



NORTH RISK PARTNERS®

HEALTH BENEFITS REINVENTED: WHY ICHRA IS ON THE RISE

AUGUST 2025

NORTH RISK WEBINARS | 2025

PRESENTERS



Troy Holmen

Vice President of Insurance Services
Benafica



Hakan Almstrom

V.P. of Employee Benefits, Risk Advisor,
Partner
North Risk Partners

LOGISTICS



Ask questions via the Questions box



Two-question survey at the end



Webinar is recorded

 Follow-up email sent tomorrow with link to slides & recording!

AGENDA

- Overview of ICHRA - Trends and Insights
- How an ICHRA works
- Employer Examples
- About Benafica | Overview of our solution
- Common Friction Points
- Open discussion | Next steps

ICHRA TRENDS AND INSIGHTS



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WHAT IS ICHRA?

An ICHRA **“Individual Coverage Health Reimbursement Arrangement”** enables employers to reimburse employees tax-free for health insurance premiums and medical expenses.

- Employers decide in advance how much they will reimburse monthly
- Employees choose any individual market plan.
- Employers can structure ICHRA eligibility and contribution levels by job class (e.g., full-time vs. part-time, location, union status).

ICHRA	TRADITIONAL GROUP PLAN
Premium Predictability	Premium Varies based on Claims
Broad Employee Choice	Limited 1-3 Options
No Participation Rules	Minimums Required
Plans selected based on locality	Network tied to Group Plan
Tax Deductible for employer	Tax Deductible for employer

INDIVIDUAL MARKET: COVERAGE & CHOICE



Health insurance companies and plan options vary by geography.

All ACA-compliant plans include:

- Free preventive care
- Coverage for Essential Health Benefits
- Coverage for pre-existing conditions
- No medical underwriting (premiums vary by age)

Some plans include extra perks:






- Free and unlimited telemedicine
- Free generic drugs
- Wellness benefits
- Dental & Vision

For employees 65+ years old, all Medicare options will be reimbursed up to the contribution amount.



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CONTROLLING COSTS, EXPANDING CHOICE

Employers	Employees
 <p>Stability:</p> <ul style="list-style-type: none">• Individual premiums are not subject to increases based on group claims history	 <p>Choice:</p> <ul style="list-style-type: none">• Pick the best plan for their needs• Secure the right level of coverage
 <p>Flexibility:</p> <ul style="list-style-type: none">• No participation requirements• Variable contribution amounts	 <p>Portability:</p> <ul style="list-style-type: none">• Employees own their own health plan so they can take it with them wherever they go
 <p>Financial Control:</p> <ul style="list-style-type: none">• Set your budget and cap spend• Tax Free Contributions	

CASE STUDY

				Carrier Name	HealthPartners	BlueCross BlueShield of Minnesota	HealthPartners	Medica
				Plan Name	\$3,500-100% HSA Open Access	Blue Plus Minnesota Value HSA Gold \$3200 Plan 207 (MN)	\$5,500-100% HSA Open Access	Medica Applause Bronze HSA (MN)
				Annual Deductible	\$3,500 / \$7,000	\$3,200 / \$9,600	\$5,500 / \$11,000	\$6,500 / \$13,000
				Employee Coinsurance % (after ded.)	0%	5%	0%	5%
				Annual Out of Pocket Maximum	\$3,500 / \$7,000	\$4,800 / \$14,400	\$5,500 / \$11,000	\$8,000 / \$16,000
				HSA Eligible	Yes	Yes	Yes	Yes
Employee Name	Rating Area	Age	Tier					
EMPLOYEE	MN07	37	F		\$2,261.99	\$1,822.38		\$1,630.18
EMPLOYEE	MN07	45	ES		\$2,261.99	\$1,267.44		\$1,133.76
EMPLOYEE	MN07	54	EC		\$2,261.99	\$1,110.20		\$993.12
EMPLOYEE	MN07	43	F		\$2,261.99	\$1,622.29		\$1,451.18
EMPLOYEE	MN07	49	ES		\$2,261.99	\$1,506.48		\$1,347.59
EMPLOYEE	MN07	62	EE		\$685.47	\$1,017.42		\$910.12
EMPLOYEE	MN07	42	EE			\$469.23	\$616.44	\$419.74
EMPLOYEE	MN07	64	EE			\$1,062.39	\$616.44	\$950.35
EMPLOYEE	MN07	36	EE			\$435.58	\$616.44	\$389.64
EMPLOYEE	MN07	65	EE		\$685.47	\$400.00		\$400.00
EMPLOYEE	MN07	46	F		\$2,261.99	\$2,049.36		\$1,833.23
EMPLOYEE	MN07	29	EE			\$396.27	\$616.44	\$354.48
EMPLOYEE	MN07	55	F		\$2,261.99	\$1,934.97		\$1,730.89
EMPLOYEE	MN07	47	EE			\$553.51	\$616.44	\$495.13
EMPLOYEE	MN07	30	F		\$2,261.99	\$1,442.74		\$1,290.58
EMPLOYEE	MN07	33	F		\$2,261.99	\$1,484.53		\$1,327.96
EMPLOYEE	MN07	57	EE		\$685.47	\$863.02		\$772.00
EMPLOYEE	MN07	33	EE		\$685.47	\$424.25		\$379.51
EMPLOYEE	MN07	40	EE		\$685.47	\$452.58		\$404.85
EMPLOYEE	MN07	29	F		\$2,261.99	\$1,726.75		\$1,544.64
EMPLOYEE	MN07	41	F		\$2,261.99	\$1,560.67		\$1,396.07
EMPLOYEE	MN07	41	F			\$1,538.35	\$2,034.20	\$1,376.11
EMPLOYEE	MN07	64	ES		\$2,261.99	\$2,023.51		\$1,810.10
EMPLOYEE	MN07	56	F		\$2,261.99	\$2,495.57		\$2,232.38

CASE STUDY

COST ANALYSIS		
Group Coverage (2024)	Individual Marketplace (ICHRA)	
\$1,843,586.64	\$1,306,345.92	Annual Premium
\$0.00	\$82,680.00	Admin Fee
\$1,843,586.64	\$1,389,025.92	Annual Cost
	\$454,560.72	Annual Savings
	-24.66%	Annual Savings %
Group Coverage (2025)	Individual Marketplace (ICHRA)	
\$2,186,493.76	\$1,436,980.51	Annual Premium
\$0.00	\$82,680.00	Admin Fee
\$2,186,493.76	\$1,519,660.51	Annual Cost
	\$666,833.24	Annual Savings
	-30.50%	Annual Savings %

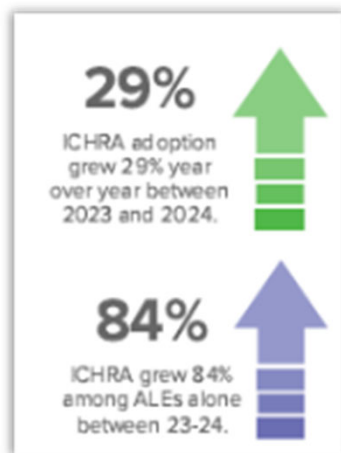
HRA TRENDS AND INSIGHTS



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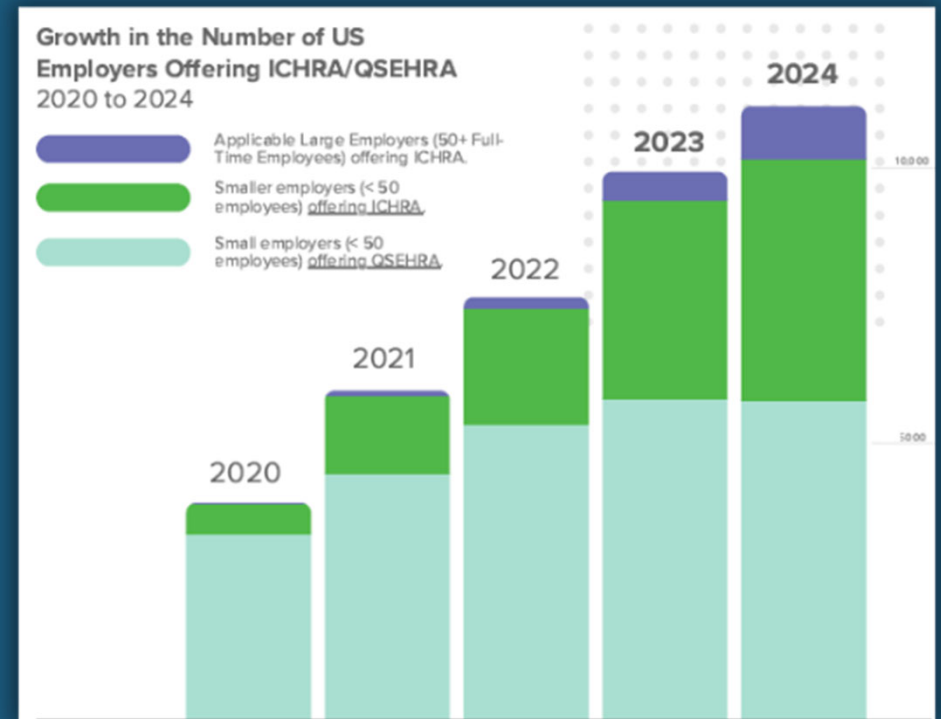
ICHRA TRENDS & INSIGHTS

ICHRA adoption is up 29%, with ALEs growing by 84%.



The HRA Council is an industry coalition focused on education & awareness of HRAs.

Visit www.HRACouncil.org to learn more



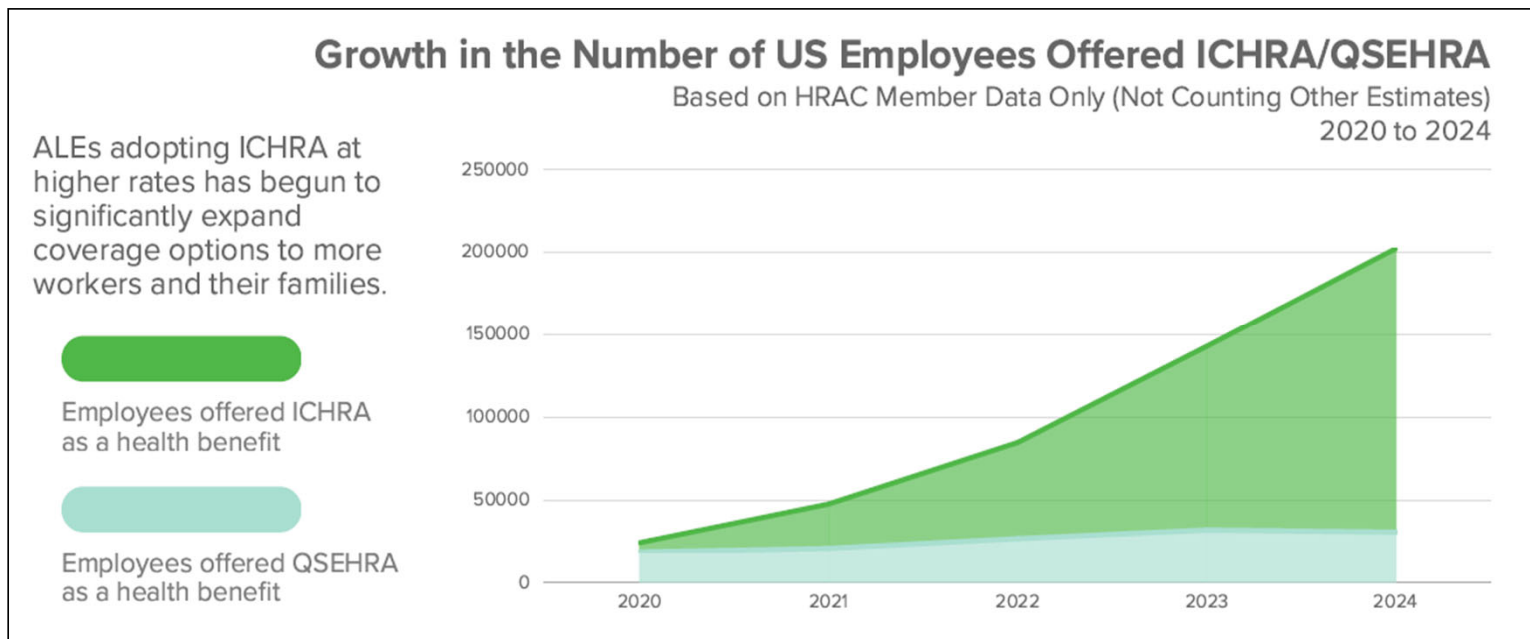
Source: <https://www.hracouncil.org/>



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ALES ADOPTING ICHRA

Majority of growth in ICHRA has come from Applicable Large Employers



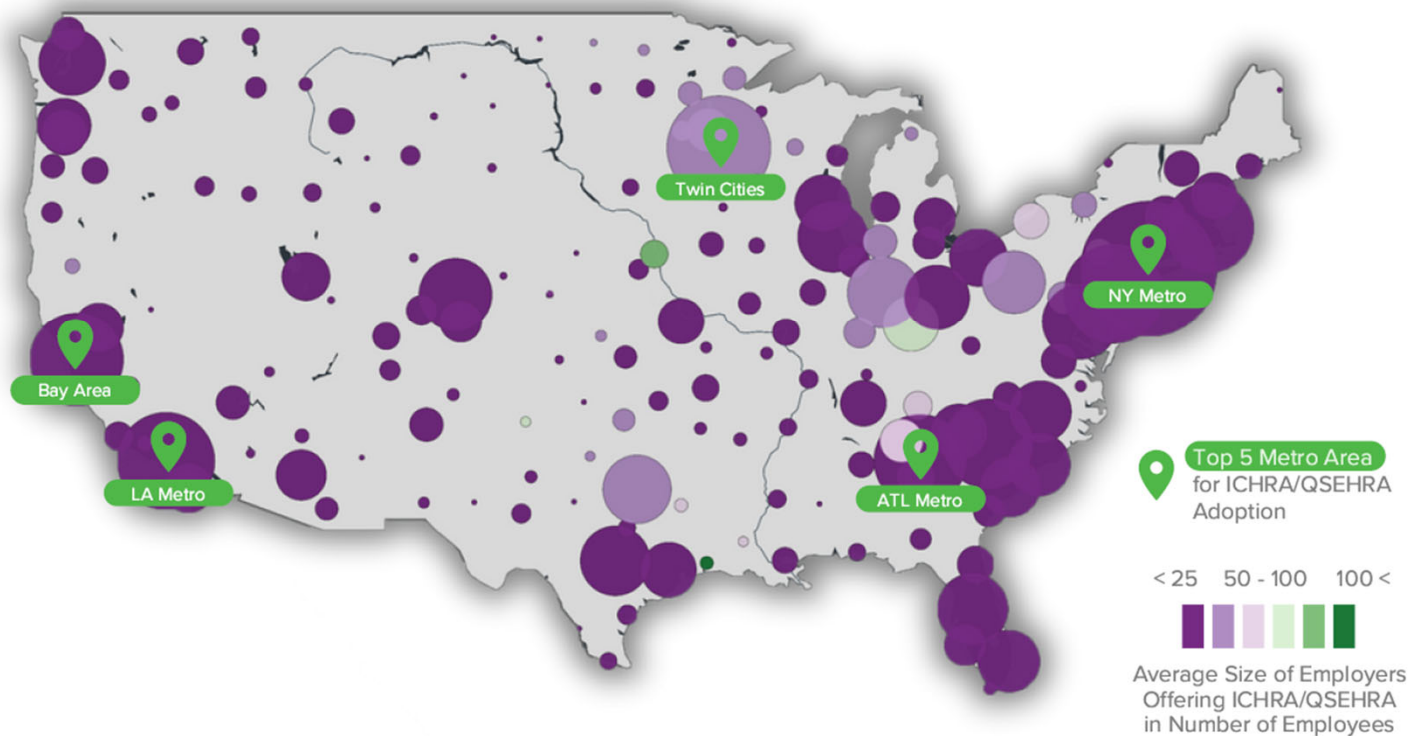
Source: <https://www.hracouncil.org/>



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HRA ACROSS THE US

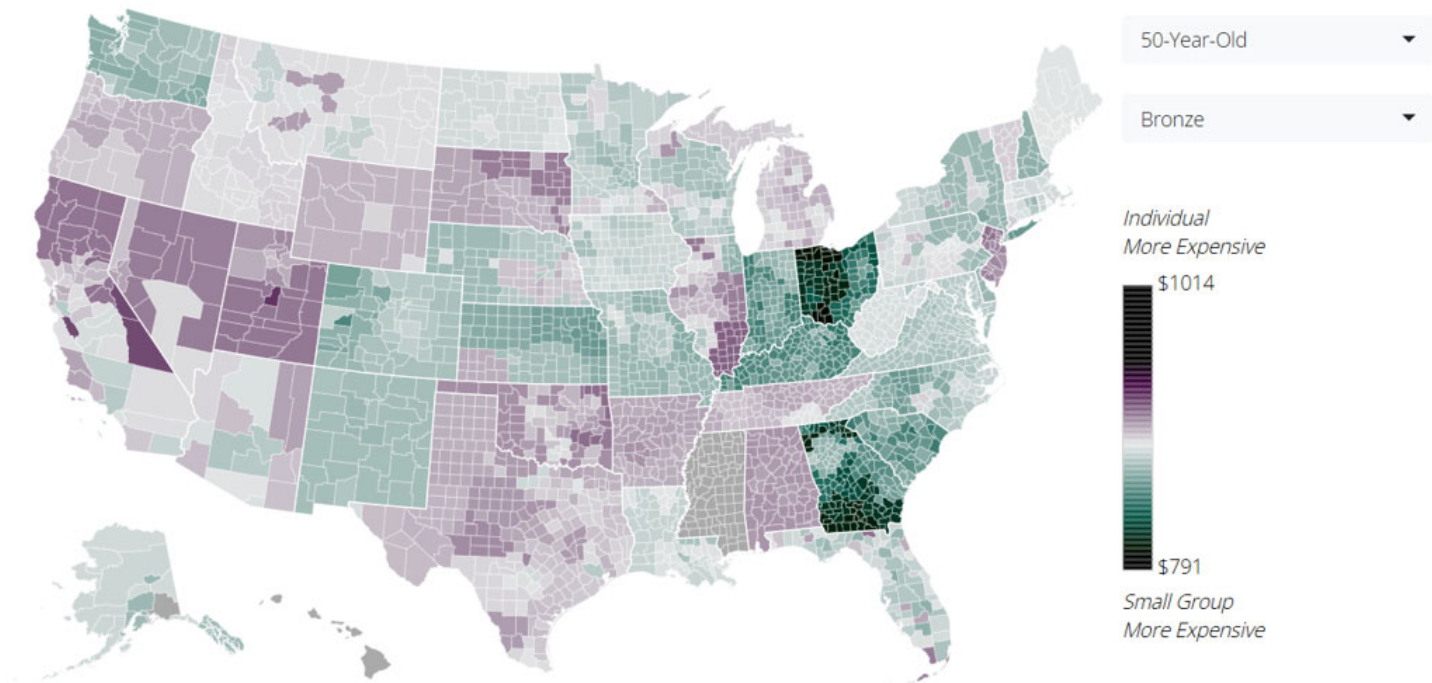
Employers Offering ICHRA/QSEHRA
2024



Source: <https://www.hracouncil.org/>

ACROSS THE US

Difference between the lowest cost Bronze Plans on the Individual and Small Group ACA Markets by Count in 2025.



ICHRAS IN ACTION



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SUPPORTING A DISTRIBUTION REMOTE TEAM WITH LOCAL OPTIONS



For the first time, our team isn't limited to a one-size-fits-all plan that doesn't align with where they live.

PROBLEM:

- Employees in 12+ states had very different provider needs.
- Group plan was very specific and tied to HQ's network and left many without preferred providers
- Recruiting slowed as benefits didn't resonate with out-of-state candidates

RESULTS:

- ICHRA enabled employees to choose their own plans based on local network fit
- Benefits now align with remote hiring and remote employees
- Helped with recruiting in new markets.

Industry

Professional Services

Employee Count

~60

CONTROLLING COST WITHOUT CUTTING COVERAGE



ICHRA gave us a way to keep benefits competitive - and save money.

PROBLEM:

- Faced unsustainable group health plan renewal costs.
- Employer needed to maintain rich benefits to stay competitive in hiring
- Existing group plan premiums had climbed to over \$2.6M annually

RESULTS:

- Modeled ICHRA using a Gold-level ACA benchmark plan
- Total premium cost under ICHRA projected at \$1.9M
- Annual savings of \$699,034 while maintaining strong plan value for employees

Industry

Professional Services

Employee Count

~450

EXPANDING HEALTH COVERAGE FOR PART-TIME WORKFORCE



We never thought we could offer something to our PT employees until now.

PROBLEM:

- Part-time employees were ineligible for group benefits
- Leadership wanted to improve retention but lacked budget
- Group model didn't scale for seasonal and PT staff

RESULTS:

- Rolled out ICHRA with fixed contributions for PT staff
- Most enrollees qualified for subsidies, making plans affordable
- Reduced turnover and increased employee morale

Industry

Retail

Employee Count

~500

MECHANICS OF ICHRA



ICHRA FUNDING OPTIONS

OPTION 1: Age-Based

- Set a target coverage-level for your workforce (e.g. 75% of a Gold Plan)
- Each employee will have the same purchasing power.
- Contribution amounts will differ depending on employees age and work location because insurance costs vary based on age and location.

This strategy ensures greater equity across your workforce.

OPTION 2: Flat-Dollar

- Set a flat dollar amount for all employees (e.g. \$500)
- Each employee will receive the same dollar amount to buy health insurance.

This strategy can be simpler to understand but it can be a disadvantage for older employees and those living in areas where insurance is more expensive.

CUSTOMIZE EMPLOYEE GROUPS

- All Employees
- Full-time Employees
- Part-time Employees
- Salaried Employees
- Non-salaried Employees (such as hourly)
- Employees whose primary site of employment is in the same rating area
- Seasonal Employees
- Employees covered by a collective bargaining agreement
- Employees who have not satisfied a waiting period for coverage
- Non-resident aliens with no US-based income
- Temporary employees working for a staffing firm
- Any group of employees formed by combining two or more of these classes

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AFFORDABILITY TESTING

- Ensures that the employer's ICHRA offer is "affordable" under IRS rules
- Use Employee's class-based contribution, wages, and cost of lowest-cost silver plan in their zip code for a self only plan
- OOP cost to the employee after subtracting the ICHRA allowance must be less than 9.02% of their income
- Benefica does this work on behalf of broker & employer. We build into the setup

EMPLOYEES SHOP FOR COVERAGE

Alliant Health Plans

SoloCare Bronze No Referral HMO 110015-01

Deductible: \$8,250/year

Primary Care Visits: No charge for first 3 uses, then 40% coinsurance after your deductible is met

Generic Drugs: \$30 copay

● BRONZE HMO

\$308.68/month
after undefined monthly
employer benefit

Great Value

Enroll

See Details

Alliant Health Plans

SoloCare Platinum PPO Copay Plan (3 Free PCP Visits) 40184-01

Deductible: \$0/year

Primary Care Visits: No charge for first 3 uses, then \$5 copay after your deductible is met

Generic Drugs: \$5 copay

● PLATINUM PPO

\$515.33/month
after undefined monthly
employer benefit

Great Coverage

Enroll

See Details

See All Plans

Get Help Deciding

MEDICARE-ELIGIBLE EMPLOYEES

- ICHRAs can pay for Medicare premiums
- Employers cannot create a class based on age or Medicare eligibility
- Benafica treatment:
 - Benafica reimburses the employee for Part B and supplemental plan(s)
 - Employees upload proof of their plan & premium amount
 - Benafica sets up a monthly direct deposit to employee's bank account
 - Employee will make payments of premiums

COBRA

- Benefica administers COBRA on behalf of the Employer
- Terminated employees are given the option to continue by paying 100% of the premium plus a 2% admin fee

ICHRA + TRADITIONAL GROUP?

- Yes, employer can have a traditional group plan and an ICHRA
- However, cannot offer traditional group health coverage to the same class(es) of employees offered the ICHRA



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BENAFICA

OFFERINGS

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BENAFICA

Decades of TPA experience, originally serving as part of MN insurance agency founded in 1932. In 2017, we became an independent firm focusing on ICHRA and TPA services.

Our Specialties:

- ICHRA, QSEHRA
- Insurance brokerage & administrative services
- Benefit administration for associations and employers
- Full Third-Party Administrator

BENAFICA MANAGES THE PROCESS FROM END-TO-END

COMPLIANCE & REGULATORY SUPPORT

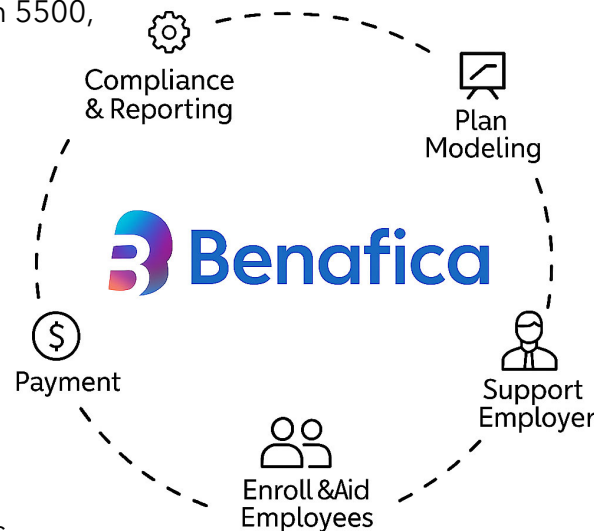
Have peace of mind that all key compliance requirements related to ICHRA are managed including COBRA, 1095-A, 1095-B, Form 5500, PCORI fees and ICHRA notices.

PREMIUM PROCESSING & PAYMENT

Benafica's payment solution eliminates the need for employer prefunding. Employers are billed monthly based on actual enrollment

EMPLOYEE ENROLLMENT & SUPPORT

Virtual rollout meetings, educational toolkits. Employees have access to intuitive enrollment technology, as well as 1:1 counselors to guide them through plan selection and throughout the year ensuring employees never left to figure it out alone.



CONTRIBUTION MODELING & CLASS BASED BENEFIT DESIGN

Provide detailed cost modeling and side-by-side comparisons of ICHRA vs. traditional group plans. Conduct affordability testing and employee classes & contribution structure.

EMPLOYER DEDICATED ACCOUNT MANAGER

Deliver clear and pro-active communication throughout implementation and onboarding. Each employer is assigned a dedicated Account Manager. We act as an extension of your HR team.

IS ICHRA THE RIGHT FIT?

We help determine:

- Plan Design/Affordability Testing
- Customized Contribution Scenarios
- Develop Plan Design Options
- Assist with defining allowances across classes (FT, PT, location, family size)
- Compare individual market to employer's current group offering
- Collaborate to educate employer and their employees

EMPLOYEE RESOURCE CENTER WITH 1:1 ADVISORS



**OPEN ENROLLMENT PLAN
RECOMMENDATIONS**



**LIVE 1:1 ENROLLMENT
ADVISORS**



**CLAIMS & COVERAGE
QUESTIONS**



**PAYMENT & BILLING
QUESTIONS**



**BENEFIT NAVIGATION
& SUPPORT**

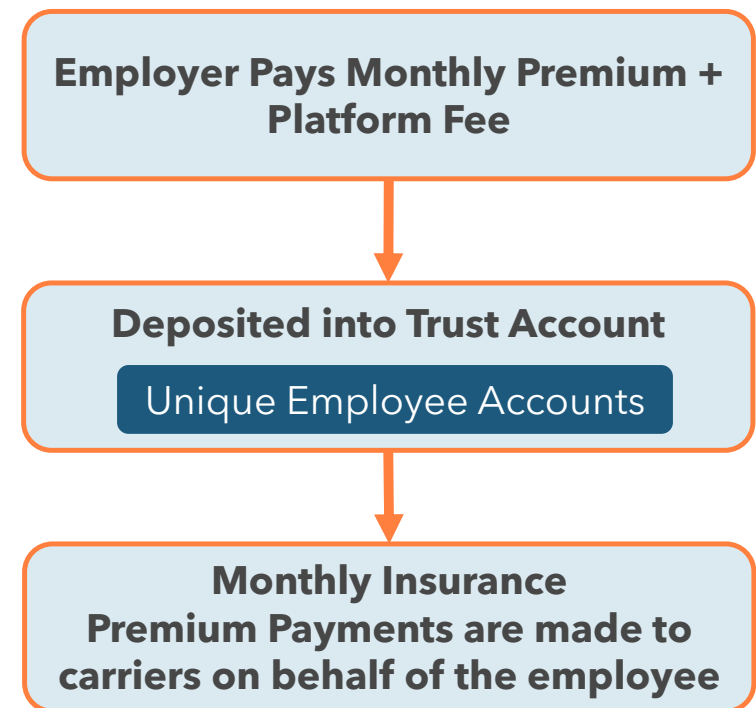


**EDUCATION
& GUIDANCE**

**Best-in-class
technology, BEN360
matches each employee
with top plans unique
to them. Employees can
browse all plans
available filtering by
carrier, provider
network, and formulary.**

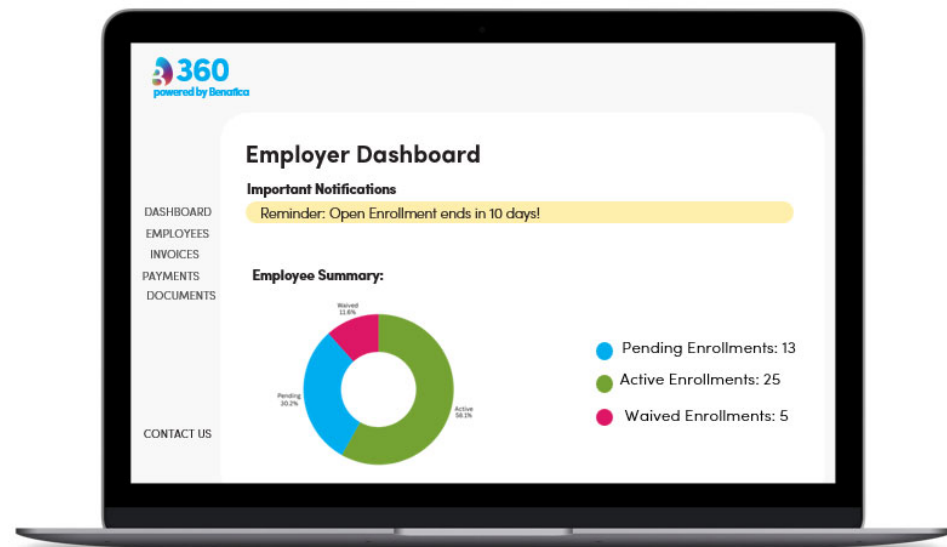
PREMIUM PAYMENTS DIRECT TO CARRIER

- We pay the premium direct to the insurance carrier every month.
- Employees do not need to enter any account information for payment.
- Payroll deduction for employee's portion of premium
- Employers and employees have visibility to when payments are made right through their BEN360 portals.



EMPLOYER DASHBOARD

- Alerts regarding upcoming invoices, important dates, and payment notifications
- Ability to track enrollment progress and quickly verify employee status
- Access to compliance documents and reports on demand



EMPLOYER DEDICATED ACCOUNT MANAGEMENT

On-boarding and Enrollment

Our team helps you set up your plan design, contribution strategy, and roll out the ICHRA to your employees. With real-time alerts and reminders, we make sure that your team has access to the resources they need, when they need them.

On-Going Support

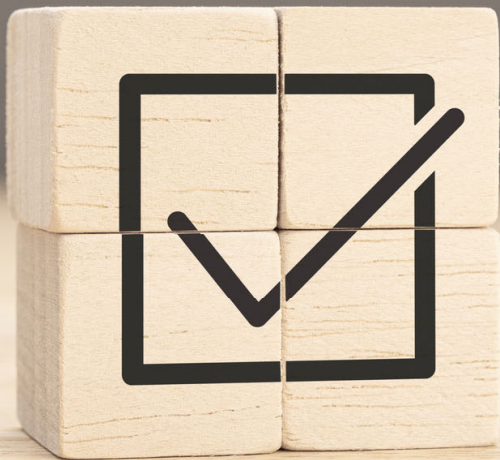
Our team helps employers with on-boarding and off-boarding employees throughout the year. We have dedicated Account Managers who focus on providing support to employees for any questions or concerns they have with their health insurance.



Compliance & Reporting

We prepare ICHRA Notices & Summary Plan Documents as well as assist you with filing 1095s, Form 5500s, and PCORI fees.

COMPLIANCE & REPORTING

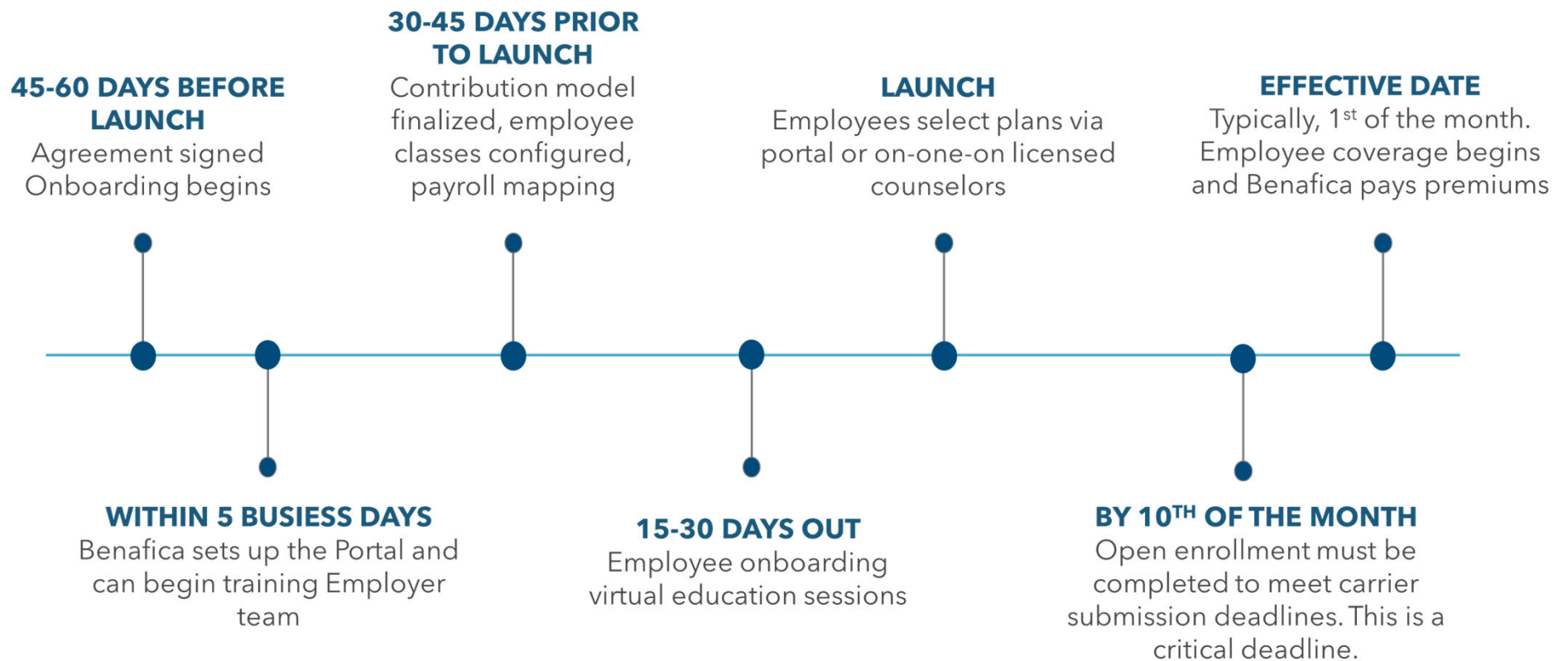


Benafica assists with all required filings and ensures that you're aware of your requirements as an employer.

- 1094
- 1095
- 5500
- PCORI
- Summary Plan Documents
- ICHRA General Notices
- COBRA



45+ DAY TIMELINE ADVISED



POINTS OF FRICTION



ENROLLMENT & PAYMENT RECEIPT

- HR can't afford uncertainty around coverage
- Fear their employees will enroll but their coverage won't be active when they need care
- Benafica provides a real-time dashboard that displays when payments are sent and when coverage is confirmed
- Benafica flags and resolves any enrollment or payment issues before they become problems

FEAR THAT EMPLOYEES WILL MAKE THE WRONG DECISION

- HR fears their employees will enroll in the “wrong” plan
- Benafica’s platform has filter options for provider search to narrow down plan options for employees. Also, licensed agents are available to assist employees with their decision
- Our data shows that 70% of the employees self-enroll using the tools provided in the platform

NETWORK EXPECTATIONS

- Provider networks vary by plan and carrier.
- Employees sometimes assume they will retain the same network or similar coverage as their group plan
- Benafica provides search tools and provides guided support to help employees evaluate plans

PREMIUM INVOICING

- Because these are Individual plans employees receive monthly invoices & payment reminders that we're unable to turn off
- Employees panic or fear losing coverage
- Benafica proactively educates employees that we are paying the invoice
- Offer a responsive support team to answer questions

INDIVIDUAL PLANS

- Under ICHRA, employees are the policyholder
- HR can't act or speak on behalf of the employees like in a group plan
- Beneficial licensed insurance advisors who can speak directly with carriers and support the employee

NEXT STEPS

- **Schedule a discovery meeting today** - don't wait until fall when deadlines are tight and everything is rushed
- **Provide census and current group plan information** - so we can prepare a customized ICHRA analysis
- **Review results early** - to decide if ICHRA is an option - well before renewal season pressures set in

QUESTIONS?





UPCOMING WEBINARS

WEBINAR	DATE
The Safety Metrics Every Business Should Track	Thursday, Sept. 11 at 11 a.m.
Umbrella & Excess Liability in Commercial Insurance Programs	Thursday, Sept. 25 at 11 a.m.
Navigating Open Enrollment Season	Thursday, Oct. 2 at 11 a.m.
Workplace Privacy: Employee Monitoring & Data Protection	Thursday, Oct. 23 at 11 a.m.
MN Paid Leave: What You Need to Know as Jan. 1 Approaches	Thursday, Oct. 30 at 11 a.m.