

# Individual Coverage HRAs



# Introducing ICHRAs

# INTRODUCING ICHRAs



**ICHRAs are opening the discussion about decoupling health insurance from employment.**

Recent updates to federal HRA regulations established a new type of HRA— the Individual Coverage HRA (ICHRA)— **which, as of January 2020**, enables businesses to reimburse employees tax-free for premiums for health insurance purchased in the individual market. Just as the shift from defined benefit pensions to defined-contribution 401(k) plans altered how Americans save for retirement, ICHRAs could have a similar effect on how employers of all sizes fund and manage employee health benefits.

In the age of personalized benefits and the consumerization of healthcare, ICHRAs are a significant step toward reinventing health insurance as a 401(k)-style benefit— customizable to meet the specific needs of each employee and transportable from one job to another, without loss of coverage.

# ICHRA<sub>s</sub> PROPOSITION



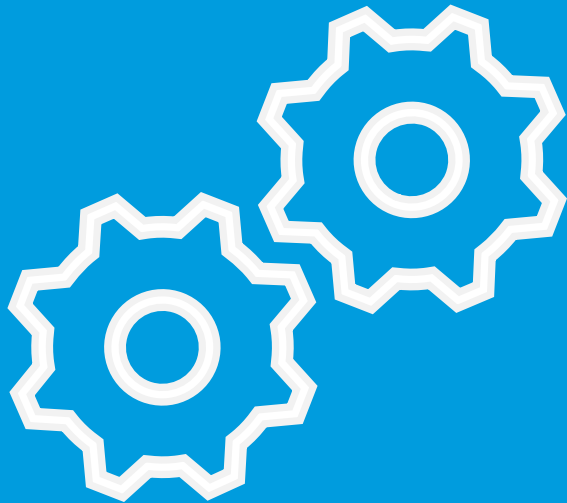
## ICHRA<sub>s</sub> may become a new alternative to traditional employer-sponsored coverage.

Navigating whether an ICHRA is right for businesses and their employees will require employers— directly and through their brokers— to fully examine the plan options available in both the group and individual health insurance markets.

- **Cost Control** allows employers to define their benefit budget and control health benefit costs.
- **Customization and Flexibility** gives employers the ability to design a plan that meets their specific business needs.
- **Employee Personalization** allows individuals to choose a health insurance plan that best fits their specific needs.
- **Plan Portability** gives employees their own health insurance coverage, can take it with them if they change jobs and can integrate it with a future employer's ICHRA.

# Understanding ICHRAs

# HOW DOES AN ICHRA WORK?

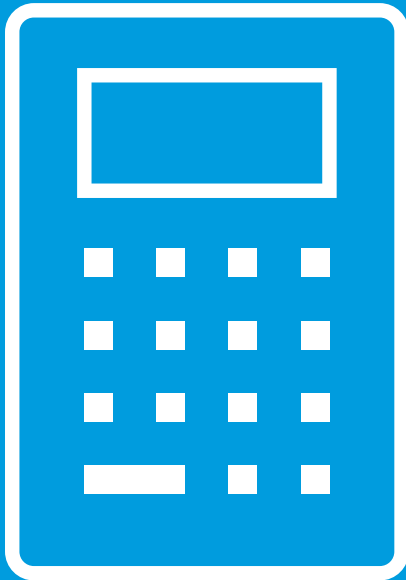


**ICHRAs are based on reimbursing employees for insurance rather than buying it for them.**

An ICHRA is a tax-advantaged account that allows an employer to reimburse their employees for individual health insurance premiums and eligible out-of-pocket medical expenses they or their dependents may incur during the plan year.

- The employer outlines which employees are eligible to participate in the ICHRA plan (i.e., Full-Time, Seasonal, Part-time, etc.).
- Employers can leverage 10 different employee classes to structure benefit eligibility and varying allowance amounts.
- Employers can contribute as little or as much as they want to an ICHRA.
- Employees must enroll in individual health insurance for each month they are covered by the ICHRA.

# ICHRA AFFORDABILITY CALCULATOR



[Click here](#) to use our calculator.

OCA provides a calculator to help Applicable Large Employers (ALEs) understand what ICHRA contributions are necessary to meet the Affordable Care Act's affordability thresholds.

The Affordable Care Act (ACA) requires employers with more than 50 full-time equivalent employees to provide health insurance to their employees. Employers that do not provide affordable insurance must pay a penalty. As the IRS defines ICHRA affordability, an ICHRA is affordable if “the remaining amount an employee has to pay for a self-only silver plan on the exchange is less than 9.61% (rate for 2022) of the employee’s household.”

## What makes an ICHRA “affordable”?

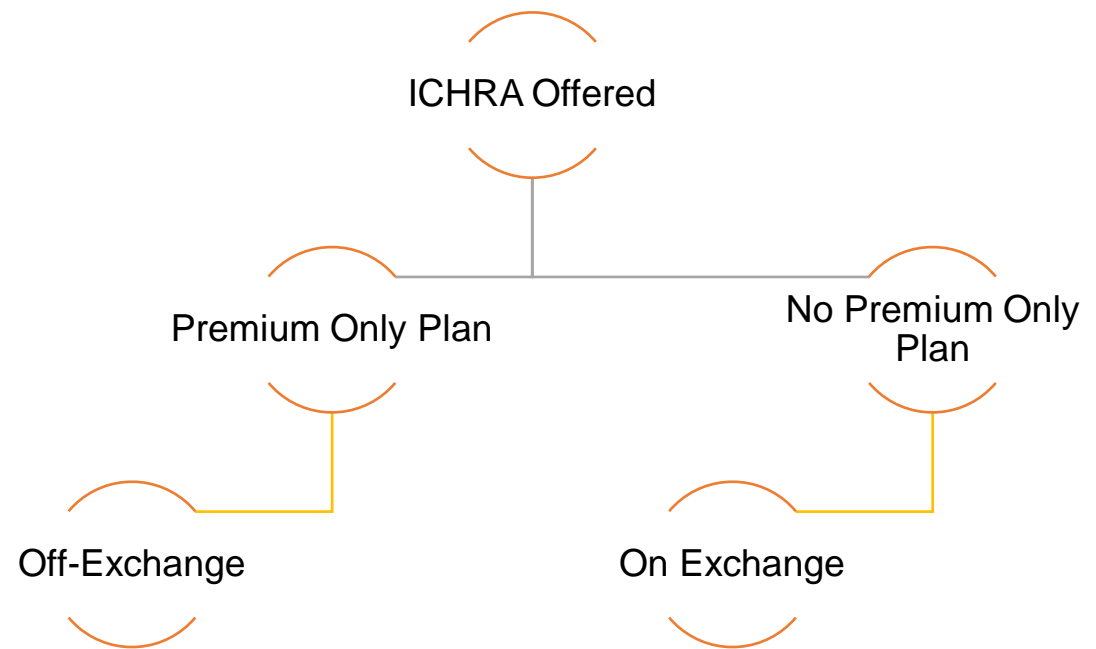
- Affordability takes the employee-only premium for the lowest cost silver plan into account.
- An ICHRA offer is considered "affordable" when the monthly premium for the lowest-cost silver plan, minus the ICHRA monthly allowance, should not exceed 9.61% of the employee's household income for the month.
- Three Safe Harbors available to employers to meet the affordability threshold for employees. FPL, Rate of Pay and W-2 (prior year).

# WHY DOES EXCHANGE STATUS MATTER?



Pre-tax deductions for premium amounts above the ICHRA contribution will dictate where employees shop for their insurance plans.

Section 125 regulations prohibit pre-tax deductions for on-exchange plans, even if the ICHRA is affordable and they can't secure a PTC.





# **OCA's Role in Support of ICHRAs**

# OCA's ICHRA ACCOUNT



**OCA is focused on providing a user-friendly platform designed to optimize the participant journey and enhance ICHRA administration service and capabilities.**

OCA's ICHRA solution offers a flexible and cost-effective alternative to traditional group benefits. We help simplify the ICHRA benefit offerings by connecting health and wealth resources into one "easy-to-navigate" experience.

## **Pre-Enrollment Support**

- Customize ICHRA Plan Design
- ICHRA Affordability Calculator (If Applicable)
- Provide ICHRA Notice to Eligible Employees
- Optional Consumer Shopping & Enrollment
- Individual Insurance Coverage Verification

## **Post-Enrollment Support**

- Employee pays individual premium **using OCA's debit card** and/or pays out of pocket and submits their receipt for reimbursement.
- Online/Mobile App Access for ICHRA account
- Dedicated ICHRA Support Team
- Optional Concierge Services

# SHOPPING & ENROLLMENT SUPPORT



**We understand that finding the right health insurance plan may feel like a daunting task.**

Our partnership with **HealthSherpa** allows shopping for an individual insurance plan, enrolling in a plan, and managing the employee's coverage super easy. Our one-stop solution provides integrated online enrollment and support tools that help ICHRA-eligible employees find quality, affordable health insurance.

## **Key Platform Features:**

- Important Follow-Ups to Secure Coverage & Subsidies
- Pay Premium
- Upload Important Documents
- Plan Coverage Details
- Applicant/Application Overview
- Eligibility Information/Overview
- Education/Information
- 1095-A Tax Form
- Report Changes/Update Application
- Plan Renewal

*Utilizing our partnership with shopping an enrollment platform through HealthSherpa is not required (see OCA pricing models).*

# ICHRA CONCIERGE SERVICES



Through our strategic partnership with TouchCare, our team of health assistants help employees navigate the complexities of the healthcare system while saving them time, money, and frustration.

With more employers looking at ICHRAs as an alternative to group insurance, providing additional support to members is even more critical. Our goal is to ensure that members get the most out of their benefits and their benefit dollars by guiding them through the complexities of our healthcare system. Our concierge-style approach saves members time, money, and hassle.

## Key Platform Features:

- Benefits Navigation
- Billing Review/Negotiation
- Provider Search Support
- Procedure Preparation Assistance
- Appointment Scheduling
- Cost Transparency Tools
- RxCare Consultations

*Utilizing our partnership with TouchCare is not required (see OCA pricing models).*

# OCA's ICHRA PRICING MODELS

# ICHRA DIRECT PRICING

## ICHRA Direct

**\$5.95 per employee, per month**

(\$50 monthly minimum)

\$250 Set up/ Renewal

### Includes:

- ✓ Custom ICHRA Account Design
- ✓ ICHRA Plan Documents/Notices
- ✓ Daily Claims Adjudication
- ✓ Employer Portal/Reporting
- ✓ Member Portal/Mobile App
- ✓ ACH/Check/Debit Card Reimbursement
- ✓ Mobile Wallet Reimbursement
- ✓ Webinar Support Training
- ✓ Eligibility/Claims Integrations
- ✓ Non-Discrimination Testing
- ✓ Connected Cash Reimbursement
- ✓ Free HSA Account (If Applicable)
- ✓ Pharmacy Discounts
- ✓ ICHRA Affordability Calculator

\*TouchCare available for additional \$6.50 PEPM

# ICHRA PREFERRED PRICING

## ICHRA Preferred

**\$14.95 per employee, per month**  
(**\$50 Monthly Minimum**)  
**\$250 Set Up/Renewal Fee**

Includes:

- ✓ Every Feature in ICHRA Direct
- ✓ Individual Plan Shopping/Quoting Tools
- ✓ Insurance Enrollment/Onboarding Support
- ✓ Post Enrollment Support
- ✓ Fully Integrated ICHRA Account/Insurance Experience

# ICHRA CONCIERGE PRICING



## ICHRA Concierge

**\$20.95 per employee, per month**

(\$50 Monthly Minimum)

\$250 Set Up/Renewal Fee

Includes:

- ✓ Every Feature in ICHRA Direct and ICHRA Preferred
- ✓ Provider Search Support
- ✓ Procedure Preparation Assistance
- ✓ Appointment Scheduling
- ✓ Billing Review/Negotiation
- ✓ Cost Transparency/RxCare Consultations

