

PLAN DESIGN | COMMUNICATION | ADMINISTRATION

# eZICHRA<sup>®</sup>

## Individual Coverage Health Reimbursement Arrangement

*The next generation of employer-sponsored health insurance*

888-414-2432

[ezICHRA.com](http://ezICHRA.com)



# Introducing a new type of health insurance plan for your employees...

The Individual Coverage Health Reimbursement Arrangement: ICHRA (pronounced “ick-rah”)

## What is an ICHRA?

An ICHRA is the next generation of employer-sponsored health care coverage. For the first time, employers of any size can make contributions to employees for major medical and Medicare premiums on a tax-advantaged basis with no caps on the reimbursement amount.

Employers can now more accurately define the expense of employee health care and eliminate the erratic renewal cost increases associated with claims experience and/or health risk status in the group health market.

## Here's how it works:

### PLAN DESIGN PHASE

# 1

Employer defines contribution limits and employee eligibility requirements aligned with their culture and budget.

### EDUCATION & ENROLLMENT

### PHASE

# 2

Employee selects a qualified individual health insurance or Medicare insurance policy specific to their personal needs.

### ADMINISTRATION

### PHASE

# 3

Employees are reimbursed for their premium expense in the amount determined by the employer in the plan design.

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# Benefits of the ICHRA Model



## For Employers

- Budget friendly – predictable costs, less volatile than traditional group insurance
- No more difficult and complex decisions at renewal time – less onerous planning process
- No minimum employee participation requirements
- Flexibility in benefits among employee classes
- Fully compliant with all ACA mandates and avoid ACA penalties

## For Employees

- Employees select a plan that fits their own needs – from deductibles to doctors, employees decide what's right for them
- Employees select a plan that fits their monthly budget
- Employees continue to benefit from the tax advantages they have today, just like traditional group health insurance
- Portability – employees may keep their policy if they retire or change jobs

# PLAN DESIGN PHASE

# 1

## One size doesn't fit all

One of the many advantages of an ICHRA is that it can be customized to fit your culture and budget. While flexible, there are several important rules to follow so your plan complies with the ICHRA regulations.

- ICHRA reimbursement must be offered fairly to all employees to satisfy Section 105(h) Nondiscrimination Rules
- Applicable Large Employers must ensure plan affordability if they want to avoid Employer Shared Responsibility Penalties
- Employers must not offer a choice between an ICHRA and a group health plan to any “Class” of employee; employers may offer an ICHRA to one or more of the approved Classes and a group plan to other Classes
- Employers must use reasonable procedures to substantiate employees are enrolled in a qualified individual medical or Medicare plan in order to reimburse an employee

Sounds complex – but don't worry – ezICHRA has you covered! Unlike some models that require you to use self-service tools and create your own plan design, the ezICHRA team will be with you every step of the way and design a fully compliant plan for you to fit your culture and budget.

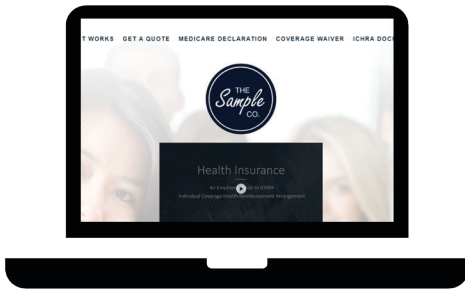
### Allowable ICHRA Classes

- ✓ Full-time employees
- ✓ Part-time employees
- ✓ Seasonal employees
- ✓ Salaried employees
- ✓ Hourly employees
- ✓ Employees working in same geographic location
- ✓ Union employees
- ✓ Waiting periods
- ✓ Non-resident aliens
- ✓ Some temporary employees
- ✓ Combination of classes
- ✓ Minimum class sizes apply

# EDUCATION & ENROLLMENT PHASE 2

## Education is key

For an employee, an ICHRA is a significant change to the way they obtain health benefits. They will need knowledgeable assistance to successfully guide them through the ICHRA enrollment process. **The ezICHRA team will be there with your employees every step of the way!**



Your employees will access a company-branded ezICHRA Portal containing all of the information necessary to help them make a plan selection. After verifying their personal information, the Portal allows employees to view the monthly premiums and plan designs of all of the health insurance plans that are available in their area. The site is available during open enrollment and throughout the year, making it a simple and efficient way to communicate and manage your program.

One-on-one meetings by phone with the dedicated ezICHRA Plan Advisor team will help each of your employees select and enroll into a plan that best fits their needs. Throughout the year, your employees may reach out to the ezICHRA Service team with claims questions, network assistance or anything relating to their insurance policy. Customer service isn't just an afterthought, it's a core focus at ezICHRA!



# ADMINISTRATION PHASE 3

## Keeping it simple & hassle free



ezICHRA's exclusive Premium Payment Manager (PPM) greatly simplifies your ICHRA administration. PPM enables employees to pay for their monthly premium and request reimbursement...at the same time!

### Bringing all the pieces of the puzzle together in a seamless and simple way

ICHRA's are a fantastic way for employers to stabilize the expense of their medical benefit offering. The challenge is that the administration of an ICHRA plan can be a huge burden without the right processes in place. Many ICHRA models require an employee to purchase a qualified health plan using their own after-tax dollars. Then, adding to the challenge, an employee must prove that they have proper coverage and must request reimbursement by mail, email or a mobile application. The good news is that ezICHRA's PPM makes the payment, substantiation and administration process simple and seamless by eliminating many of the action steps necessary in other ICHRA models.\*

#### How it works:



Employer establishes a fund tied to their ICHRA plan



Employee selects a qualified individual health insurance policy



PPM Platform compiles detailed reporting on employee premiums and carrier information for employers – which they can upload into their payroll system



PPM begins making recurring monthly premium payments for each employee policy from fund



Employer receives employee portion of the premium cost through payroll withholding

\*Unfortunately, Medicare Part B cannot be funded by PPM. Therefore, Medicare premiums and reimbursements are managed outside of this system.

# We'll help you decide if an ICHRA is a good fit for your organization

One-size doesn't fit all. Don't settle for less than a plan designed to fit your organizational goals and culture.

Let's get the conversation started! With a completed **ezICHRA census** and answers to questions like the ones below, we'll begin the process of designing an ICHRA program that will normalize your health care budget and bring great value to your employees.

- What are the primary goals of your employee benefit plan?
- Do you have less than 50 employees?
- Is an ICHRA being considered for your entire population or limited to a specific allowable class of employees?
- Do you have employees in more than one physical location?
- What is the employee's monthly cost for single-only coverage for your current base plan?
- What is your current base plan annual deductible and maximum out-of-pocket cost?
- Do you contribute towards the cost of your employee's spouse and dependent premium?
- What is the target ICHRA effective date / renewal date?

## ICHRA Implementation Timeline

Days From Start	Milestone
105	Analysis complete & employer decides to launch ICHRA
100	Legal & compliance documents completed / Employee ICHRA Portal created
90	Employee engagement & education begins / Employee ICHRA Portal launched
75	Employee eligibility census & demographic data collected / PPM initiated
60	Open Enrollment begins – employees select & are enrolled into health plans
30	Open Enrollment ends – employee health plans are funded and carriers are paid
10	Employer receives enrollment report to upload into payroll
0	Employee health plans begin

*Timeline above can typically be condensed.*



**800,000**

employers  
offering ICHRA

**11,000,000**

insured with ICHRA plans

The departments of Treasury, Labor and Health & Human Services estimate that 800,000 employers will offer an ICHRA by the end of 2025, insuring 11 million people.



## Contact me

to talk more about how an ICHRA can work for your employee benefits.

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