

Break Tradition

Be an Agent of Change

ICHRAs offer year round Special Enrollment Periods

With many traditional group open enrollments coming to an end, you may find that the group health plan you opted for may not be a good fit any longer. Maybe you signed up for a plan that is too expensive. Or that renewal for last year's plan came back way too high and it was too late to find another option.

It's OK. You still have options.

Did you know that one advantage to an ICHRA is that you can enroll in one at any time in the year?

You can change to an ICHRA and your broker, along with Nexben, can help. When you set up a new ICHRA, a Special Enrollment Period is triggered. Meaning you get a new enrollment period. So, you can stop your overpriced group plan and start an ICHRA.

This is especially helpful if you are early in your group plan year before employees have spent a lot toward their deductibles, or you have seasonal employees starting.

So, when can you start?

An ICHRA can be started at any time. If you are looking to change coverage and control costs, start the ICHRA sooner rather than later. Starting sooner also minimizes the impact to employees who have already paid a portion of their deductible.

Steps to Get the Ball Rolling

Work with a broker to plan out the ICHRA:

- Pick a start date (the day after the current coverage ends)
- Design classes for eligible employees
- Determine your budget and set the contribution allowance
- Fill out the ICHRA Employer Application and Nexben Employee Census Template
- Prepare and send the ICHRA notice to your employees
- Notify your current carrier that you are going to stop coverage, specify the end date



How ICHRAs work

What is an ICHRA?

An ICHRA is an employer-funded, tax-advantaged health benefit used to reimburse employees for individual health insurance premiums and other qualified medical expenses.

With a Nexben ICHRA, you define what your specific monthly reimbursement amount will be to your employees. The employee then chooses their individual health insurance coverage and pays for it using that contribution; any remaining premium balance due may be taken care of via employee payroll deduction, much like a traditional group plan, on a pre-tax basis. Because you specify a dollar amount per employee, ICHRAs make budgeting easy. There is a pre-determined upper limit that the company may pay for health insurance benefits each year. You have more control of their health benefit expenditures.

ICHRAs also give employees flexibility in selecting their health insurance. Employees can pick a plan offered in their plan rating area that fits their budget and lifestyle—limiting the cost to the employer contributes or kicking in some of their own pre-tax dollars (if necessary) to cover the premium costs. If an employee leaves the company, the insurance coverage is portable.

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How can an ICHRA save money?

Traditional group health plans can have significant rate increases year over year. Carriers look at past claims for a company and determine the cost to cover them. If those claims were too high, they will likely raise the rates the next year.

Individual health insurance is guaranteed issue, meaning that eligibility is no longer based on medical history and applicants no longer face higher premiums or rejected applications due to a pre-existing condition. Individuals now have more options to choose from; selecting coverage that better fits their needs.

So, companies that have seen large rate increases due to past claims, may be able to save money with an ICHRA. Many times, in this situation, both the company and its employees save money with an ICHRA over the traditional group plan.