



**HCEG WEBINAR SERIES**

# **DON'T MISS THE BOAT - ICHRA PUTS THE CONSUMER FIRST**

**Thursday, March 5th, 2020 - 2:00 PM ET / 11:00 AM PT**

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# Our Team



**Softheon**

**Kevin Deutsch**  
**GM & SVP, Health Plan Cloud**

Kevin is responsible for Softheon's Health Plan Cloud. From operations and product development, to customer satisfaction and growth, Kevin works with issuers across the country to support their goals and mission.

Previously serving in Client Success, Kevin has developed significant industry experience through some of Softheon's largest implementations and client relationship management.

He received a dual bachelor's degree in mathematics and computer science from St. Joseph's College in Patchogue, NY and is currently enrolled in an Executive Leadership Program through Cornell University.

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HEALTHCARE  
**HCEG**  
EXECUTIVE GROUP

**Ferris Taylor**  
**Executive Director**

Ferris W. Taylor is Executive Director of the HealthCare Executive Group (HCEG), a national network of thought leaders focused on innovation and technology to grow, share and reshape healthcare.

Prior to becoming Executive Director, Taylor served as Board Chair of HCEG and as the Chief Operating Office and Chief Strategy Officer of Arches Health Plan in Utah.

Earlier Taylor founded Pragmatic Health Care Solutions, a healthcare strategy and market positioning firm, and has served as VP of Payer Market Strategy at Optum, VP Marketing and Planning at Partners Healthcare's North Shore Medical Group and head of Marketing Information Services at Harvard Pilgrim Health Care.

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# Topics for HCEG Webinar Series Event

- ICHRA – The 2020 HCEG Top 10
- Defining ICHRA
- Why ICHRA Matters
- The Ideal ICHRA Solution
- Barriers to ICHRA Adoption
- What's Next?
- Q&A



# The 2020 HCEG Top 10

## *ICHRA Addresses Multiple HCEG Top 10 Items*

1. **Costs & Transparency** – Implementing strategies and tactics to address costs and impacts to access and quality of care.
2. **Consumer Experience** – Understanding, addressing and assuring consumer interactions fit naturally into the “life flow” of every individual’s, family’s and community’s daily activities.
3. **Delivery System Transformation** – Operationalizing and scaling delivery system transformation of medical and non-medical services
4. **Data & Analytics** – Leveraging advanced analytics and new sources of disparate, non-standard, unstructured, highly variable data.
5. **Interoperability / Consumer Data Access** – Integrating and improving the exchange of member, payer, patient, provider data and workflows to bring value of aggregated data and systems
6. **Holistic Individual Health** – Identifying, addressing and improving the member/patient’s overall well-being for a frictionless and connected healthcare experience.
7. **Next Generation Payment Models** – Developing integrated technical and operational infrastructure and programs to more collaboratively and equitably manage costs and payments.
8. **Accessible Points of Care** – Telehealth, mHealth, wearables, digital devices, retail clinics, home-based care, micro-hospitals; and acceptance of these and other initiatives moving care closer to home and office.
9. **Healthcare Policy** – Dealing with current healthcare policy, regulations, political uncertainty/antagonism and lack of a disciplined regulatory process.
10. **Privacy / Security** – Staying ahead of cybersecurity threats to the privacy of individual healthcare information to enhance consumer trust in sharing data.

# Defining ICHRA :: The what

**ICHRA** – Individual Coverage Health Reimbursement Arrangement

- Tax-free reimbursements for qualified health expenditures
- True defined contribution
- Open to all employers regardless of size
- Employees enroll into individual health insurance plans
- Employer flexibility to provide group or individual support based on employee classes
- Consumer choice - ICHRA or Premium Tax Credit (APTC)



# Defining ICHRA :: The numbers

<sup>1</sup>  
**~800,000**

Uninsured who will obtain coverage

<sup>2</sup>  
**~11 Million**

Employees can now purchase insurance

<sup>1</sup>  
**~800,000**

Employers can now offer insurance to their employees

<sup>3</sup>  
**~160 Million**

Total Addressable Market

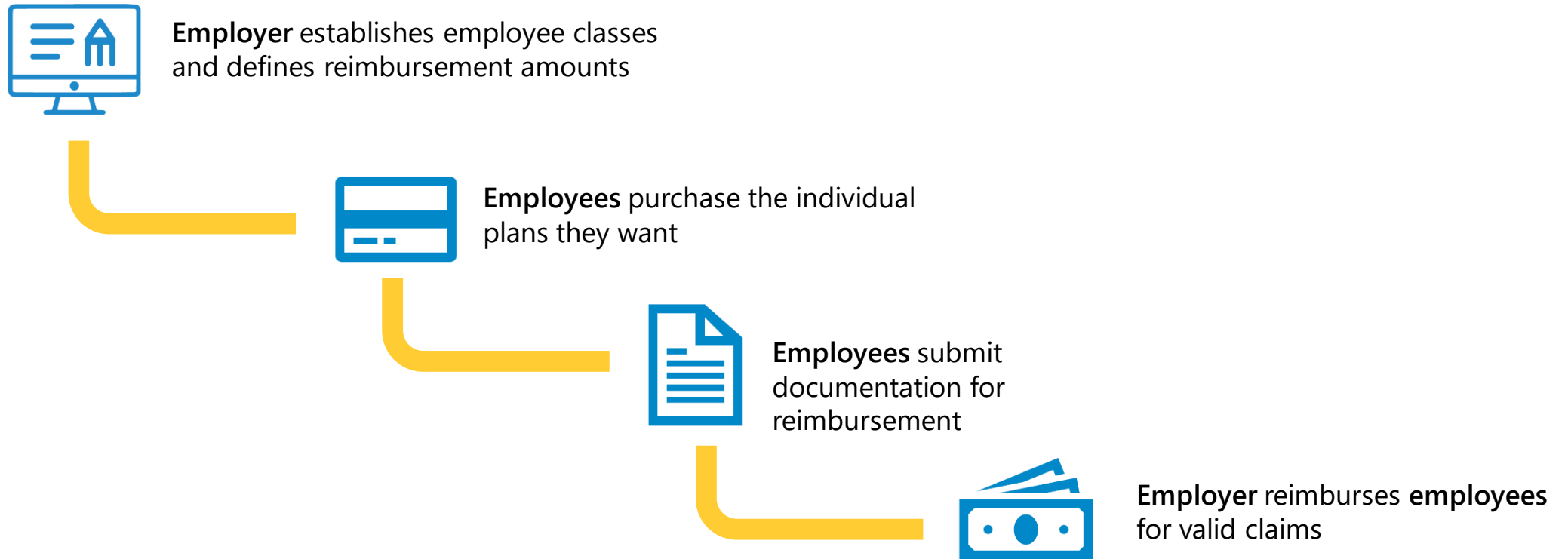
1. <https://www.hhs.gov/sites/default/files/health-reimbursement-arrangements.pdf>

2. <https://www.forbes.com/sites/gracemarieturner/2019/06/13/new-administration-action-could-give-11-million-workers-more-health-insurance-options/#2890f51a77b0>




3. <https://www.kff.org/other/state-indicator/total-population/?dataView=1&currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

# Defining ICHRA :: Consumer journey

## ICHRA Consumer journey



# Defining ICHRA :: The differentiator

Category	ICHRA	QSEHRA
<b>Name</b>	Individual Coverage Health Reimbursement Arrangement	Qualified Small Employer Health Reimbursement Arrangement
<b>Eligible employers</b>	ALL 	<50 employees
<b>Plan options</b>	Individual or Group-based on employee class 	Individual or Group across entire organization
<b>APTC or HRA</b>	Either, not both	APTC reduced by HRA contribution
<b>Employer contribution restrictions</b>	NONE 	<b>\$5,150</b> – self-only policy/year <b>\$10,450</b> – family policy/year

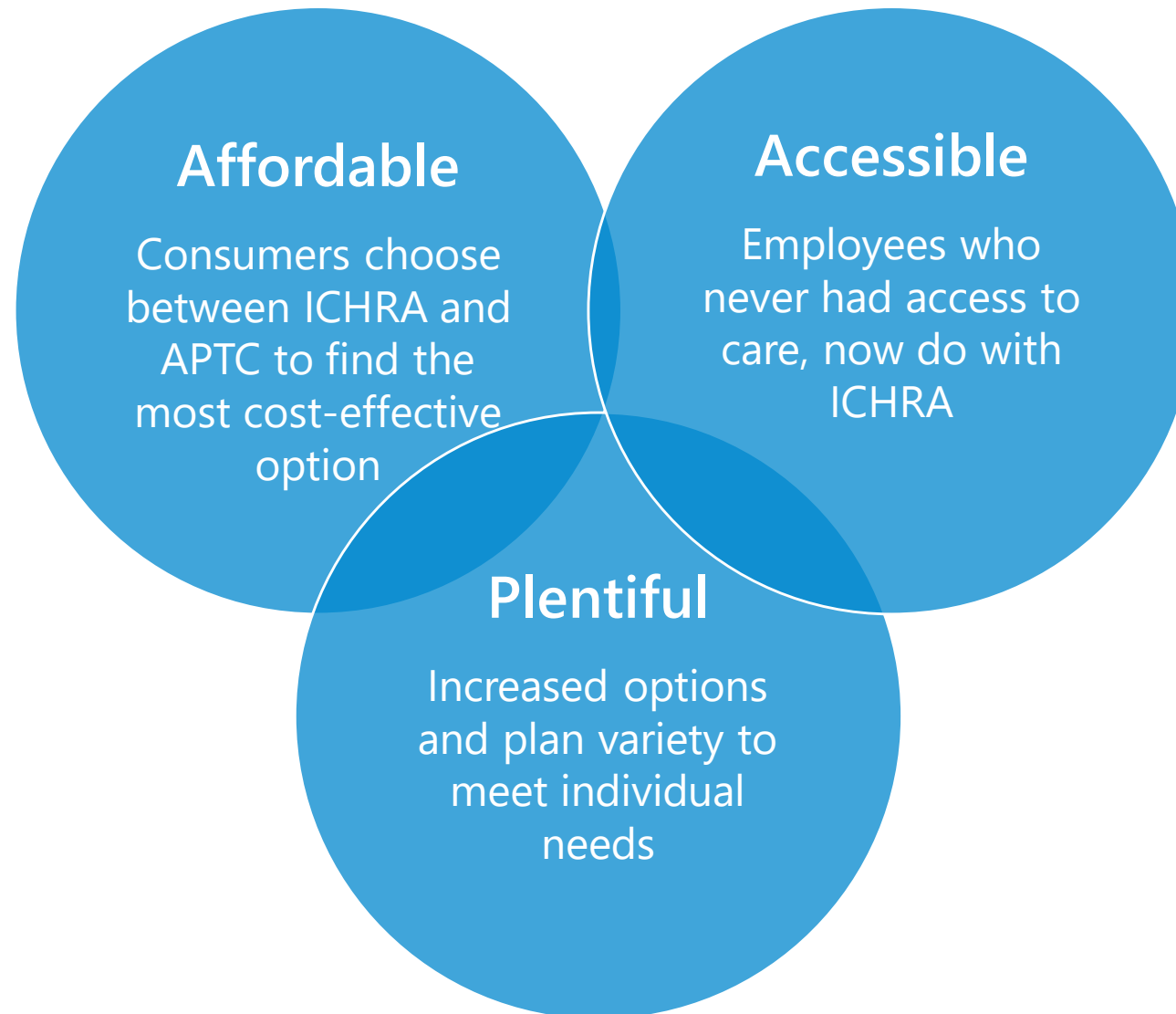




# **Softheon**

## **Making Healthcare Affordable, Accessible & Plentiful**

# Defining ICHRA :: Mission alignment



# Why ICHRA Matters :: The opportunity

**6% Increase**

In employer-sponsored health plan premiums for 2020

1

**\$20,576**

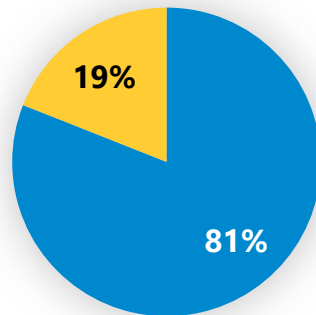
Average total premium for a family plan in 2019

2

## Options Offered

< 200 employees

1



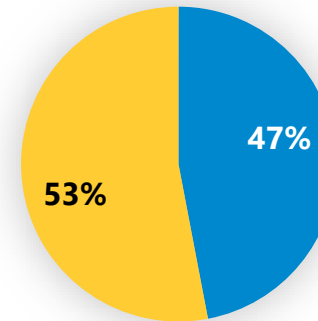
■ One plan option

■ More than one plan option

## Coverage Offered

3-9 employees

1



■ Offer Insurance

■ Do not offer insurance

1. <https://www.hhs.gov/sites/default/files/health-reimbursement-arrangements.pdf>
2. <https://www.kff.org/report-section/ehbs-2019-summary-of-findings/>

# Why ICHRA Matters :: The benefits

Employer	Employee
Focus on your business instead of healthcare	Access to full individual marketplace plans
Defined contribution amounts – no variability	Qualifies for Special Enrollment Period (SEP) with ICHRA
Compliant with employer mandate	Portability and opportunity for health plan loyalty regardless of employer
Accessibility for employers who once could not afford offering health insurance	Decisions can be made based on personal financial standing



# The Ideal ICHRA Solution

## -Employer

- Enrollment tools available through issuers directly and private exchanges
- Automatic contribution payments
- Ongoing self-serve maintenance for group updates

## -Health Plan

- Enrollment & decision support tools to support Employers and Employees for direct relationships
- Payment/HRA integration
- Opportunity for preferred placement on private exchange platforms

## -Employee

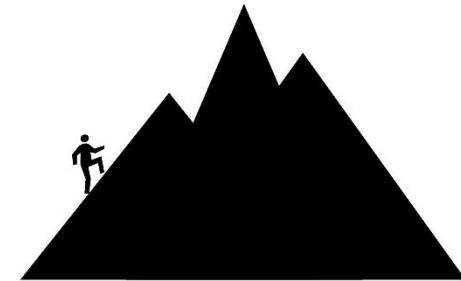
- Decision support tools to compare ICHRA & APTC
- End-to-End enrollment through ONE platform
- Automatic reimbursements
- Seamless transition between health plans if needed (Portability)

## -Broker

- Platform to manage employee elections into multiple health plans
- Strategic partnerships with private exchange platforms

# Barriers to ICHRA Adoption

- Many stakeholders involved (Employers, Employees, Issuers, Brokers, etc.)
- Who owns the solution?
- Will affordability measure truly support the best interest of the consumer?
- Political landscape and ongoing uncertainty
- Opportunity for confusion with variations to ICHRA (Cafeteria plans, Excepted Benefit HRAs, etc.).
- Concerns about individuals' ability to front premium payments – this is a reimbursement
- Solution is still being built and vetted



# What's Next?

- Early adoption – who moves first?
- Build or buy – new players emerge
- Implementing solutions including integration points
  - For Health Plans
  - For Employers/Employees
  - For Brokers
- Are you ready for Open Enrollment 2021?





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Questions?



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## HealthCare Executive Group's 32nd Annual Forum

September 21-23rd, 2020  
Boston, MA

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