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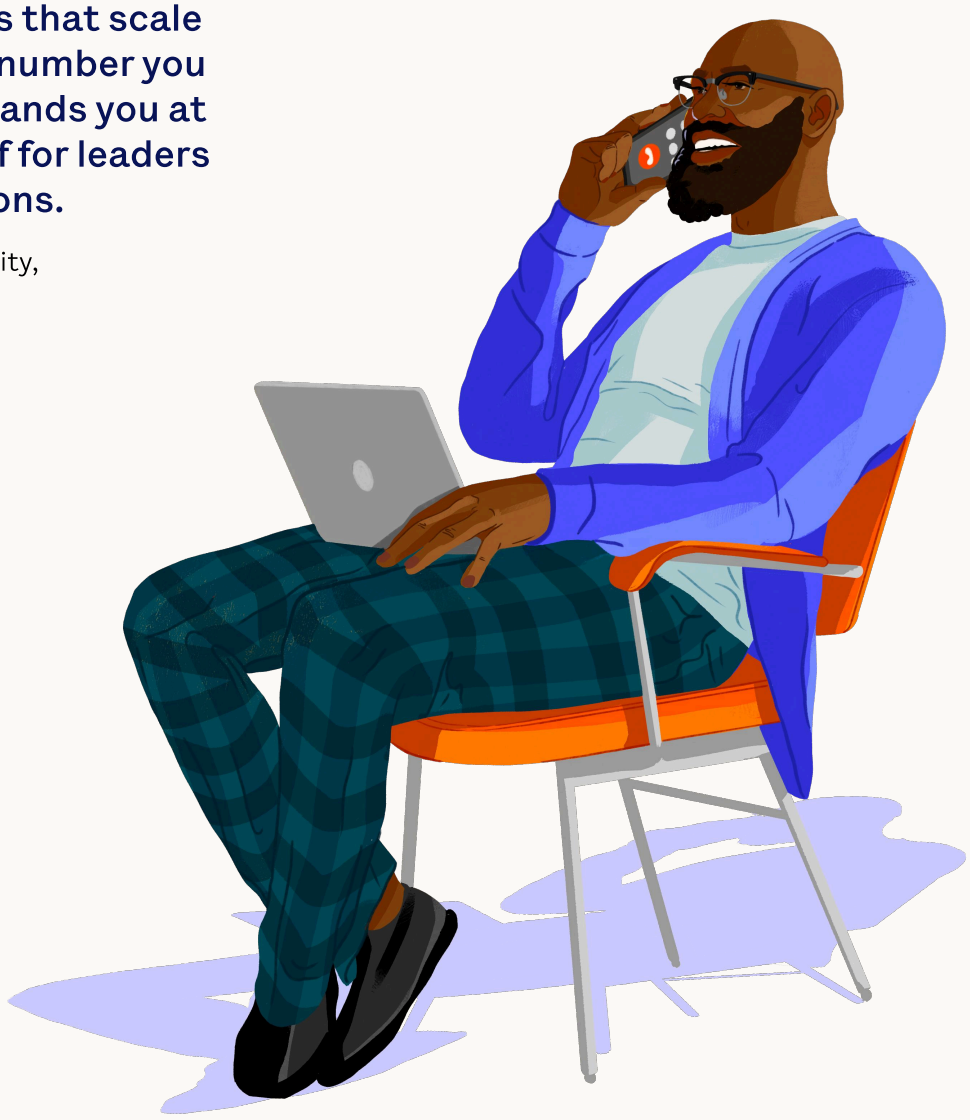
ICHRA EMPLOYER GUIDE

The Enterprise Strategy Guide to Controlling Your Healthcare Benefits

Predictable benefit costs that scale with your workforce — a number you set, not one the carrier hands you at renewal. A strategic brief for leaders who own benefits decisions.

From risky and complicated to clarity, control, and stability.



THE STRATEGY

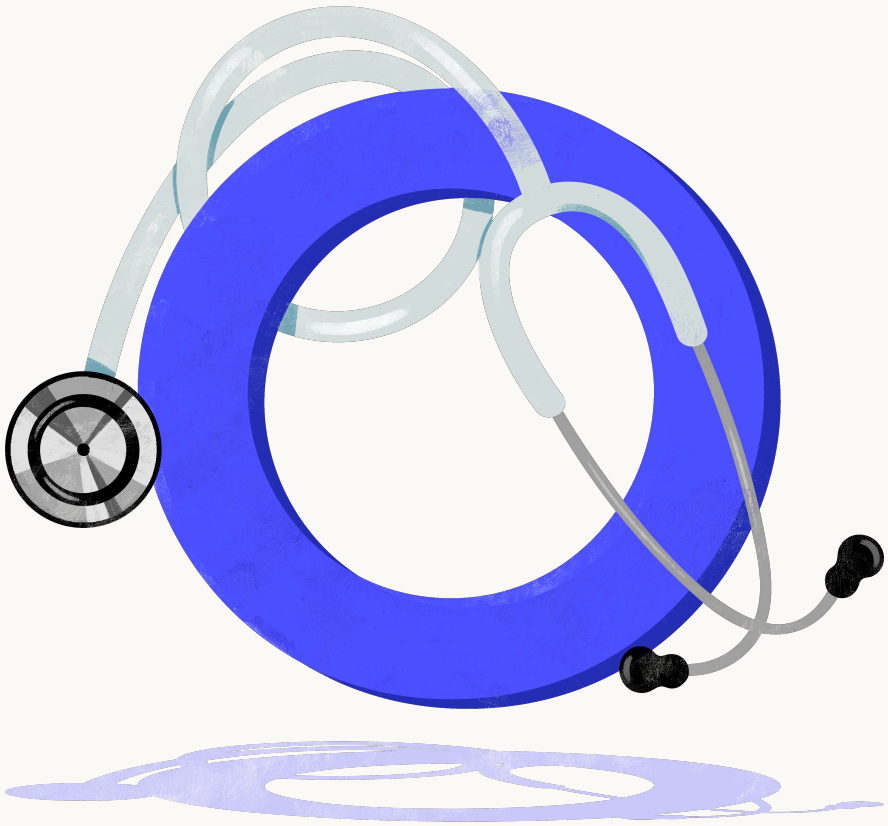
A benefit cost you set — at any scale

For a large employer, healthcare isn't a line item — it's one of the biggest variable costs on the P&L, and one of the least controllable. You can model headcount, compensation, and facilities with confidence. Then the medical renewal lands, and a year of high utilization and specialty-pharmacy spend rewrites the number you spent months planning around.

ICHRA — the Individual Coverage Health Reimbursement Arrangement — turns that variable into a fixed one. Instead of underwriting your population and absorbing whatever it costs, you set a defined contribution per employee class, and that is your cost. It scales linearly as you grow — a number you decide, not a number the market hands you. Here's what that looks like in practice:

What you're insulated from

- **High-utilization cost shocks**
  A heavy claims year no longer reprices your entire plan.
- **Specialty-pharmacy spikes**
  A handful of six-figure drug regimens stop driving your renewal.
- **Carrier renewal negotiations**
  No annual actuarial standoff, no plan-redesign scramble, no bracing for the increase.



What happens when you exit the renewal cycle:

Benefits shift from a variable liability you absorb and defend every year into a fixed, predictable contribution. Risky and complicated becomes clear, stable, and in your control.

WHY IT WORKS

Move the risk off your balance sheet

Even at enterprise scale, a self-funded or large-group pool concentrates risk inside your own population. ICHRA moves your people into the individual market — a pool of 22M+ lives built to absorb exactly the catastrophic and specialty-driven claims that destabilize a single employer's budget[1].

Where your risk goes

	Self-funded / large group	ICHRA (individual market)
Who holds claims risk	Your company	**The 22M+ individual market pool**
High-utilization year	Hits your budget directly	**Absorbed by the pool**
Specialty-pharmacy spikes	Drive your renewal	**Carried by the market**
Annual cost	Set by carriers & your claims	**Set by you**
Stop-loss / reinsurance	Ongoing exposure & premiums	**Not your liability**

> **This is risk transfer, not cost-shifting. Your employees keep comprehensive, ACA-compliant coverage from an average of 9 competing carriers in each state. The claims exposure simply sits with a market built to carry it — not your finance team.[1]**

The CFO takeaway: Your health benefit stops being a cost that changes every year and becomes a fixed number you set.

[1]Oscar ICHRA market data, March 2026.

One framework, every employee class

Large workforces aren’t monolithic, and your benefit shouldn’t pretend they are. ICHRA lets you set different contribution amounts across permitted employee classes — full-time, part-time, seasonal, salaried vs. hourly, and by geographic region, all within IRS rules — so total rewards becomes a design lever instead of a one-size compromise. It's a defined-contribution model, the same shift that moved retirement from pensions to 401(k)s: the organization funds it, the individual directs it.

Mix and match — keep a group plan where it fits, class out where it doesn't

1. **Keep group coverage where it's working**

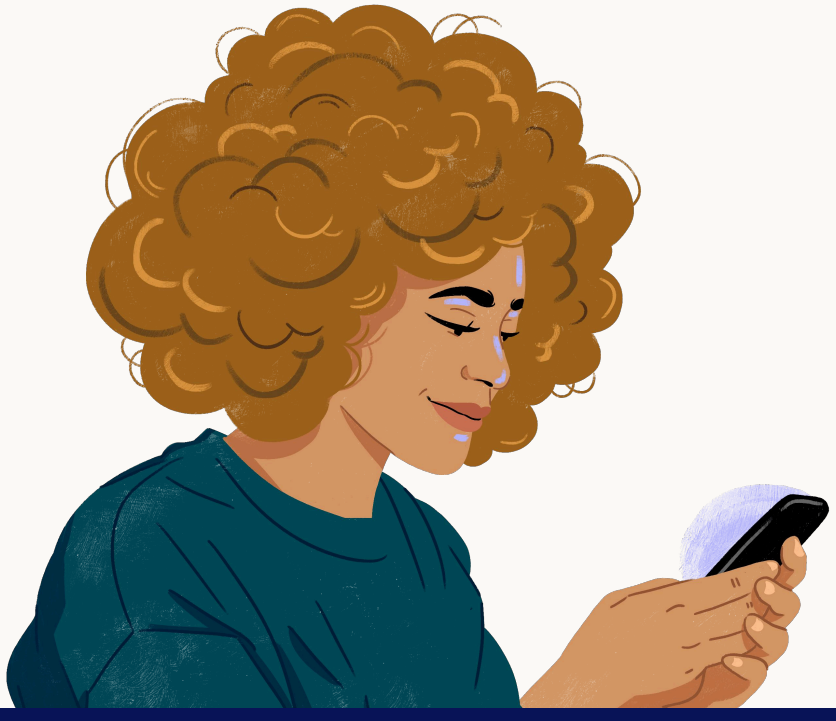
   Maintain your group plan for a class like full-time salaried staff, and bring ICHRA to the segments it serves better.

2. **Class out by part-time and seasonal status**

   Right-sized contributions extend real coverage to part-time, seasonal, and hourly segments that often never qualified for the group plan.

3. **Class out by geography and structure**

   A single framework spans every state and worksite, with no national network to force-fit each market — and contributions you can set region by region.



And the administration scales down, not up

The administrator handles CMS and regulatory compliance, coverage verification, reimbursements, and enrollment support across all classes and regions. No annual plan design, no carrier negotiations, no participation minimums. Adding a class, a state, or a few thousand employees is a configuration change — not a new RFP.

Most employers also see **15–20% lower cost** in year one for the same level of coverage, with unused allowance staying with you[2].

[2]Milliman Medical Index, May 2026.

WHO IT'S FOR

Is ICHRA right for your organization?

ICHRA isn't a fit for every organization — but at enterprise scale, the signals tend to be clear. If several of these describe your business, it's worth a serious look.

Signals that point to an ICHRA opportunity:

Business structure and growth

Acquisitions, multiple business units, or expansion into new markets your current plan can't cleanly absorb.

Workforce composition

A large distributed workforce across many states, with a real mix of full-time, part-time, seasonal, salaried, and hourly employees.

Financial pressure

Repeated double-digit renewals, heavy specialty-pharmacy exposure, or a self-funded pool carrying more volatility than finance wants on the books.

Operational drag

Administering compliance, eligibility, and plan design across dozens of states and employee classes — an RFP cycle you'd rather not run again.

Industries where it tends to fit:

ICHRA tends to work especially well in healthcare, retail and franchise networks, professional services, manufacturing, transportation and logistics, non-profits, and higher ed — anywhere a large workforce spans many roles, regions and needs, and a single national plan never quite fit everyone.

The enterprise case: At 250+ employees, ICHRA isn't about doing less for your people — it's about turning a variable liability into a contribution you control while giving a varied workforce the kind of choice a single plan can't. Scale for finance, choice for your people.

YOUR WORKFORCE

A better deal for your employees

The hesitation we hear most from enterprise leaders isn't financial — it's cultural: "Will my people feel like we're pushing them onto the individual market?" It's the right question to ask. The answer, when it's designed well, is the opposite: employees consistently experience ICHRA as more choice and more control, not less support.

Real choice

Each employee picks from hundreds of plans instead of the two or three you'd have chosen for the "average employee" who doesn't exist.

Only pay for what they need

Coverage matched to real life and budget, with tax-free dollars and optional dental, vision, and ancillary add-ons.

Keep their own doctor

They choose the plan, so they choose the network — and keep the providers they trust. On group plans, 1 in 3 employees say their plan doesn't even cover their preferred doctor[3].

A funded, guided transition

You still fund the benefit, and members get dedicated support enrolling — this is a richer offer, not a withdrawal of one.

The loop back to you:

You controlled the cost and gave your people the power of choice. Retention is what that strategy looks like in practice.

"Is the individual market really comprehensive?"

It's a fair question, and the answer is yes. Members buy comprehensive, Affordable Care Act (ACA)-compliant plans from an average of 9 competing carriers per state, with modern networks and condition-specific designs — not a stripped-down version of group coverage[4]. Adoption backs it up: 9 in 10 employers who moved to ICHRA renewed it[3], and 94% called it the right decision[5].You won't be the guinea pig.

[3] State of ICHRA Report, SureCo, 2026.
[4] Oscar ICHRA market data, March 2026.
[5] State of ICHRA Report, SureCo, 2025.

THE PROOF

A proven model — not an experiment

No CFO wants to be the cautionary tale. The reassuring part of the ICHRA decision is that the data is already in — and adoption is climbing fastest among larger employers, not small ones.

3X

ICHRA enrollment vs. 2025[6]

9 in 10

employers who adopted it renewed[7]

94%

of users say it as the right decision[8]

Adoption rose 49% among companies with 100–199[9] employees and 34% among those with 200+[10]. This is a mainstream enterprise strategy now — the infrastructure (carriers, platforms, payroll, bipartisan policy) is built out, and the employers who moved are renewing year after year. You won't be the guinea pig.

[6] BenefitsPro, (coverage of HealthSherpa estimates), 2026.
[7] State of ICHRA Report, SureCo, 2026.
[8] State of ICHRA Report, SureCo, 2025.
[9] source needed.
[10] HRA Council, Growth Trends for ICHRA & QSEHRA 2024–2025.

WHY OSCAR

A strategic partner, not just a carrier

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, and a strategic advisor for leaders rethinking how they fund a benefit at scale.

3.2M
members nationwide[11]

1 in 7
individual market members are with Oscar[11]

66 NPS
in 2026[12]

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 that deliver roughly $900 in savings per member per year and stronger care access — tailored options a one-size group plan can't offer a workforce as varied as yours[13].

Model the move with our enterprise team

Talk with an Oscar benefits strategist about modeling a defined-contribution approach for your workforce — tiered design across executive, hourly, part-time, and multi-region classes, with the cost and risk implications mapped for finance. We'll build the business case alongside your team and your broker.

Connect with our enterprise team | **hioscar.com**

[11] Membership as of March 2026.
[12] 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.
[13] Oscar ICHRA member data, March 2026.