oscar

ICHRA EMPLOYER GUIDE

The Small Business Starter Guide to Health Benefits

Offer healthcare benefits that help you keep great people — and set a cost you control, instead of one a carrier hands you.

A plain-English guide to ICHRA for businesses with fewer than 50 employees.

WHERE IT STARTS

Health benefits, minus the headache

If you run a small business, you've probably had this thought: "I'd love to offer health benefits — I just can't make the math work." For years that was fair. A traditional group plan meant one set of plans you picked for everyone, a premium that could spike at renewal, and paperwork built to make you give up.

There's now another way, built with teams your size in mind: **ICHRA — the Individual Coverage Health Reimbursement Arrangement**. The name is a mouthful but the idea is simple: you set a monthly dollar amount and reimburse employees — tax-free — for the plan each individual chooses. You fund the coverage. Your team picks their plans. A platform handles the rules.

The old way vs. the ICHRA way

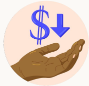
	Traditional group plan	ICHRA
Who picks the plan	You do, for everyone	**Each employee, for themselves**
Your cost	A premium that spikes at renewal	**A fixed amount you set**
Network	Whatever the group offers	**Whatever plan covers their doctor**
Minimum to participate	Required	**None**
Admin & compliance	Largely on you	**Handled by your administrator**

The short version: You control the budget. Your employees control the plan. A platform controls the paperwork. Everybody wins.

WHY IT FITS

Built for teams your size

Big companies have benefits departments. You have a business to run. ICHRA solves the problems that hit small employers hardest.



You’re not priced out

Group coverage often comes with participation minimums and pricing that punishes small headcounts. ICHRA has no minimum participation requirement — a team of three is as welcome as a team of three hundred. You offer benefits on your terms, at a cost you set.

A benefit that helps you attract and keep great people

With ICHRA, your business can offer health benefits that make you stand out — and give people a reason to stay. Your employees choose from hundreds of high-quality individual plans, not a thin group menu, so the coverage feels personal instead of one-size-fits-all. Benefits stop being an afterthought and start being part of why good people join and stay.

Fewer moving parts, more control

On a traditional group plan, your cost is the product of a dozen things you don't control — negotiated rates, provider pricing, your group's claims, the carrier's renewal math. ICHRA strips most of that out. You set a contribution, and that's your number. You're not negotiating rates or waiting to see how the year shook out to find out what you'll pay — far fewer factors go into it, which leaves the control with you. And it bends as you grow: new states, part-timers, a second location, even a carve-out alongside an existing group plan.

[1] HRA Council Report, 2025.
[2] State of ICHRA Report, SureCo, 2026.
[3] State of ICHRA Report, SureCo, 2025.

Employers aren’t just adopting ICHRA. They’re sticking with it.

ICHRA adoption grew **34%** year over year[1], **9 in 10** employers who adopted it renewed[2], and 94% say switching to the individual market was the right call[3]. Meaning, this isn’t an experiment and you won’t be the guinea pig.*

*HRA Council Report 2025; SureCo State of ICHRA Report (2025–2026).

THE MONEY

Costs you set, savings you keep

Group plans run on a defined benefit model — you promise a plan, the carrier decides the cost. ICHRA flips it: a defined contribution model where you decide the dollar amount, and that's your cost. Full stop.

How it works: from your budget to their coverage

1.

Decide your monthly allowance

A per-employee figure that fits your budget.

2.

Set fair guardrails

Vary the amount by allowed classes — full-time vs. part-time, family size, age — within IRS rules.

3.

Your team shops and enrolls

Employees pick an individual plan and apply your allowance to the premium.

4.

They're reimbursed, tax-free

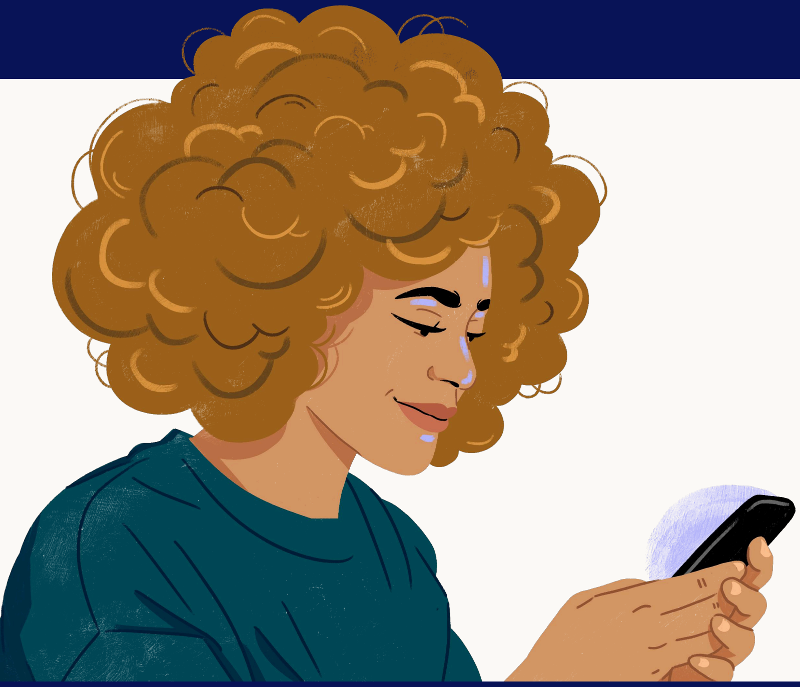
The administrator verifies coverage and handles payment. You see one predictable line item.

15–20%

Average annual cost savings[4]

Where the savings come from

Most employers see 15–20% in cost savings in year one for the same level of coverage[4]. Two reasons: unused allowance stays with you (contribute $350, employee picks a $250 plan, the difference comes back), and costs scale linearly — each new hire is one more predictable line item, not a renewal risk that compounds.



Why this matters now

In 2026, small and medium businesses faced an **18% average premium increase**[5], and **94%** of employers are looking for an alternative to traditional group coverage[6]. A fixed contribution takes that volatility off your plate.

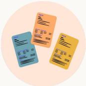
[4] Milliman Medical Index, May 2026.
[5] JPMorgan Health, June 2026.
[6] State of ICHRA Report, SureCo, 2026.

WHO IT'S FOR

Is ICHRA right for your team?

ICHRA isn't a fit for everyone — but for a lot of small businesses, the signs are hard to miss. If a few of these sound like you, it's worth a closer look.

Signs ICHRA could be a fit:



Growing or changing

You're hiring, opening a second location, or adding people in a new state, and your current plan can't quite keep up.

Your team's spread out

Remote or multi-state employees, or a mix of full-time, part-time, and seasonal folks who don't all need the same thing.

Cost is climbing

You've seen your premium jump at renewal, and you want to know your number ahead of time instead of bracing for it.

Too much admin

You're spending time on compliance and paperwork that you'd rather hand off.

Competing for talent

You're up against bigger companies for the same people, and you need benefits that help you stand out and keep the good ones.

Where it tends to fit best:

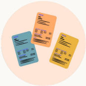
ICHRA tends to work especially well for small businesses in healthcare, retail, restaurants and franchises, professional services, non-profits, and trades — anywhere the team is varied and a single group plan never quite fit everyone.

The small business advantage: When you have fewer than 50 employees, a group plan isn't required — and ICHRA lets you offer real benefits anyway. Choice for your people, a cost you set, and no minimum to get started.

FOR YOUR TEAM

What employees get (and why that's your win)

A benefit only helps you recruit and retain if your team values it. Employees like ICHRA because it treats them as individuals.



Real choice

Each person picks from hundreds of plans. The single 24-year-old and the parent of three aren't treated like they need the same thing.

Keep their own doctor

They pick the plan, so they pick the network — and keep the doctor they trust.

Only pay for what they need

Match coverage to real life and budget, with optional dental, vision, and other ancillary add-ons. No subsidizing an "average employee" who doesn't exist.

> The loop back to you: a benefit people value is a benefit that keeps good people. Employee choice and employer wins are two sides of the same coin.

"Is the individual market really comprehensive?"

It's a fair question, and the answer is a clear 'yes'. Today's individual market is large and competitive, with comprehensive, Affordable Care Act (ACA)-compliant coverage built for real needs.

22M+

Member risk pool spreads high-cost claims across a huge population, not your small group[7].

9

Carriers, on average, compete in each state, so plans win on value, not sticky contracts[7].

1 in 3

Employees on group plans say their plan doesn't cover their preferred doctor[8]. On the individual market, they choose the network that does.

[7] Oscar ICHRA market data, March 2026.
[8] State of ICHRA Report, SureCo, 2026.

WHY OSCAR

The health insurer built for the individual market

Plenty of names are circling the individual market. Most arrived recently. Oscar didn't. We were built for the individual market from the start and invested in ICHRA early — the only carrier dedicated to this market.

3.2M	1 in 7	66 NPS
members nationwide[9]	individual market members are with Oscar[9]	in 2026[10]

High-tech, but still human

Members get dedicated Care Guides — real people — plus Oswell, our AI health assistant, the product of a decade of health innovation. We also build condition-specific plans (HelloMeno, Breathe Easy, Diabetes & Chronic Care) across 16+ states, which deliver roughly $900 in savings per member per year and better care access — the kind of tailored option a one-size group plan can't match.

Expertise you can lean on

Because Oscar has focused on the individual market from the start, you get a team that knows ICHRA inside and out, not one learning on your account. We help with plan design, employee education, broker support, and the setup that makes ICHRA run, so you're not left figuring it out on your own.

See your number in minutes

Pick a contribution, see what your team could choose from, and find out what offering benefits could actually cost. It takes minutes, with no obligation to enroll. (Your broker can help too — and if they have ICHRA questions, so can we.)

Get your quote today | **hioscar.com**

[9] Membership as of March 2026.
[10] NPS measures likelihood of recommending a brand to a peer; scores range from -100 to 100. Oscar NPS as of Q1 2026. Qualtrics XM Institute Report, 2023.
[11] Oscar ICHRA member data, March 2026.