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ICHRA EMPLOYER GUIDE

# Take Control of Your Healthcare Benefits

**Today, carriers and providers decide what you pay. ICHRA puts that decision back in your hands – a strategic look at healthcare benefits for mid-market HR leaders.**

How control over cost, employee choice, and lighter administration come together.

THE PROBLEM

# You don’t decide what you pay — carriers do.

Every HR leader knows the rhythm. The renewal letter lands, the increase is double digits again, and the number wasn't yours to set. On a group plan, carriers price it, providers drive the cost of care, and you're left to absorb whatever comes back. You negotiate, you shop carriers, you shift cost to employees, you brace for next year — but the lever was never really in your hands.

That's the deal with a fully- or self-insured small group: someone else controls your single biggest people expense, and it climbs every year regardless of what you do. You can manage the fallout, but you can't manage the price.

ICHRA — the Individual Coverage Health Reimbursement Arrangement — flips that. Instead of inheriting a price someone else sets, you decide the dollar amount you contribute, and your employees choose individual plans on the broader individual market. Your cost becomes a number you set, not a number you absorb.

## The shift in strategy

Stop inheriting a price set by carriers and providers. Set your own contribution — and turn an open-ended liability into a fixed line item you control.

## How ICHRA works for you

| | |
|---|---|
| What is the cost | **You set a fixed allowance** |
| Who picks the plan | **Each employee chooses their own** |
| Who holds the claims risk | **The 22M individual market pool[1]** |
| Who handles administration | **Your administrator** |

[1] Oscar ICHRA market data, March 2026.

**You control the budget. Employees control the plan. The pool carries the risk. The platform carries the paperwork.**

WHY IT WORKS

# Steadier pricing, year after year

Insurance works by spreading cost across many people. The bigger and more diverse the market, the steadier the pricing — and the less any single year can swing your number. A 120-person group is a small, volatile base, which is exactly why your renewal jumps around. The individual market is a very large, competitive one, and that's what keeps pricing in check.

## Where your risk goes

| | Small group plan | ICHRA (individual market)  |
|---|---|---|
| **Who sets your price** | Carriers and providers | **You set the contribution** |
| **Effect of a high-cost year** | Drives your renewal | **Absorbed by the market** |
| **Your annual cost** | Set by the carrier | **Set by you** |
| **Renewal volatility** | 12% average increase YOY[2] | **You control the increase** |

## Why the individual market is stable now

- **A 22M+ member risk pool**
  Pricing is spread across a huge, diverse population, so no single year repriced your whole plan[3].
- **Average of 9 carriers competing in each state**
  Real price competition, not a sticky contract you renegotiate from a position of weakness every year[3].
- **No underwriting on your group**
  Your team's health history stops being the thing that sets your budget.

This is control, not cost-cutting: Your employees keep comprehensive, Affordable Care Act (ACA)-compliant coverage. What changes is who holds the lever on price — it moves from carriers and providers to you.

[2] State of ICHRA Report. SureCo 2026.
[3] Oscar ICHRA market data, March 2026.

BACK IN YOUR CONTROL

# Costs you set. Admin you don't carry.

Group plans run on a defined benefit model — you promise a plan, the carrier prices it. ICHRA is a defined contribution model: you decide the dollar amount per class, and that's your cost. It's the same shift that moved retirement from pensions to 401(k)s — the organization funds it, the individual directs it.

## How you run it

**1. Set allowances by class**

Different amounts for full-time, part-time, seasonal, or distributed staff — within IRS rules.

**2. Employees shop and enroll**

Each person picks an individual plan and applies your allowance.

**3. Administrator does the rest**

CMS and regulatory compliance, coverage verification, reimbursements, enrollment support — all handled.

## 15–20%

**Average annual cost savings[4]**

### What's taken off your plate

No annual plan design. No carrier negotiations. No participation minimums to chase. No COBRA churn to manage by hand. And the savings are real: most employers cut 15–20% in year one for the same level of coverage, partly because unused allowance stays with you and costs scale in a straight line as you hire — not a renewal that compounds[4].

## Why mid-market HR is moving now

**1 in 3 mid-size and large employers** absorbed a double-digit rate increase heading into 2026[5], and **94%** have actively explored cost-containment alternatives to traditional group coverage[6]. The renewal cycle isn't a one-year problem — it's the model.

4 Milliman Medical Index, May 2026.
5 KFF / industry data (per the guide's existing source line).
6 State of ICHRA Report, SureCo, 2026.

WHO IT'S FOR

# Is ICHRA right for your workforce?

ICHRA isn't a fit for everyone — but for a lot of mid-market employers, the signs are hard to miss. If a few of these sound like your business, it's worth a closer look.

## Flags that signal an ICHRA opportunity:

### Business structure and growth

Acquisitions, multiple divisions, or expansion that your current plan struggles to keep up with.

### Workforce composition

Remote or multi-state teams with higher turnover and a mix of full-time, part-time, and seasonal staff.

### Financial pressure

Double-digit rate increases, underwriting pressure, and a real need for cost certainty.

### Operational pain points

Wrangling compliance across different states and employee classes.

## Industries where it tends to fit:

ICHRA tends to work especially well in healthcare, franchises, retail, professional services, manufacturing, transportation, non-profits, and higher ed — anywhere the workforce is varied and the group plan never quite fit everyone.

**The mid-market sweet spot: For employers in the 50–249 range, ICHRA is a way to modernize benefits and lift satisfaction while keeping a firm hand on what you spend — choice for your people, control for you.**

YOUR WORKFORCE

# Flexibility your people actually feel

Mid-market HR knows the hardest part of benefits: there is no “average employee.” You’re designing for a 26-year-old field agent, a parent of three in corporate, and a part-timer all at once. A single group plan forces them into the same box. ICHRA lets each of them choose.

## Real choice

Each employee picks from hundreds of plans instead of the two or three you’d have chosen for everyone.

## Only pay for what they need

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

## Keep their own doctor

They pick the plan, so they pick 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[7].


## Coverage for everyone

Part-time, seasonal, and distributed staff who never qualified for the group plan finally get a real path to quality coverage.

## The loop back to you:

When your people get to choose what works for them, they stay. That's the power of owning your benefits strategy.

## “Is the individual market really comprehensive?”

It's a fair question, and the answer is a clear ‘yes’. Members buy comprehensive, Affordable Care Act (ACA)-compliant plans from an average of 9 competing carriers per state, with focused, modern networks and condition-specific designs built for real needs — not a stripped-down alternative to group coverage. Adoption backs it up: 9 in 10 employers who moved to ICHRA renewed it[8], and 94% called it the right decision[9]. You won't be the guinea pig.

[7]State of ICHRA Report, SureCo, 2026.
[8]Oscar ICHRA market data, March 2026.
[9]State of ICHRA Report, SureCo, 2025.

WHY OSCAR

# The ICHRA expert in your corner

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 partner for HR leaders rethinking their benefits.

**3.2M**
members nationwide[10]

**1 in 7**
individual market members are with Oscar[10]

**66 NPS**
in 2026[11]

## 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[12] and stronger care access — the kind of tailored option a one-size group plan can't offer your varied workforce.

## 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, broker and employee education, and the integrations that make ICHRA run, so nothing falls to your HR team to figure out alone.

# Build your renewal-proof strategy

Talk with an Oscar benefits strategist about modeling a defined-contribution approach for your workforce — including the segments your group plan leaves out. (Your broker can be part of the conversation, too.)

Learn more about Oscar Health | **hioscar.com**

[10] Membership as of March 2026.
[11] 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.
[12] Oscar ICHRA member data, March 2026.
[13] HRA Council, Growth Trends for ICHRA & QSEHRA 2024–2025.
[14] HealthSherpa estimate (per BenefitsPro coverage), 2026.