




SureCo

# 101 ICHRA Guide

A better solution to group insurance.

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# Unpacking ICHRA

The Individual Coverage Health Reimbursement Arrangement (ICHRA) is a type of employer-provided health benefit plan that allows employees to choose their own health insurance coverage and receive reimbursement from their employer for a portion of the premiums. ICHRA offers more flexibility and customization for both employers and employees, which can reduce costs for both parties.

## The History of ICHRA

Dec 2016



21<sup>ST</sup> Century Cures Act is signed into law (includes provisions for ICHRA)

Jan 2020



ICHRA becomes effective as an alternative to group insurance

Jan 2021



ICHRA becomes available to all employers, regardless of size

Jan 2022



Expansion and modifications to ICHRA becomes effective

**“Employee ICHRA Enrollment Grows To 3.1 Million In 2022”**

— Congressional Budget Office [CBO.gov](https://www.cbo.gov)



**“SureCo’s Enrollment Platform Is A Game Changer In Improving Our Employee Benefits, Reducing Costs, & Eliminating Complex Internal Process Management.”** — Wing Lam, Owner of Wahoo’s Fish Tacos

## How It Works

1

An employer establishes an ICHRA plan and sets specific eligibility criteria for employees to receive the reimbursement.

This may include requirements such as having an individual health insurance policy or meeting specific minimum essential coverage.

2

Employees who meet the eligibility criteria can choose their own health insurance coverage. This can be through a marketplace exchange or directly with an insurance company.

3

The employer reimburses the employee for a portion of the premiums paid for the individual health insurance coverage. The employer determines the reimbursement amount and eligible expenses.

4

The employee is responsible for paying the remaining portion of their health insurance premiums.

*\*All medical plans available through SureCo are fully insured, ACA compliant, and offered by major carriers.*

# ICHRA Advantage

## ICHRA Solution

**Plan Choice:** Employees select a plan that fits their healthcare needs and doctor/facility preference.

**Rising Costs:** Plans are offered directly through the free market, reducing annual premiums and creating cost predictability

**Network flexibility:** Employees can save money by choosing an individual plan with a network that includes their desired doctors.

**Employee Experience:** Employees choose and own their insurance policy, leading to greater control and empowerment over their healthcare decisions.

**Plan Customization:** Employees choose an insurance plan that is best for their healthcare needs and budget.

### Broker

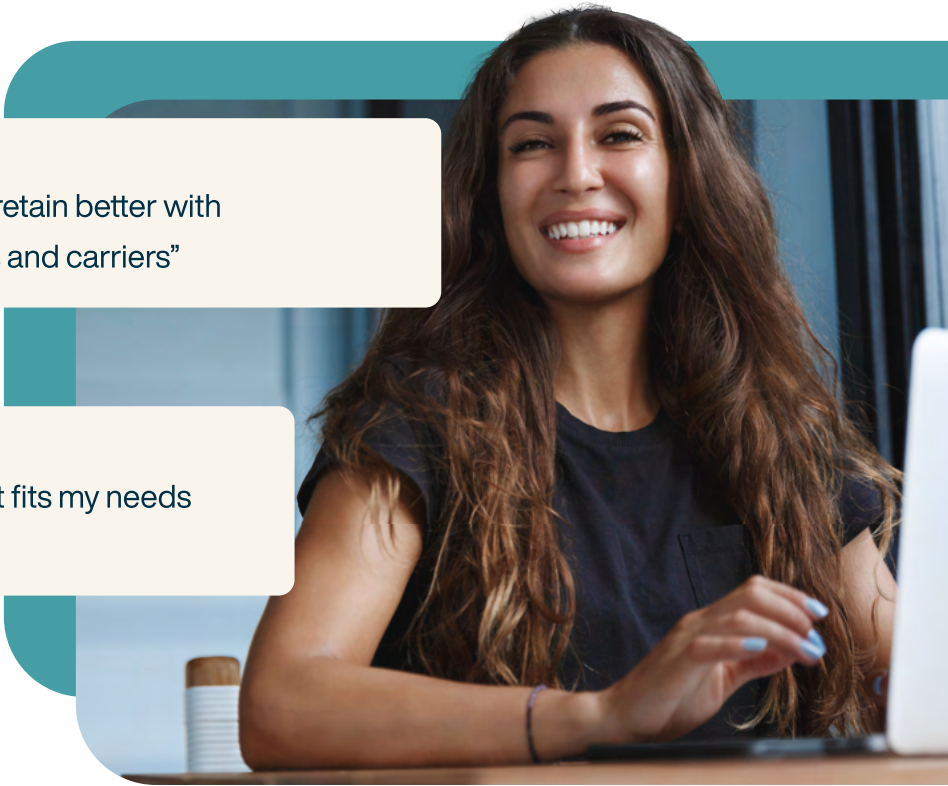
“Lower premiums and cost predictability are growing my client base”

### Employer

“I can recruit and retain better with competitive plans and carriers”

### Employee

“Finally, a plan that fits my needs and budget”



## Traditional Group Insurance

**Plan Choice:** Employees are restricted to average plans that don't fit their healthcare needs and budget.

**Rising Costs:** Group plan prices are always rising, making costs unpredictable each year.

**Network flexibility:** Employers choose a group health plan with the largest network to accommodate all employees' needs.

**Employee Experience:** Employers must preselect plans from one insurance company to fit the needs of their entire team.

**Plan Customization:** Employees rely on their employer for education and ongoing support to help understand their health insurance.



### Broker

“Rates went up again”

### Employer

“How can I provide competitive benefits?”

### Employee

“These plans don't fit my healthcare needs or budget”

# Key Takeaways

- Minimize the risk for employers
- More flexibility in employee’s plan section
- No participation requirements
- Simple & flexible plan options for employers
- Cost projection and predictability
- Full medical plans that are ACA compliant

## SureCo’s Enrollment Platform, A Better And More Powerful Alternative To Group Insurance

*Traditional group insurance can be costly and ineffective. SureCo lobbied for the change of plan ownership/ICHRA and WON.*



KR MANAGEMENT

**"We Were Looking  
At A Catastrophic Renewal Increase With Our  
Traditional Group Health Plan. Switching To  
SureCo Was A Fantastic Solution."**

— Heather McKamey VP of Human Resources, KR Management

## How Does It Work?

Think 401k but applied to health insurance. From a tiered composite to a defined contribution and a technological advantage, you can now allow employees to buy any plan from all competitive carriers at the click of a button.

Employees can choose plans from the free market, making carriers compete for their business, making costs go down. The employees own the plan, but companies continue to keep all the positive aspects of traditional group insurance, and can still offer employees plans pre-tax through payroll.

## What’s The Real Difference?

Traditionally, businesses that offer fully-funded, self-funded, and level-funded plans will ALWAYS take on the risk. Through SureCo's enrollment platform, companies DO NOT take on the risk. Employees have more choice in their healthcare options, which allows them to find a plan that best fits their needs. The SureCo team takes on all administration, guidance, and compliance tasks related to benefits.

## Enrollment Platform For Your Business

- Minimize the risk for employers
- More flexibility in employee’s plan section
- Simple & flexible plan options for employers
- Cost projection and predictability



# SureCo vs Traditional Group Insurance

	SureCo	Traditional
Employee plan ownership	✓	✗
Reimbursement	✓	✗
Coverage of pre-existing conditions	✓	✓
Coverage continuation after a job loss or change	✓	Limited
Simplified ACA & COBRA compliance	✓	✗
Tax advantage premiums	✓	✓
Broker Endorsed	✓	✓
Average monthly cost 2023	\$402/mo	\$599/mo

## References

"5 Things to Know About ICHRA" by the National Association of Health Underwriters: This article provides a brief overview of ICHRA and highlights some of the key features and benefits of this type of healthcare reimbursement plan.

"Individual Coverage Health Reimbursement Arrangements (ICHRAs)" by the Department of Labor: This webpage Inform on the rules and requirements for ICHRA, including who is eligible to participate and how the reimbursement process works.

Employer Shared Responsibility Providers by IRS.gov: This document shows which employers are subject to responsibility provisions and how payments are calculated.

"IRS Issues Final Regulations on Health Reimbursement Arrangements" by Thompson Reuters: This article provides an overview of the final regulations issued by the IRS on ICHRA and how it differs from other types of employer-sponsored healthcare plans

"How ICHRA works for small business owners" by HealthCare.gov: This article explains how ICHRA can be a valuable option for small business owners looking to provide healthcare coverage to their employees.