

10 ICHRA Nuances Every Large Employer Should Know

ICHRAs don't have "gotchas," but there are some key differences that set them apart from traditional group health plans. Knowing them ahead of time makes the transition smoother for you and your employees.



1. Employees Own Their Plans

OK, this one is less of a nuance and more of a major difference, but it's worth repeating. Carriers will send communications and invoices directly to employees. Employees should never pay these invoices and should contact SureCo if they are concerned or receive anything that says their plan could be cancelled. *(Note: SureCo will never terminate an employee's plan.)* There may be times that the employee has to be involved in talking to the carrier with SureCo in order to resolve an issue. If an employee switches carriers, they must cancel their current plan but should never do so unless advised by SureCo. Employees will have the option to keep their plan and pay the full premium if they leave their job for any reason.

2. ICHRAs Require an Active Enrollment

Employees must shop and elect their medical benefits each year with an ICHRA. More than two-thirds of SureCo members switch plans year over year, but even those who keep the same plan will need to log into the platform and confirm their selection during Open Enrollment.

3. Medicare Is Considered an Individual Plan Under ICHRA

Medicare-eligible employees must enroll in Medicare Parts A & B or C and cannot enroll in a different individual plan in order to benefit from an ICHRA. Employees will need to provide documentation of their Medicare enrollment to SureCo.

4. PPOs Are Not Available in All States

Carriers in several states, including Texas and Kansas, do not offer PPOs for their individual plans. But there is much less need for a PPO with an ICHRA because every employee has access to in-network providers in their area. In fact, Most employees who have the option for PPO end up switching to EPO or HMO after their first year on an ICHRA. They realize they're paying for a broad network they just don't need and would rather save money.

5. State Reciprocity Can Be Limited

Most carriers do not offer individual coverage across states. There are a few exceptions, like Ambetter, but in general employees must receive coverage where they live. Emergencies are typically covered.

6. Network Differences Are Prevalent

Individual versus group networks vary—even within the same carrier. Employees should always call their provider to confirm they are in-network with a carrier’s “individual plan.”

7. Providers Go In and Out of Networks Throughout the Year

Providers frequently join and leave networks without notifying anyone. It’s frustrating but not uncommon. This does not constitute a “Qualified Life Event,” so employees will not be able to switch their plan until the next Open Enrollment or a recognized QLE. Employees can, however, call their provider and ask them to go back in-network with their carrier. SureCo’s Employee Experience Team is always available to locate alternate providers.

8. Annual Rate Changes Affect Every Plan Differently

When carriers file yearly rate changes with the state, they report an average. But every plan is priced individually, even within the same carrier. Employees are encouraged to shop for the best plan for their needs and budget every year.

9. Elections Cannot Be Backdated

Unlike group, many carriers require that applications for new mid-year elections are submitted and paid for by the 15th of the month prior to the effective date. As a result, SureCo has standardized our process to enforce that elections be made by the 10th of the month prior to their benefit effective date. Any requests received after the 10th of the month will not be guaranteed to be active by the 1st of the next month. As a reminder, individual plans cannot be backdated to accommodate new hires who start later in the month.

10. Pre-Funding of Plan Premiums Each Month Is Required

To ensure all coverage is paid on time, SureCo begins paying carrier bills as early as the 25th of the prior month. **Any terminations made on or after that date are at risk of already having been paid and cannot be refunded.** Please contact SureCo for additional guidance around termination procedures.

Need help?

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**press 1 for English*

**press 2 for Spanish*

