

COMPLIANCE, CLARITY, CONFIDENCE: WHAT EMPLOYERS NEED TO KNOW ABOUT ICHRAS

Compliance may be one of the biggest barriers to Individual Coverage Health Reimbursement Arrangement (ICHRA) adoption, but it doesn't have to be.

At the 2025 ICHRA Conference, our panel broke down the core requirements, design rules, and documentation needs employers must understand for successful ICHRA implementation.

ICHRAS = SELF-FUNDED GROUP HEALTH PLANS.

That means ERISA, HIPAA, and ACA rules apply, including 90-day notices, 105 plan documents, Premium Only Plans, and annual ACA reporting for ALL employers (regardless of size). Even small employers under 50 must file if someone enrolls.



ICHRA DESIGN RULES PROTECT FAIRNESS.

ICHRA's class size requirements aren't just regulatory compliance—they're designed to ensure fairness and long-term market stability. These minimums (10 employees for smaller companies, 10% of workforce for mid-size, or 20 employees for larger organizations) prevent employers from using ICHRA to strategically separate high-risk individuals from their group coverage. This protection maintains ICHRA as a genuine full-group solution rather than a risk-shifting tool, which safeguards both vulnerable employees and the individual market's risk pool, ultimately ensuring ICHRA remains a viable, sustainable option for all employers.

11 PERMISSIBLE EMPLOYEE CLASSES ENSURE COMPLIANCE.

- Full-time
- Part-time
- Salaried
- Non-salaried
- Primary site of employment in same rating area
- Seasonal
- Collectively bargained (union)
- Employees in waiting period
- Non-resident aliens with no U.S.-based income
- Temporary employees of staffing firms
- A combination of two or more of the classes

SOME COMPLIANCE RULES APPLY, OTHERS DON'T.

ICHRA employers must handle: 5500 filing, PCORI fees, Medicare Part D creditable coverage notices, COBRA, and Section 111 reporting. But they're exempt from gag clause prohibition and prescription drug reporting requirements.



BEST PRACTICE: PARTNER WITH COMPLIANCE EXPERTS.

A trusted ICHRA administrator should handle legal documentation, notices, plan documents, Premium Only Plans, and ongoing employer support.