

Content Brief Template

Writer: Emma
Draft Due: 10/25/24
Article Details:

| | |
|------------------------------|--|
| Topic/Title: | The Future of Employee Benefits: Why ICHRAs Are Gaining Popularity |
| Article Type: | SEO; 1000-1200 words |
| Thematic Category: | Business Health Insurance |
| Industry or Marketing Focus? | Marketing |
| Summary: | <p>Analyze the rising trend of ICHRAs in the employee benefits landscape and what this shift means for the future of healthcare and employer-sponsored benefits.</p> <p>Please include relevant data.</p> <p>This article will discuss the rising popularity of Individual Coverage Health Reimbursement Arrangements as a potentially transformative employee benefit. ICHRAs allow employers to reimburse employees for their individual health insurance premiums, offering greater flexibility and personalization compared to traditional group health plans.</p> |

| | |
|---|---|
| | The advantages include cost control for employers, the ability to cater to diverse employee needs, and potential tax benefits. As more companies seek innovative solutions to attract and retain talent, ICHRAs are becoming an appealing option that aligns with modern workforce expectations and changing healthcare dynamics. |
| TL;DR | Summarize the article into three bullets, ensuring that we answer the question or statement posed in the title as succinctly and clearly as possible. |
| Primary SEO Keywords: (Use 3-5 times each; include in headline, meta description and in H2s as possible) | what is an ichra: MSV: 400, KD: 22 |
| Secondary SEO Keywords: (Utilize generously in body copy to paint full picture for Google) | ichra pros and cons, MSV: 400, KD: 1 ichra providers: MSV: 75, KD: 1 |
| External links to include: (Reliable and respectable references) | Writer to provide |
| Competitive Comparisons: | https://www.fiercehealthcare.com/payers/ichra-having-moment-vcs-are-taking-notice-and-looking-invest-emerging-space#:~:text=ICHRA%20explained&text=ICHRA%20is%20popular%20among%20small,group%20plans%2C%22%20she%20explained. |
| Internal Links to use (at least 3-4) | https://thatch.ai/blog/the-story-of-ichra https://thatch.ai/blog/healthcare-history-how-it-got-this-bad https://thatch.ai/blog/health-insurance-for-startups |
| CTA(s) if applicable | Title: Writer to provide link: Thatch.ai/demo |
| Meta Description tag (under 160 characters): | Writer to provide |
| Thatch Standard Blog Disclaimer | <i>This article is for general educational purposes, not legal or tax advice. The opinions shared here belong to the author</i> |

| | |
|--|--|
| | <i>and are not official statements from Thatch. For legal and tax questions, please consult with a qualified professional.</i> |
|--|--|

| Boilerplate Info for All Articles | |
|---|--|
| Copy and style highlights | <ul style="list-style-type: none"> ● We use AP style guide ● Use sentence case for headlines ● For hyperlinks: always link on actions vs "link words", e.g. "read more about ICHRA" vs "read more here" ● Avoid periods in ordered/unordered lists, except when there's more than one sentence in the bullet ● Use full em dashes ("—" vs "-") with spaces around them (When you look at ICHRA — the new law that powers Thatch — you find a lot of similarities to QSEHRA.) ● Always use the Oxford comma <p>Additional copy resource</p> |
| Who is our audience? | <ol style="list-style-type: none"> 1. Companies that are first-time health insurers 2. Companies that already have health insurance but are facing 10-15% increases for renewals and need an alternative for group health care |
| Who are the readers we need to appeal to? | <ul style="list-style-type: none"> ● HR Managers ● Directors of HR ● CFOs and Finance Leaders ● Payroll Managers ● COOs and Operations Leaders ● Procurement Leaders |

| | |
|---|--|
| Ideal Target Companies | Those with 200+ employees, but also target SMBs and those new to the business landscape |
| Key points to emphasize | <ul style="list-style-type: none"> ● Thatch democratizes the process of procuring health insurance for your company, offering a new, more seamless and cost-effective way to do so ● Leverage data, relevant stats and comparisons when applicable |
| What is ICHRA? (Individual Coverage Health Reimbursement Arrangement) Reference: ICHRA.com | ICHRA allows businesses to offer employees a monthly allowance of tax-free money. It allows them to buy individual health coverage tailored to fit their unique needs, control costs, and address ACA compliance for applicable large employers. |

Article Copy:

<H1>The Future of Employee Benefits: Why ICHRAs Are Gaining Popularity</H1>

TL;DR

- ICHRAs allow employees to purchase individual health insurance on the marketplace using employer-provided allowances.
- The adoption of ICHRAs is rising rapidly and is driven by employee demand for better healthcare benefits and increasing healthcare costs for employers.
- ICHRA adoption is [most robust](#) among large employers (companies with over 50 full-time employees).

In an era when employee benefits are more critical than ever, Individual Coverage Health Reimbursement Arrangements (ICHRAs) are emerging as a game-changer in the healthcare landscape. ICHRAs provide a flexible alternative to traditional health plans, allowing employees to choose individual health insurance policies that best suit their unique needs. This approach empowers employees and helps employers to manage their healthcare expenses better.

As organizations grapple with rising healthcare costs and the demand for personalized benefits, ICHRAs are gaining traction. Recent studies reveal that many employees are dissatisfied with their current healthcare options, increasing turnover rates. ICHRAs address these concerns by offering employees the freedom to select coverage that aligns with their circumstances while enabling employers to set fixed allowances for more predictable budgeting.

In this blog post, we will explore the growing popularity of ICHRAs and the potential future impact on the employer-sponsored benefits landscape.

Understanding ICHRAs can provide valuable insights for navigating today's complex benefits environment, whether you're an HR professional or a business leader.

What are ICHRAs?

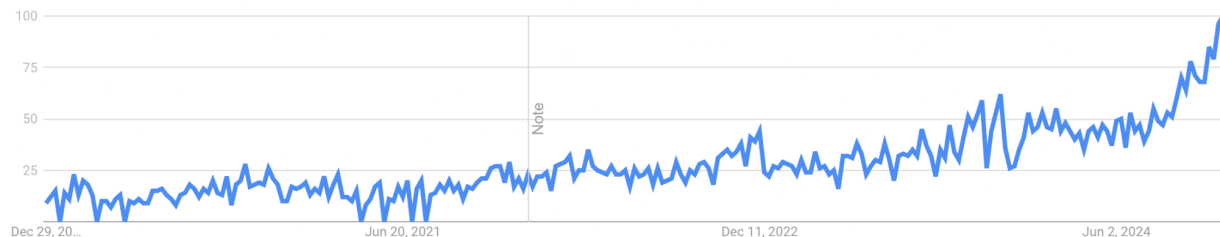
The [history of formalized healthcare in the U.S.](#) is nearly 100 years old, but ICHRAs are a relatively new addition. Introduced in 2020, ICHRAs expanded the function of HRAs with individual health insurance policies for companies of all sizes.

ICHRAs allow employees to purchase individual health insurance policies on the marketplace or directly from insurance carriers using an employer-supplied allowance. The ICHRA allowance can also reimburse other healthcare-related expenses, such as co-pays and prescriptions, depending on the terms of the ICHRA.

Introduction of ICHRAs and rise in awareness

Since their introduction, ICHRAs have gained popularity among employers. Before ICHRAs formally hit the market in 2020, experts at the Department of Labor estimated a quick uptick in adoption, with [11 million Americans enrolling](#) in an employer-sponsored ICHRA plan once employers adjusted to the new policy. The Congressional Budget Office estimates [two million Americans](#) will be part of an ICHRA plan by 2032.

Interest over time ⓘ



Public interest in ICHRA has grown exponentially since its introduction into the market. According to Google Trends, the term in 2024 has grown in awareness nearly four times since the concept was introduced. This steady growth shows interest in the term and consumer awareness of the concept. While Google Trends doesn't show an adoption rate, the growth of ICHRA as a search term does indicate awareness and interest in the program.

Who is enrolling in ICHRA?

As ICHRA turns five, its popularity isn't slowing down. In the past year, the adoption of ICHRAs by qualifying businesses [has grown 29%](#), according to the HRA Council's 2024 Growth Report.

Breaking it down further, the largest group to grow in ICHRA adoption is large employers, with more than 50 full-time employees. In the past year, [ICHRA adoption for large employers grew 84%](#).

First-time providers

Many of the companies adopting ICHRAs are offering employees healthcare for the first time ever. [83% of employers selecting ICHRAs](#) previously did not provide healthcare for their employees.

This is, in part, due to the flexibility of ICHRAs. Smaller businesses aren't required to offer health insurance, but ICHRAs make it easier for companies to offer coverage they were previously shut out of in the traditional insurance marketplace. Employees are more likely to stay at companies that offer compelling benefits, no matter the size, making ICHRAs a compelling offer for employee satisfaction and retention.

Bigger businesses

As mentioned above, the largest adopters of ICHRAs are large employers or companies with at least 50 full-time employees. The Affordable Care Act requires Applicable Large Employers to offer affordable care to 95% of employees and their dependents, and many companies opt for the flexibility of ICHRAs.

One of the primary benefits of ICHRAs for employers is their inherent cost control. Employers set an allowance for each employee, which can help them manage overall healthcare expenses and better predict costs compared to traditional healthcare coverage, where premiums can fluctuate.

Similarly, employers can avoid the annual rising cost of premiums all at once by adjusting allowances as needed. These cost-saving measures can be beneficial, especially to [budget-conscious businesses or startups](#).

Younger employees

The largest segment utilizing employer-offered ICHRAs is [workers between 26 and 34](#). This younger pool indicates two trends for the future of ICHRA:

1. **Stabilized risk.** Younger people enrolled in ICHRA can help stabilize risk pools overall, keeping plans at a lower cost.
2. **Life-long familiarity.** Considering Americans can stay on family health insurance until age 26, it's not unreasonable to assume many of these employees enrolling in ICHRA are enrolling in health insurance for the first time. Empowering employees to pick the health insurance that fits them best so early in their career could prime them to accept ICHRAs as the norm as they age.

Urban employers

While ICHRA is gaining popularity nationwide, it's being adopted most heavily by employers in large metropolitan areas. According to the [HRA Council](#), these are the top five areas of ICHRA adoption in 2024:

1. New York City
2. Los Angeles
3. San Francisco/Bay Area
4. Twin Cities
5. Atlanta

Why are ICHRAs gaining popularity?

Recent research has highlighted frustration among employees regarding benefits, including healthcare coverage. According to the Pew Research Center, [43% of people who left their jobs in 2022 did so, citing poor benefits](#), including healthcare coverage.

ICHRAs allow employees to pick coverage on the marketplace that best suits them, giving them control over their benefits. This flexibility and adaptability can boost employee satisfaction and retention in an increasingly remote and hybrid work environment.

Additionally, the rising cost of healthcare for employers has pushed this trend. By setting monthly allowances, employers can more efficiently control their healthcare spending.

The future of healthcare and employer-sponsored benefits

Between 2022 and 2023 alone, the [number of employers offering ICHRA for health benefits rose 64%](#). In contrast, overall plan cost has increased by more than 50%, according to the [2023 Employer Health Benefits Survey](#).

Considering its growth so far, combined with the rising cost of care, ICHRAS will likely continue to grow in popularity. They're both a tool for personalized employee care and a cost-preserving method for employers.

Employers don't have to explore ICHRAS on their own. That's where Thatch comes in.

Thatch is democratizing the healthcare landscape and helping employers offer ICHRA coverage to their employees.

If your team wants personalized, affordable healthcare, contact [Thatch](#) today to learn more.

Advantages of ICHRAs for employers

ICHRAs aren't just trendy; they come with plenty of benefits for employers.

Cost control

One of the primary benefits of ICHRAs for employers is their inherent cost control. Employers set an allowance for each employee, which can help them manage overall healthcare expenses and better predict costs compared to traditional healthcare coverage, where premiums can fluctuate.

Similarly, employers can avoid the annual rising cost of premiums all at once by adjusting allowances as needed. These cost-saving measures can be beneficial, especially to [budget-conscious small businesses or startups](#).

Personalization

For companies with diverse employees, ICHRAs can help provide the right coverage for each employee. Not only are ICHRAs a great choice for remote teams, where employees can shop for local plans, but they also empower employees to pick the best fit for their various family situations or health conditions.

Tax benefits

Employer contributions to ICHRAs are tax-deductible, which can reduce the overall tax burden of the organization. Contributions are also exempt from payroll taxes, which could save an employer compared to providing traditional health benefits where payroll taxes apply.

Advantages of ICHRAs for employees

ICHRAs aren't just beneficial for employers. Employees may also find the coverage advantageous.

Flexibility

ICHRA's benefit employees by choosing coverage on the marketplace instead of preselected by a traditional, employer-sponsored health plan. That means finding a plan that fits them, their healthcare needs, and their budgets.

Satisfaction

No two employees are alike, and acknowledging that through healthcare coverage can help employees feel seen and heard. Improved benefits can boost employee satisfaction, morale, and even long-term retention.

The takeaway

ICHRA's may be new for many employers, but their popularity is growing rapidly. Ready to adopt ICHRA? [Try a free demo with Thatch](#) to learn more.

Thatch Resources & Content Properties

| Resources | Content Properties |
|---|---|
| Thatch Content Cheat Sheet : how to speak about Thatch and its services in an official capacity | Thatch Blog |
| HealthInsurance.org Glossary | Thatch Brand Guidelines |
| Moz.com : strong resource for all things SEO; explore blog and various free sections | |