



What Employers Are Telling Us About ICHRAs — and What Comes Next

September 30, 2026



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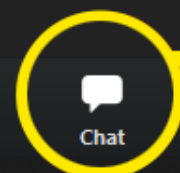


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Speakers



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Bavvy by Milliman

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Employer ICHRA Survey

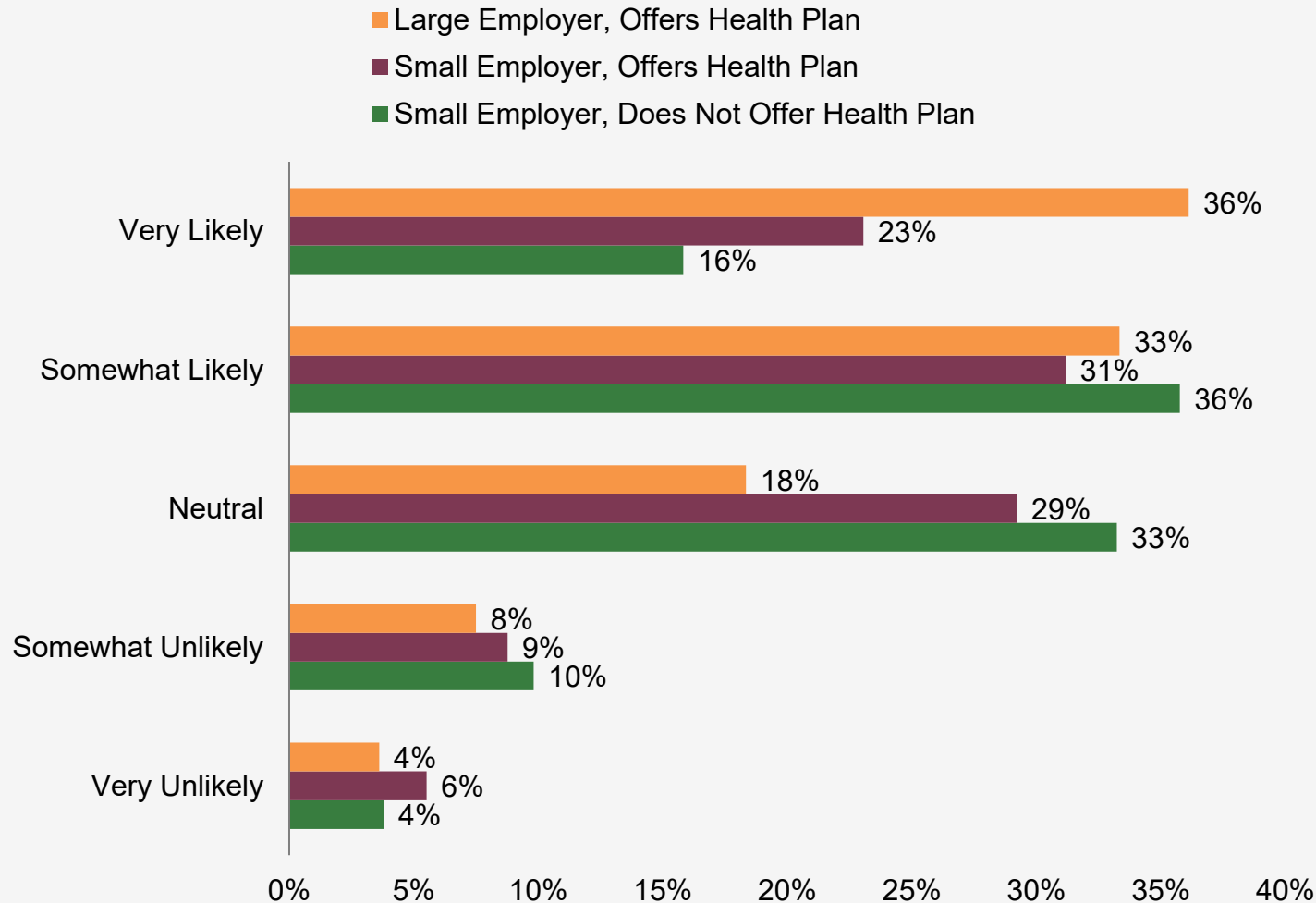
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Survey Methodology

Survey Characteristic	Description
Target Population	Benefits decision makers at employers with 3 or more employees who had been employed by the company for at least 6 months
Sample Size	984 employers
Sample Segments	1. Large employers (100+ employees) offering health coverage (n=360) 2. Small employers (<100 employees) offering health coverage (n=308) 3. Small employers (<100 employees) not offering health coverage (n=316)
Survey Administration	Online survey conducted March 19 – May 5, 2026
Survey Length	Mean: 19.5 minutes; Median: 16.6 minutes
ICHRA Description	Respondents were first asked about their prior awareness of and familiarity with ICHRAs. To establish a common baseline understanding, all respondents were then shown a brief description of ICHRAs before answering subsequent questions regarding interest in ICHRAs, likelihood of adoption, perceived advantages, concerns, and factors that could increase employer interest in offering an ICHRA.

Likelihood of Adopting an ICHRA in Next 1–2 Years

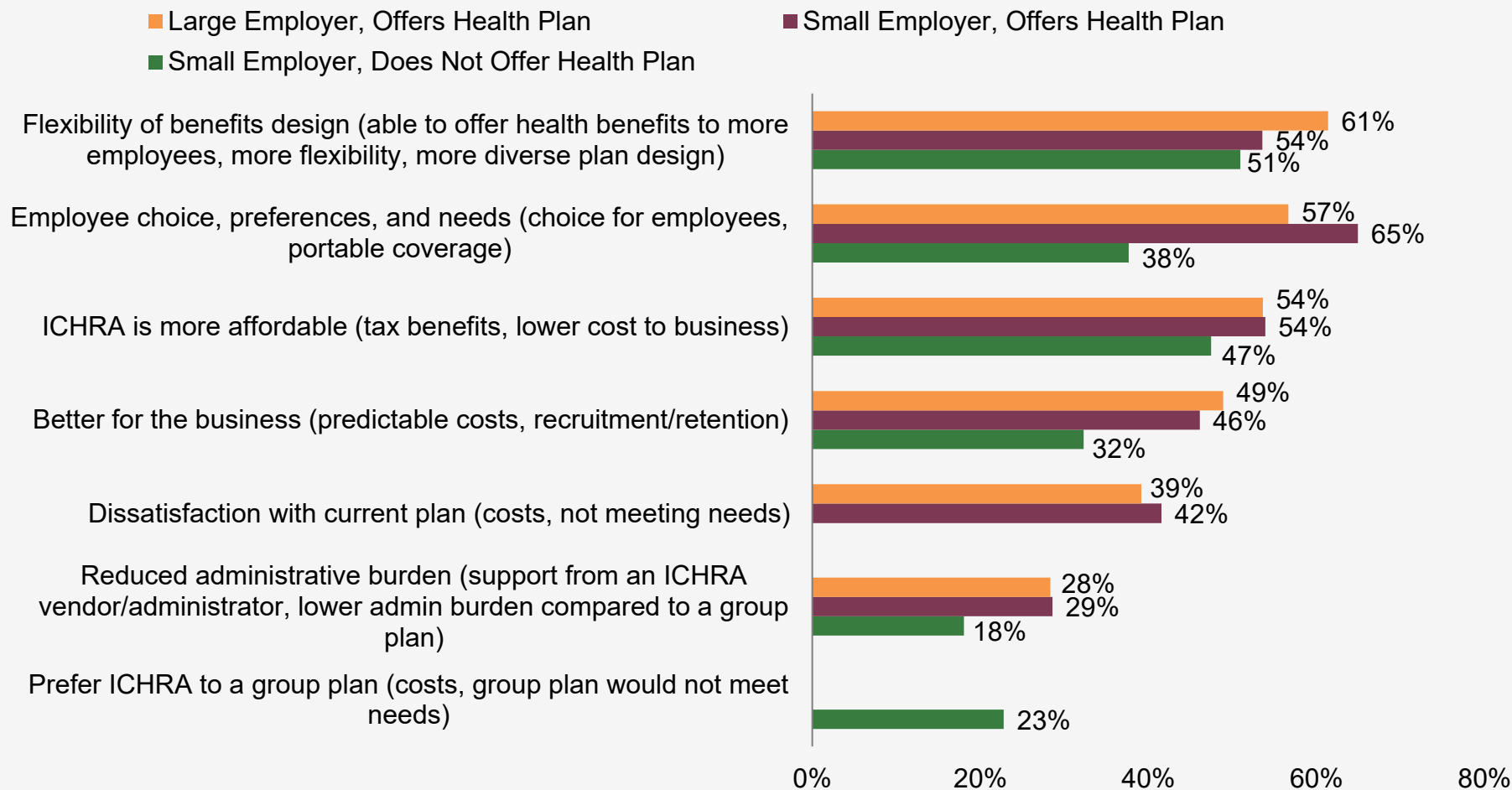


- Likelihood of offering an ICHRA generally increased with employer size.
- Interest is highest among employers already offering health benefits.
- Because respondents answered this question after reviewing a description of ICHRAs, these findings should be interpreted as measures of employer receptivity rather than forecasts of near-term adoption.

Potential ICHRA Market: Employers That Are Aware, Considering, and Likely to Adopt ICHRA in the Next Two Years — by Business Size and Current Health Plan

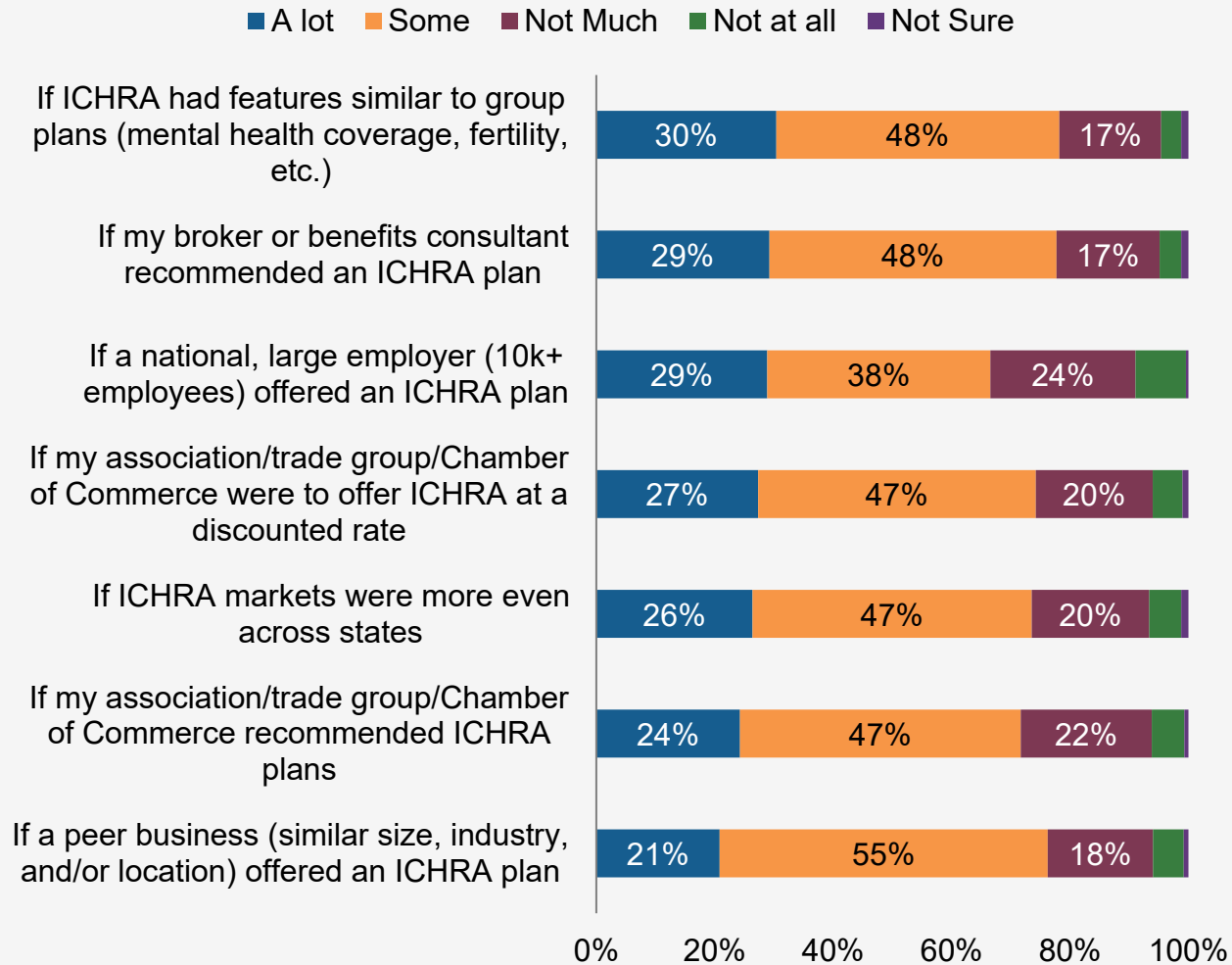
# of Employees	Small Employer, Not Offering a Health Plan			Small Employer, Offering a Health Plan			Large Employer, Offering a Health Plan			
	3–24	25–49	50–99	3–24	25–49	50–99	100–499	500–999	1,000–9,999	10,000+
Very Likely to Adopt ICHRA in Next 2 Years	18%	16%	13%	19%	24%	26%	35%	40%	37%	33%
Heard of ICHRA Before Taking Survey										
Actively Planning to offer ICHRA	3.5%	0%	1%	8%	7%	9%	15%	11%	14%	7%
Very Likely to Adopt ICHRA in Next 2 Years										

Top Reasons Employers Would Consider Offering an ICHRA



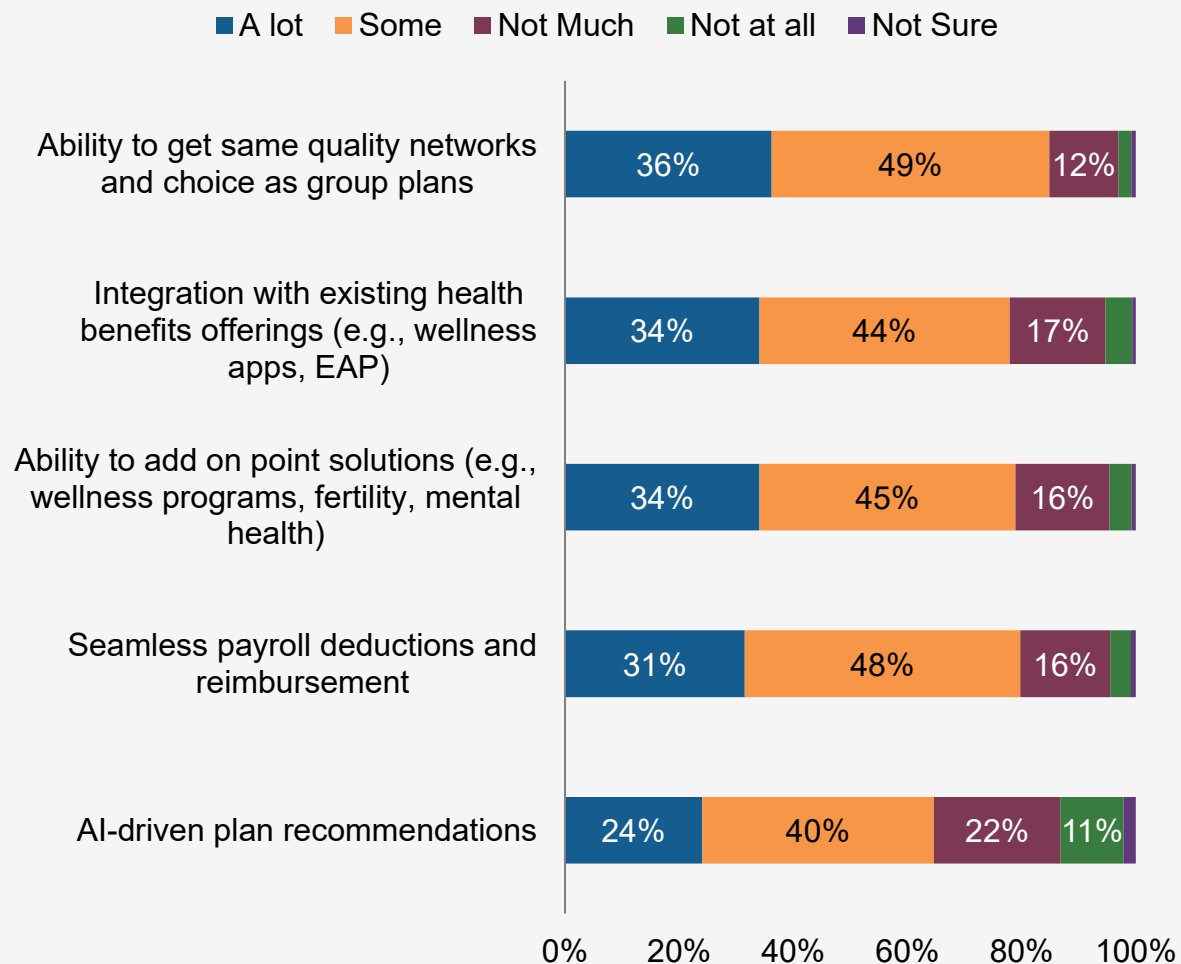
- Flexibility, employee choice, and affordability were the primary reasons employers would consider offering an ICHRA.
- Employers currently offering health benefits placed greater emphasis on employee choice.
- Small employers not currently offering coverage viewed ICHRAs primarily as a potential pathway to offering health benefits.

Features That Would Make Employer More Likely to Adopt an ICHRA



- Employers placed the greatest value on features that make ICHRAs resemble traditional employment-based health plans.
- Recommendations from brokers and benefits consultants appeared to be more influential than endorsements from peers or trade associations.
- Large employer adoption appeared to be an important signal for employers evaluating whether to offer an ICHRA.

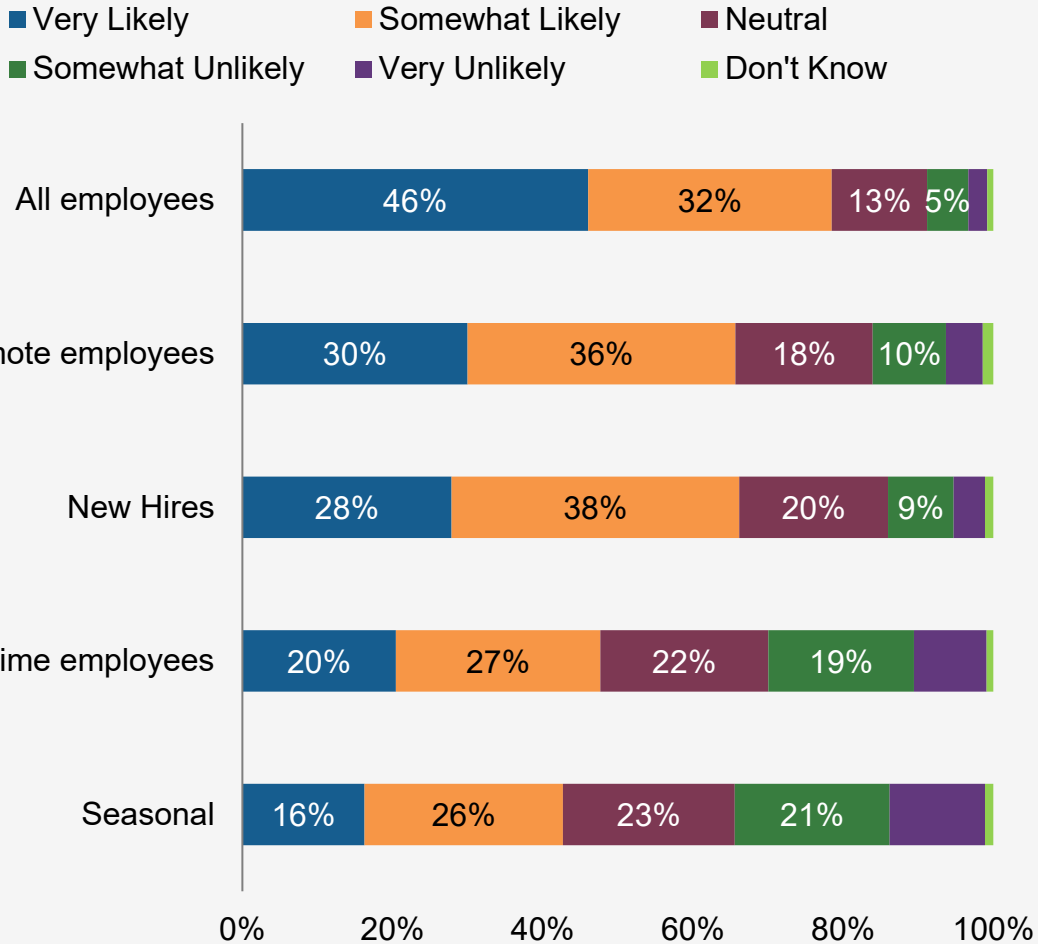
Features That Would Increase Employer Interest



- Access to group-plan-quality provider networks was the single most influential feature tested.
- Employers valued practical tools that simplify administration and improve the employee experience.
- Payroll integration, employee decision-support tools, and enhanced benefit offerings could further increase employer interest.

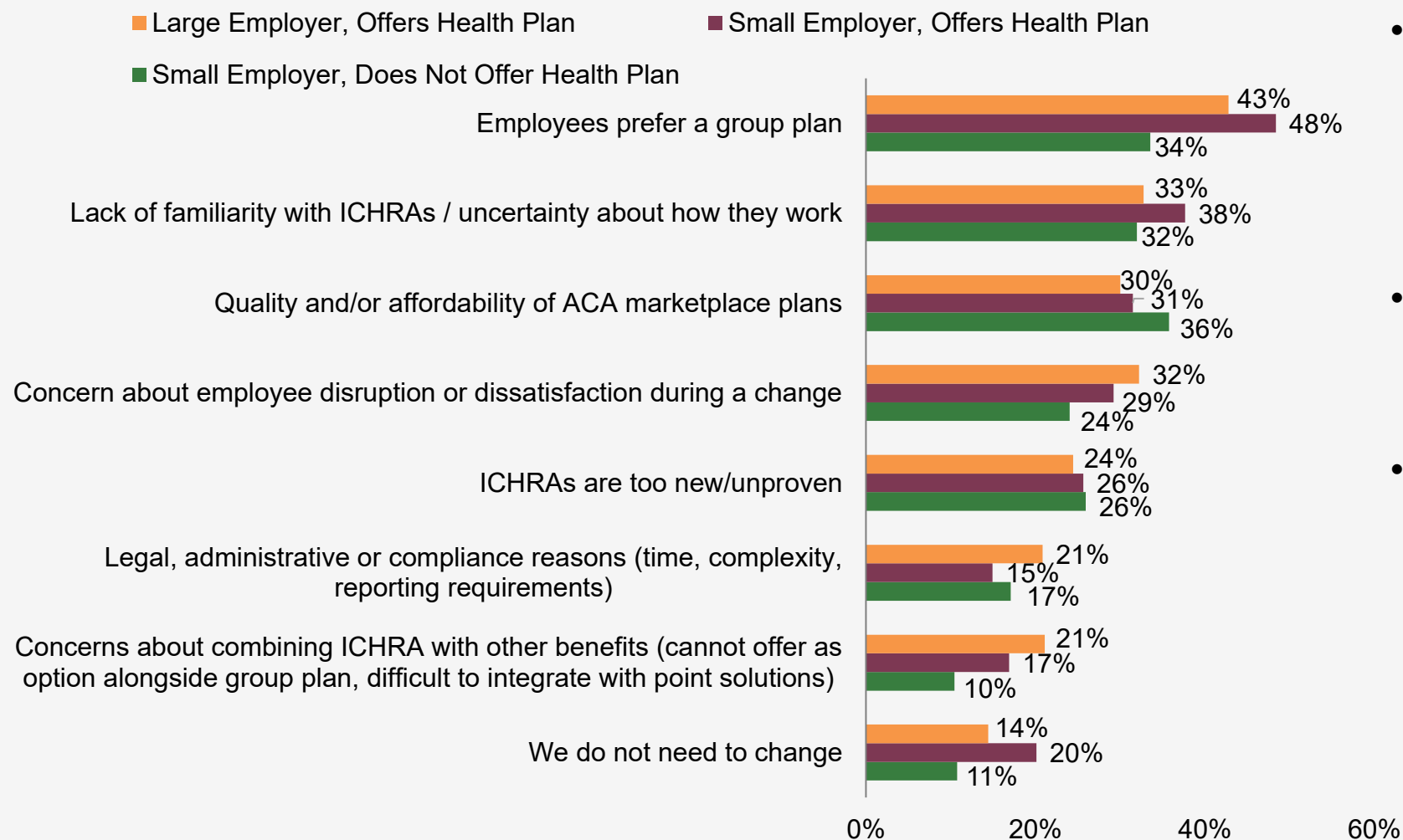
Preferred Employee Groups for ICHRA Coverage

(How likely would you be to offer an ICHRA to these types of employees?)



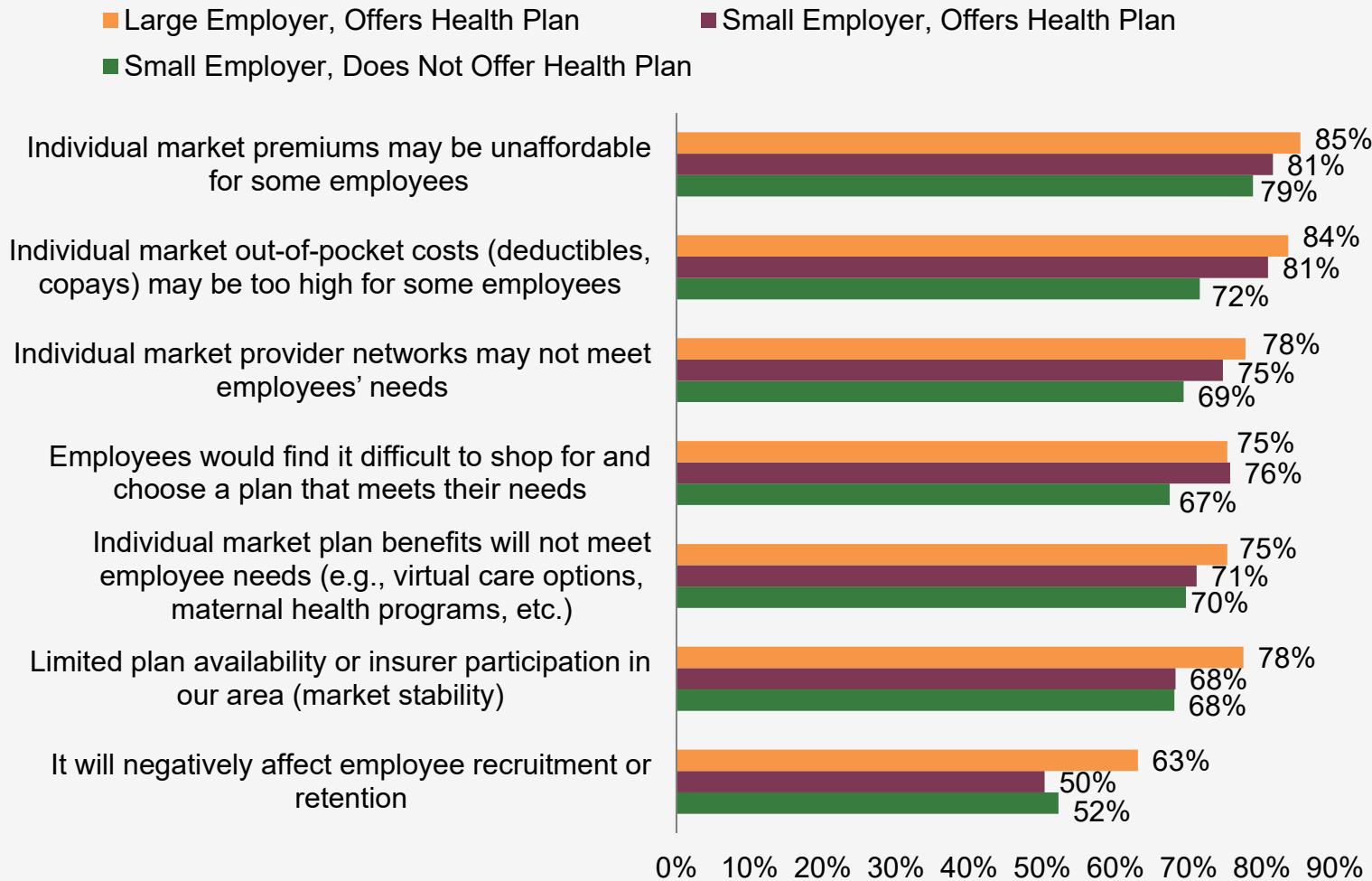
- Employers generally preferred broad implementation over limiting ICHRAs to specific employee classes.
- Among targeted strategies, employers express the greatest interest in using ICHRAs for remote employees and new hires.
- Seasonal and part-time workers are viewed as less likely candidates for ICHRA coverage.

Top Reasons Business Might Not Adopt an ICHRA



- Perceived employee preferences for a group plan were top reason for not adopting an ICHRA, along with lack of familiarity and concerns about the marketplace.
- Many employers also cited limited familiarity with ICHRAs and uncertainty about how they work.
- Although administrative and compliance issues were cited less frequently than Marketplace concerns or employee preferences as employers' primary reasons for not adopting an ICHRA, they remained a top three consideration for some employers.

Marketplace Concerns



- Concerns about the affordability of individual market premiums and out-of-pocket costs are widespread.
- Employers also express substantial concern about provider networks, benefit adequacy, and employees' ability to navigate the Marketplace.
- Concerns related to recruitment and retention are comparatively less important than concerns about the individual insurance market itself.

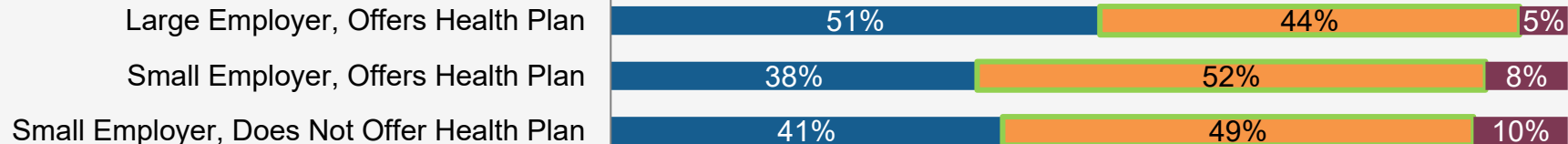
Knowledge Gaps

■ True ■ False ■ Not Sure

An ICHRA is an employer-funded benefit that reimburses employees for the cost of individual health insurance rather than providing a group health plan.



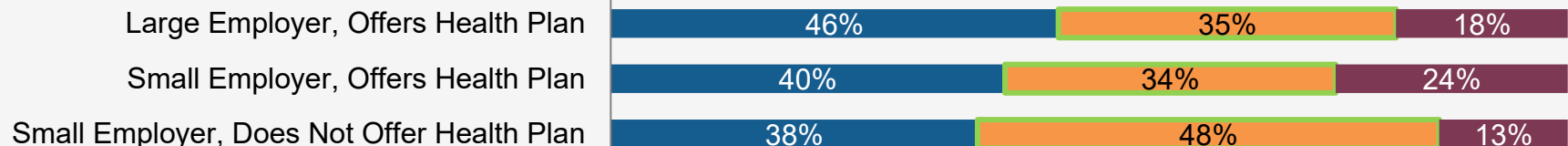
An ICHRA is a type of group health insurance plan in which employers select and purchase coverage on behalf of employees.



With an ICHRA, employers contribute a fixed dollar amount that employees use to purchase their own individual health insurance coverage.



An ICHRA allows employers to give employees pre-tax cash to buy health insurance without any formal benefit arrangement.



0% 20% 40% 60% 80% 100%

Summary of Findings

One in three businesses currently offering health benefits reported likely ICHRA adoption in the next two years, yet knowledge gaps and reported hesitations suggest reported demand may outpace actual uptake.

1. Employers with 100+ employees expressed the greatest interest in ICHRAs, with 62% likely to adopt in the next two years. Interest was highest among businesses with 500–9,999 employees; nearly 50% of businesses this size reported familiarity with ICHRAs as well as consideration of and a likelihood of adopting them in the next two years.
2. Among small businesses not offering coverage today, one in four indicated a preference for an ICHRA over a traditional group plan. However, awareness remains a major gap — 55% were unaware that an ICHRA is an option to them today.
3. The primary advantages of ICHRAs were consistent across employer sizes: Flexibility of benefits, increased employee choice, and affordability to employers were highest rated.
4. Hesitancy to adopt ICHRAs was driven largely by marketplace concerns, across all business sizes. Among employers offering coverage today, perceived employee preferences for a group plan were also a top reason for not adopting an ICHRA.
5. Employers would be more likely to adopt an ICHRA if they could guarantee the same quality of network and choice as a group plan (89%) and if their broker (77%) or peer (76%) were to recommend or adopt an ICHRA.
6. Policy changes could also further drive adoption, especially through a stable, high-quality, and affordable individual marketplace; tax credits could also accelerate adoption.

Upcoming Events

October 14 — 2026 EBRI–SHRM Health Benefits Symposium

October 22 — 2026 Caregiving at Work Forum

December 8 — 2026 EBRI Financial Wellbeing Symposium



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