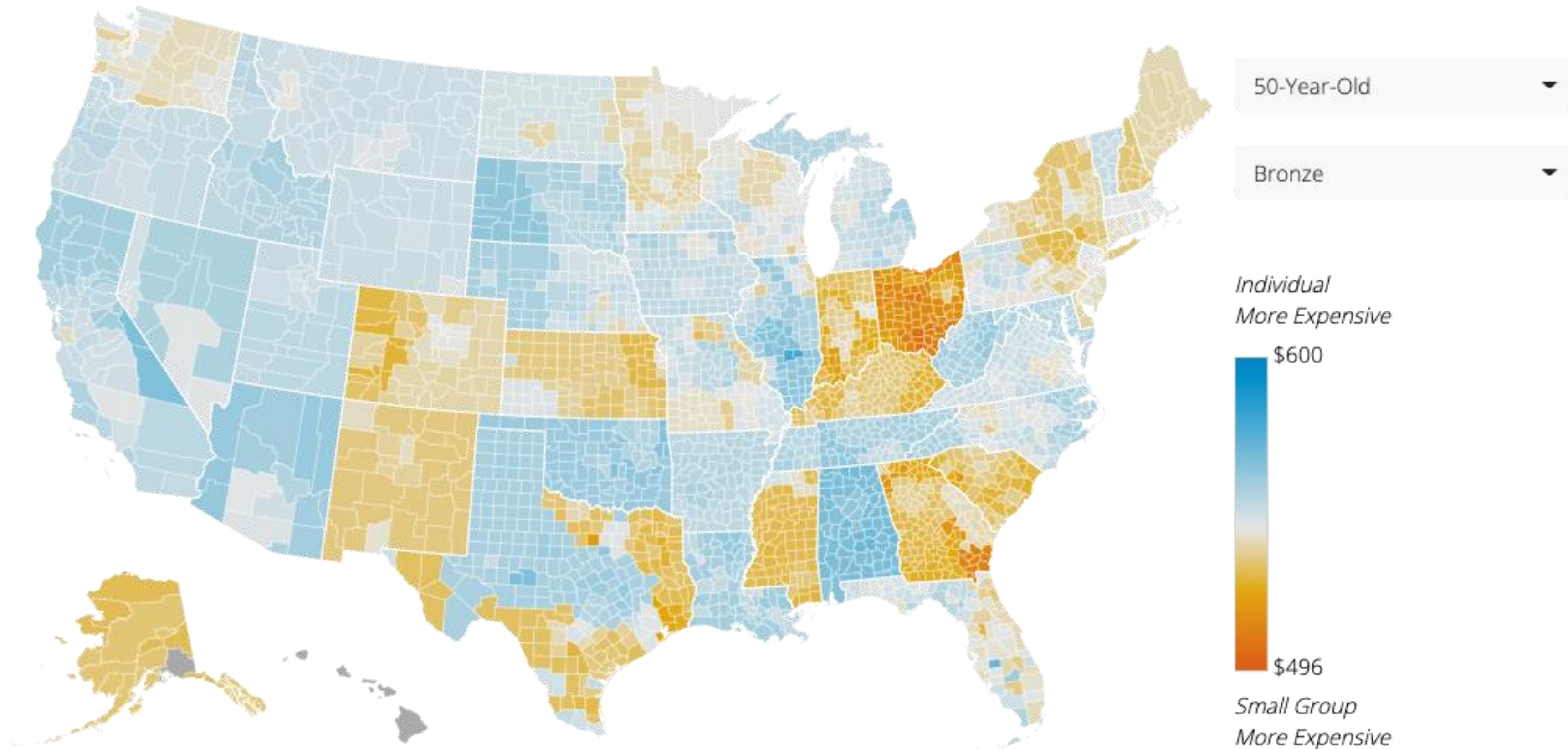




Market Trends | Individual vs. Group Costs - 2022

Difference Between the Lowest Cost Bronze Plans on the Individual and Small Group ACA Markets by County, 2022:
Monthly Premium for a 50-Year-Old

Vericred



[Link to Source \(Vericred\)](#)

Classes for Eligible Employees

Allowable Classes

- Full-Time vs Part-Time
- Salary vs Hourly
- Employee Location
- Seasonal
- Collective Bargaining Agreement (CBA)
- Waiting Period
- Non-resident alien
- Staffing Firm Employees
- New Hires (that start after a certain date)

Examples

Construction Firm:

- Salary: Group Health Plan
- Seasonal: \$400 / mo. ICHRA

Software Company:

- Headquarters: Group Health Plan
- Remote Employees:
 - \$400 / mo. in NY
 - \$200 / mo. in CO

Combo classes: can combine any of the above!

While one class of employees can be offered a group plan and another class an ICHRA; keep in mind employees cannot be given a choice between traditional group plan & ICHRA



Two Key Questions

1. How much money should employers give employees?

- *What is my budget?*
- *Do we setup different employee classes?*
- *Do we reimburse “all the same” or vary by age?*
- *What about the employer mandate and ‘affordability?’*
- *Should I reimburse premiums only or medical expenses too?*

2. What can employees purchase?

- *How many carriers? How many plan options?*
- *What are the rates like compared to my group plan?*
- *What provider networks are available?*

We have the data, the tools, and the expertise to help.

Introducing AutoPay from Take Command

What is AutoPay?

AutoPay is a new feature on the Take Command platform allowing employers to pay individual plan premiums to insurance carriers, instead of employees.

How it Works

Employer funds holding account with a single monthly transfer

Take Command sends premium payments to health insurance companies

Employer withholds employee portion from paycheck if premium exceeds allowance



AutoPay offers the feel of a group plan with the choice, affordability and flexibility of the individual market



Why AutoPay?

Peace of Mind

- ✓ Employees don't have to "float" the premium payment while awaiting reimbursement
- ✓ Limits risk of employees losing coverage due to premium nonpayment
- ✓ Employers rest assured knowing that ICHRA allowances go directly to the insurance coverage

Limit Change Management

- ✓ Single automated monthly withdrawal to pay all eligible employee premiums
- ✓ Employee portion of premiums (if applicable) deducted from paychecks
- ✓ Platform flexibility allows employees to pick any qualifying plan (AutoPay eligible or not)

Work with a Take Command team member to learn more about AutoPay and if it's available in your area



Where (when) does ICHRA work?



Where (when) does ICHRA work?



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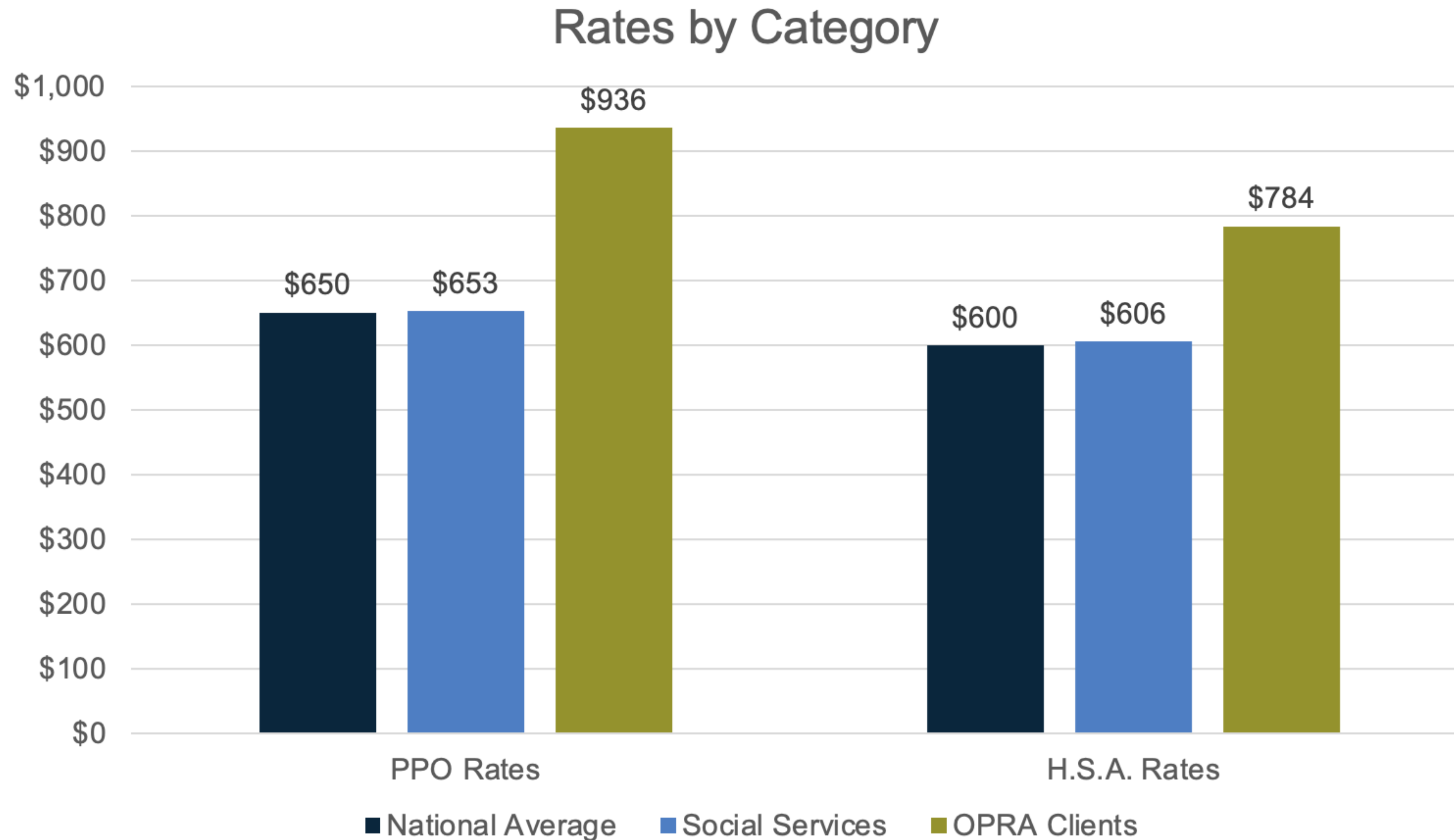
- Employers struggling to maintain minimum participation
- Employers with hourly employees that cannot afford the current premiums
- Employers struggling with high claimants and expensive premiums
- Employers with an aging population
- Employers overwhelmed with the administrative work associated with group plans



Health Insurance Rates



Gallagher





Questions & Answers