

# ICHRA Rescues Group from Large Premium Increase

## Company Overview

This technology consulting firm located in Princeton, New Jersey has 135 employees.

## Key Challenges

This client was hit with a significant premium increase resulting from an employee with a “shock” claim (an unexpected and extremely high claim charge). Furthermore, this employee was expected to continue requiring expensive care for the foreseeable future. Even though our client planned to absorb a portion of the increase, the resultant balance would be passed on to employees. Many of these workers, already impacted by inflationary pressures, would have had trouble being able to afford and retain their medical care coverage.

## MBA Solution Presented

Our team recommended the installation of an Individual Coverage Health Reimbursement Account (ICHRA) to transfer the risk of higher group insurance premiums to the individual market. The employer premium contribution remained at the same pre-renewal level, allowing employee contribution levels to remain even or even drop in certain situations. Additionally, the move to individual markets allowed employees to have a greater range of health plan choices among a variety of insurance carriers with premiums paid via pre-tax dollars.

## Measurable Results

Over \$500,000 was saved between employer and employees as a result of the changes made.