



gravie*



The Individual Coverage Health Reimbursement Arrangement (ICHRA)

is changing the way employers offer health benefits to their employees. At Gravie, we know that for some employers, the cost of traditional group health plans outweighs the value. Employers need more sustainable, affordable options — and Gravie ICHRA may be the perfect solution.

We've created this guide to **shed some light on what ICHRA's all about** — and if it's right for your clients.

What is ICHRA?

ICHRA's offer a way for employers to make tax-advantaged contributions for employees to use to enroll in health insurance, much like a group plan.

But with ICHRA, each covered employee can choose from any health plan available to them on the individual market.

In 2020, a US federal executive order granted employers of all sizes the ability to offer an Individual Coverage Health Reimbursement Arrangement ([ICHRA](#)) instead of a traditional group health plan. This means that employers of any size can provide tax-free contributions for employees to use to enroll in their own health plan on the individual market. In turn, employees receive the pre-tax advantage of the funds designated for healthcare benefits, and they have the freedom to choose any of the health plans available in their region.

The ICHRA design was an expansion of the [QSEHRA model](#), which launched in 2016 as a way to enable small businesses (fewer than 50 employees) to bring employer-sponsored health benefits programs into reach. With ICHRA's, this opportunity became available to employers of all sizes, and in all 50 states (and D.C.).

Since the option was first introduced, ICHRA's popularity has been taking off – by 2022, ICHRA's had grown by nearly 350%.

Gravie: an Innovator in the ICHRA Space

At Gravie, we've been helping employers of all sizes facilitate ICHRA's since they were first introduced. In fact, we've been helping employers leverage the individual market for employee health benefits since 2013.

Gravie is uniquely positioned in the health benefits space. We're a service provider that helps employers and employees navigate the ICHRA process, from initial employer onboarding to ongoing employee support. But Gravie brings more than just top-tier customer service to the table: we're also a full-service entity that can manage your ICHRA from start to finish.

ICHRA's are administered and managed through Gravie Administrative Services LLC, a licensed third-party administrator. Individual health insurance policies are sold through Gravie Agency LLC, a licensed insurance producer agency.

The Drivers to ICHRA's Popularity

While ICHRA adoption has more than tripled in its first three years, experts estimate that the numbers will only continue to rise. Often described as “the 401(k) of health plans”, it's clear that ICHRA is a trend that is gaining momentum.

Employers are always searching for the best ways to attract and retain talent, while also trying to keep business operations as streamlined and financially efficient as possible. High-value health benefits are a powerful way to add appeal to a compensation package. But even for those employers who can offer group benefits, many find it difficult to keep up with fluctuating renewal rates — not to mention managing the back-end administrative work that tends to accompany group plans.

ICHRA's feature an easy-to-manage design that many employers find to be a welcome relief:

“With the unsustainable increases in many current group plans, an ICHRA is a good option,” according to Marek Ciolko, Gravie's co-founder and Chief Operating Officer. “Many want to get out of the business of administering health benefits and also prefer the simplicity and predictability of defined contributions enabled by ICHRA's.”

In addition to ease of use, freedom of choice is a big part of ICHRA's appeal. Using the defined contribution model, employers decide how much they want to contribute to the employees' ICHRA funds, allowing them to set their own benefits budget. Then employees get to shop around amongst all the available health plans in their geographic location, and can choose the plan that is best for them based on their own unique needs and preferences.

Employers don't have to do the heavy lifting, and employees get to choose the plan they want. It's no wonder that ICHRA's appeal is catching on.

Are you an employer interested in offering health benefits via Gravie ICHRA? Talk to your broker or [get in touch with us](#).



At Gravie, we offer an unrivaled level of support services to all stakeholders, ensuring a smooth process at all stages.

How it works:

01

Brokers work with Gravie sales managers to identify groups that could benefit from ICHRA, whether as a stand-alone solution or as part of a hybrid plan model. (If you're an employer without a broker, we can assist you.)

02

Gravie assists the employer in helping to create employees' eligibility requirements and how much money they want to contribute to each class of employees via the ICHRA to purchase individual health insurance.

03

Using their ICHRA funds, employees can choose the individual or family health plan that's right for them. Gravie makes the enrollment process easy with our intuitive shopping platform and Easy Enroll plan options. Ongoing support is available to employees year round by phone.

04

Gravie coordinates payments, pulling funds from the employer into dedicated bank accounts that are used to pay employees' premiums. When possible, we facilitate automatic payments to the insurance carriers and monitor members' accounts to ensure there aren't missed payments.

ICHRA:

When is it a good fit?

The flexibility offered by ICHRAs can make a world of difference to an employer who wants to offer employee health benefits.

Whether they're searching for an easy-to-manage solution or working within strict budget constraints, ICHRA can be the answer for:

- Employers seeking to lower or manage costs while expanding options for employees
- Groups that experience high employee turnover
- Groups having trouble meeting participation requirements
- Groups with consistently high or sizable renewals
- Groups that have employees in multiple geographic locations
- Small to midsize employers
- Groups new to offering benefits

Gravie ICHRA paired with Comfort® can be a great hybrid solution for a segmented employee base. For example, an employer may offer a traditional group plan to full-time employees while offering ICHRA funds to their part-time staff.



Have questions about what options are available for your group? We'd love to walk you through the possibilities.

ICHRA payment flow

Gravie's ICHRA Payment Flow process makes it easy to facilitate monthly premium payments between employer, employee and insurance carrier.

In order to provide the best experience for all involved, Gravie provides each employee with a Gravie ICHRA virtual bank account that they use to pay their monthly premium. These accounts are owned and operated by Gravie, funded by the employer, don't require an application by employees, have built-in security measures to prevent misuse of funds and are FDIC-insured. This payment system allows Gravie to closely monitor payments in order to help eliminate payment issues. Plus, with our First-Month Funding process, Gravie has created a way for premiums to move in sync with enrollment — no more self-funding of binders or waiting for funds to clear.

STEP 1

Several weeks before the start of open enrollment, Gravie invoices the employer for the estimated monthly sum of all enrolling employees' premiums in order to activate **First-Month Funding**.

STEP 2

Gravie creates a virtual ICHRA bank account for each enrolled employee which will be used to pay monthly premiums. Each month, employer dollars are used to fully fund the enrolled employee's ICHRA account.

STEP 3

For employees with an Easy Enroll plan, **Gravie sets up automatic monthly payments** between the Carrier and the employee's Gravie ICHRA account. Employees who choose a Self-Enroll plan must set up their monthly autopay on their own.

STEP 4

Each month, the **Carrier** pulls funds from the employee's Gravie ICHRA account. Gravie approves payments to carriers in real time.

STEP 5

Gravie audits each enrolled employee's ICHRA account to ensure accurate payments.

STEP 6

Employer deducts employee's portion of the premium via payroll.



How Gravie ICHRA Payment Flow works:

- As employees enroll in their health plan and HRA, Gravie creates an individual Gravie ICHRA virtual funds bank account that will be used to pay each month's premiums.
- Employees' premiums are scheduled to be sent to the carrier each month through automatic payments. For members with Easy Enroll plans, monthly payments are set up by Gravie on their behalf. Members who've selected Self-Enroll plans must complete the necessary steps to set up automatic payments with their carrier, using their Gravie ICHRA virtual funds account.
- Each month, the employer adds the member's full premium amount into their Gravie ICHRA virtual funds account.
- Gravie verifies that the amount and recipient information are correct, and the carrier pulls the payment via autopay from their designated ICHRA virtual funds account.
- Gravie continuously monitors each account to ensure that it is in good standing, and to catch any issues that may arise.



Employers

ICHRA gives employers a great way to offer health benefits to their employees while avoiding the burden of managing a group plan. But with legal regulations, tax considerations and financial transactions with a third party, things can get complicated. **Gravie ICHRA** offers a simple and secure way to process employees' full individual premium payments through the ICHRA.



Employees

With Gravie ICHRA, members don't have to worry about facilitating their own monthly premium payments or substantiating HRA claims every month. Instead, payments to the carrier are monitored on their behalf, and Gravie is always on hand to assist with payment issues if needed.

Gravie's built the tools to improve every step of the ICHRA payment process:

Gravie is a true leader in the ICHRA space, thanks to our hands-on service model and intuitive tech solutions. Our Gravie ICHRA service teams offer year-round support to all stakeholders, making it easy for employers to navigate the best ICHRA solutions for businesses of all sizes. And employees love Gravie ICHRA, too — they get the freedom to enroll in the individual health plan they want, and the personalized support they need to manage their plan.

- **No bank application needed:** Members won't need to apply to get a Gravie ICHRA account, as these accounts are created and operated by Gravie with our banking partner.
- **Increased banking security:** With real-time visibility and control of each member's FDIC-insured account, Gravie can approve and deny payments based on the carrier and premium amount.
- **No more substantiations:** By having transparency into the account status, Gravie ICHRA eliminates the need for monthly manual substantiation for ICHRA claims, eliminating the monthly hassle and mitigating the risk of misuse of funds.
- **Fewer payment issues, faster resolution:** Because Gravie ICHRA gives Gravie the ability to facilitate and monitor each member's premium payments, we can quickly identify any problems that should arise and get right to work with the carrier and member to resolve them.
- **Minimized recoupments:** By improving the recoupment process of ICHRA funds, Gravie ICHRA reduces the risk of failed recoupments for employees terminated after the ICHRA has been funded.

Have questions
about Gravie ICHRA?

Call: 844.540.8701

Email: info@gravie.com



Year-round Support

Gravie is a true leader in the ICHRA space, thanks to our hands-on service model and innovative tech solutions.

Our ICHRA service teams offer ongoing support to all stakeholders, making it easy for employers to administer an ICHRA program. And employees love Gravie ICHRA, too — they get the freedom to choose the individual health plan that's best for them, and the personalized support they need to manage their plan.



Broker partners

ICHRA specialists provide a detailed program and budget analysis for groups, and assist in setting up the ICHRA and the contribution strategy.



Employers

Each employer has a dedicated Implementation Manager and Account Manager to assist with onboarding and plan administration throughout the year.



Employees

Gravie Care assists employees as they enroll, and provides ongoing support throughout the year to help them get the most out of their plans.

To learn more:

Call: 844.540.8701 **Email:** info@gravie.com



A dedicated team of licensed advisors on a mission to help employees navigate their health benefits.

Gravie Care is available year round to help members choose a plan, verify network coverage, locate providers, decipher EOBs and bills, and so much more.

This team goes beyond fielding phone calls and answering questions: anticipating members' needs, helping resolve issues before or as they arise, and closing cases in record time. Gravie equips brokers with relevant tools and reporting data to help employers and their employees stay informed and supported throughout the year.

Gravie members are just a phone call or secure message away from someone who's willing to go the extra mile to help them make use of their health plan year round.