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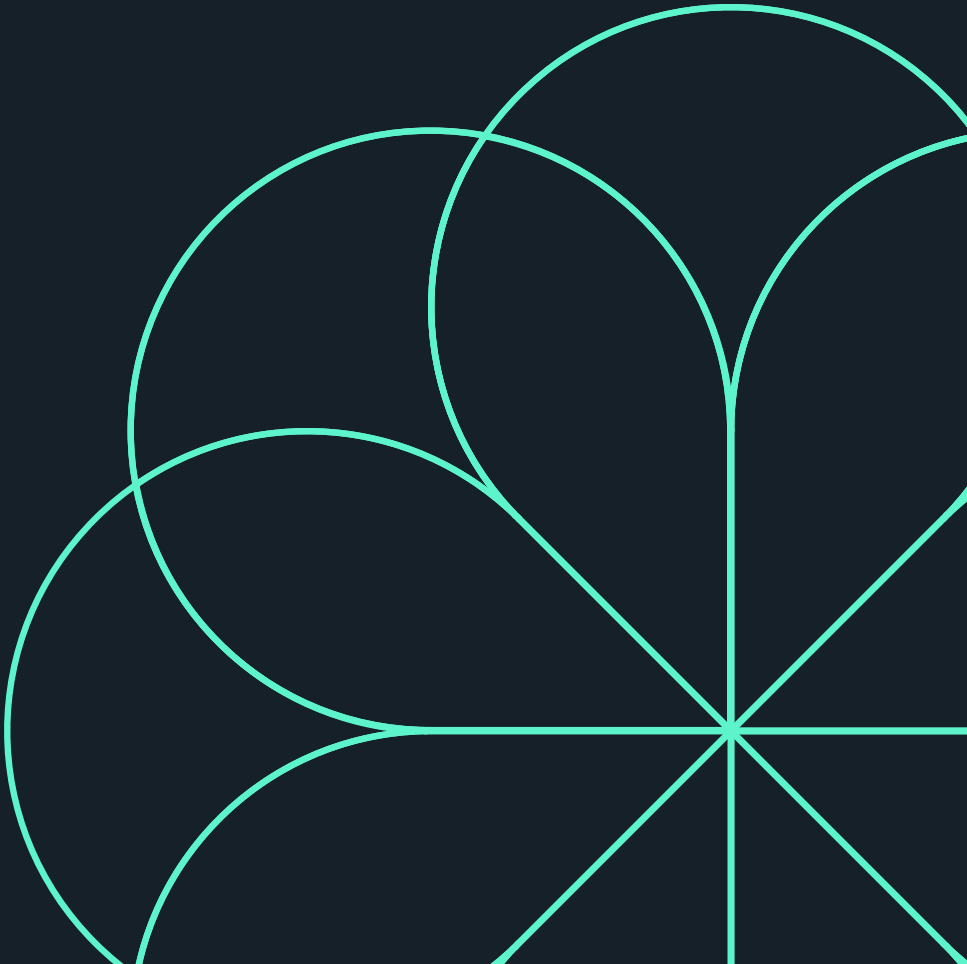
Gravie

**2023 ICHRA Research
Trends & Insights**

Conducted by Wakefield Research

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Research Overview & Objectives

ICHRA's surge in popularity demands a closer look

Rising healthcare costs, confusing insurance plans and gaps in coverage are putting pressure on employers to seek new and **creative health benefits solutions for their employees.**

That's why Gravie is relentlessly focused on innovating in the employer-sponsored market, by bringing level-funded health plans to small and midsize businesses and through administering Individual Coverage Health Reimbursement Arrangements (ICHRA), which allow employers to contribute tax-advantaged dollars to employee health benefits purchased on the individual market.

While Gravie has been connecting employers and their employees with the precursors to ICHRAs for nearly a decade, the arrangements are just now gaining traction. To learn more about employers' opinions and perceptions of the ICHRA model, including potential barriers and challenges prohibiting them from offering this solution, health benefits innovator Gravie partnered with Wakefield Research to survey 500 U.S. health benefits decision-makers in August 2023. Below are key findings and insights from this study.

Since becoming available to employers in January 2020, ICHRAs have seen a surge in adoption. According to the HRA Council, **growth of ICHRA more than tripled** between 2020 and 2022, and that trend is set to continue.



Findings & Insights

The biggest growth is still ahead

Despite the rapid growth of ICHRAs in recent years, overall awareness remains relatively low.

This knowledge gap presents additional opportunities for growth, since many employers are looking for a range of health benefits solutions to meet the unique needs of their employee populations. Gravie's survey found:

Gaps in awareness and plan coverage

49%

of the benefits decision-makers surveyed had never heard of ICHRA.

37%

of employers surveyed offer group health plans to all employees, while 34% offer HRAs of some kind to employees. For those whose health benefits don't cover all employees, gaps in coverage exist for many depending on their role, seniority, or hours of service.

Eagerness to learn more



More than 4 in 5

employers would be interested in their advisor bringing them innovative, non-traditional solutions like ICHRA.

89%

of benefits decision-makers are likely to consider health benefits through ICHRA for their employees in the coming years.

88%

among those with 1-49 employees

smaller companies

92%

among those with 50-299 employees

midsize companies

94%

among those with 300-1,000 employees

larger companies

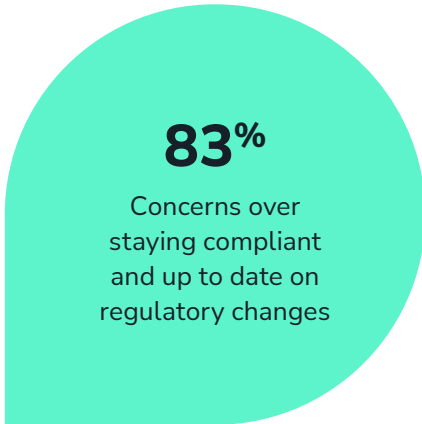
Findings & Insights, continued

More than just a group plan alternative

- Some view ICHRA as an entry point to offering more traditional plans to their group, but for many, it's more than just a gateway: **87%** of respondents agree that ICHRA could be a **long-term** fit for their company and employees.
- When asked about their first impressions of ICHRA, the top response among employers was **"ICHRA could give my employees flexibility to choose the benefits that work best for them."**
- **86%** of respondents said they are intrigued by ICHRAs due to the rapid market growth of this option over the past three years.

Barriers to ICHRA adoption

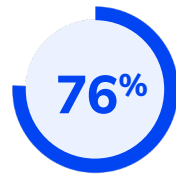
Respondents cited the following challenges as **barriers prohibiting their company** from offering an ICHRA:



Findings & Insights, continued

Call for more education & dedicated support

Interest in the ICHRA model is clear, but **employers are still apprehensive** about getting started, especially when it comes to providing adequate support for employees.



of respondents who are considering a transition from an employer-sponsored group plan to an individual market offering have a lot of **unanswered questions** about ICHRA.



Nearly 1 in 5

respondents from companies with 300-1,000 employees worry ICHRAs may be overwhelming and **warrant additional education**. 56% of this same employer group are nervous about letting their employees pick their own plan with company contributions



More than 4 in 5

benefits decision-makers would be more likely to offer an ICHRA if another company or vendor managed it for them and provided dedicated support.



A Leader in the ICHRA Space



New to some — not to Gravie

Gravie has been **helping employers of all sizes** facilitate ICHRAs since they were first introduced, and has been helping them leverage the individual market for employee health benefits since 2013.

This new study confirms the broader market's appetite for what employer clients of Gravie ICHRA have already experienced: a full-service partner to advise on contribution strategies, help employees navigate the marketplace and stay on top of compliance.

Gravie's industry-leading platform makes it easy for employers to implement and manage ICHRAs – from initial employer onboarding and managing payments, to ongoing employee support.



Is ICHRA the right fit? Gravie can offer a custom strategy.

Gravie works alongside brokers to support groups that could benefit from an ICHRA, either as a stand-alone solution or as part of a hybrid plan model.



Contribution strategies? Gravie can advise.

Working with benefits managers, Gravie helps determine employees' eligibility requirements and consults with employers on their contribution strategies as they determine how much to contribute to each employee class.



Enrollment? A breeze.

Gravie makes the enrollment process easy with an intuitive, easy-to-use shopping platform and customized application assistance. Ongoing support is available to employees year round by phone.



Payments? All set.

Gravie coordinates all payments, pulling funds from the employer into dedicated bank accounts that are used to fund the plans. Gravie facilitates automatic payments to the insurance carriers, and monitors members' accounts to ensure there aren't any missed payments.

For more information visit gravie.com/ichra

Research Methodology

This statistically significant online survey of 500 U.S. health benefits decision-makers was conducted by **Wakefield Research** in collaboration with **Gravie** in August 2023. Respondents were asked to provide feedback regarding Individual Coverage Healthcare Reimbursement Arrangements (ICHRA) and their business.

