

ICHRA vs. Self-Funded: Which Group Health Alternative Is Right for You?

Faced with **ever-increasing group health renewal rates**, you're likely exploring alternatives to traditional insurance models for your company or clients. Two common alternatives are switching to a **self-funded model or an Individual Coverage Health Reimbursement Arrangement (ICHRA)**. Learn more about the differences in the chart below.

	ICHRA With SureCo	VS	Self-Funded
Employer-Sponsered	Yes		Yes
Cost	Dictated by the stable individual carrier market		Dictated by claim fluctuation
Additional Fees	Platform or administrative fee		Administrative fee, individual stop-loss and aggregate stop-loss, unbundled pharmacy, wellness, and reporting fees
Long-Term Cost Savings	Yes		Unpredictable based on large claims and total claims projections
Employee Options	Employees choose from available individual health insurance plan options in their area		Limited to employer-selected plans and options
Works for Geographically Distributed Employees	Yes		Limited for many multi-site companies
ACA Compliant	Yes		Yes
Administrative Complexity	Low with the right partner		Moderate-high
Risk	Low—employer's financial risk is limited to the ICHRA contribution that they designate for each employee class		High—employer assumes all claims risk
Cost Control	Fixed allowance for each employee allows for cost predictability		Potential for cost savings if claims are lower than expected but also potential for claims to be higher than expected
Tax Advantage	Yes, employer and employee contributions are free from payroll taxes		Yes, employer and employee contributions are free from payroll taxes
Portability	Employees own plans and can take it with them		None—employer owns plans
Employee Classifications	Yes, using an ICHRA, companies can offer different contribution amounts to different classes (full-time, part-time, temporary, seasonal, etc)		No
Minimum Participation Requirements	None		Yes, plan-dependent
Built-In Compliance Assistance	Yes		Typically requires third-party assistance
Speed to Implementation	60 days		6+ months
Works With Your Benefits Consultant	Yes		Yes

To find out how much you could save with an ICHRA from SureCo, contact our Benefits Experts today!

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