# 2026
# EBRI-Morgan Health
# Employer ICHRA Survey

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# Interpreting the Survey Findings

The 2026 EBRI–Morgan Health Employer ICHRA Survey provides one of the first comprehensive looks at employer awareness, perceptions, and interest in individual coverage health reimbursement arrangements (ICHRAs). The findings suggest that employers are increasingly open to ICHRAs as an alternative approach to providing health benefits, but interest should not be interpreted as a prediction of rapid market adoption.

Several factors should be kept in mind when interpreting the results:

- **Interest is not the same as implementation.** Employers expressed their views after reviewing a standardized description of ICHRAs. The survey therefore measures employer receptivity of those who were already familiar with ICHRAs and those learning about the concept, not only those with existing ICHRA implementation plans.
- **ICHRAs remain an emerging benefit strategy.** Many employers report that they are evaluating ICHRAs, but relatively few are actively planning implementation today.
- **Successful adoption will depend on more than employer interest.** Confidence in the quality and affordability of the individual insurance market, administrative support, policy stability, and continued employer education are likely to influence future adoption.
- **The survey identifies opportunities as well as barriers.** Employers see meaningful advantages in flexibility, affordability, and employee choice while also identifying clear policy and market changes that could accelerate adoption.

# 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 (85%) 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.

# 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)<br>2. Small employers (<100 employees) offering health coverage (n=308)<br>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. |

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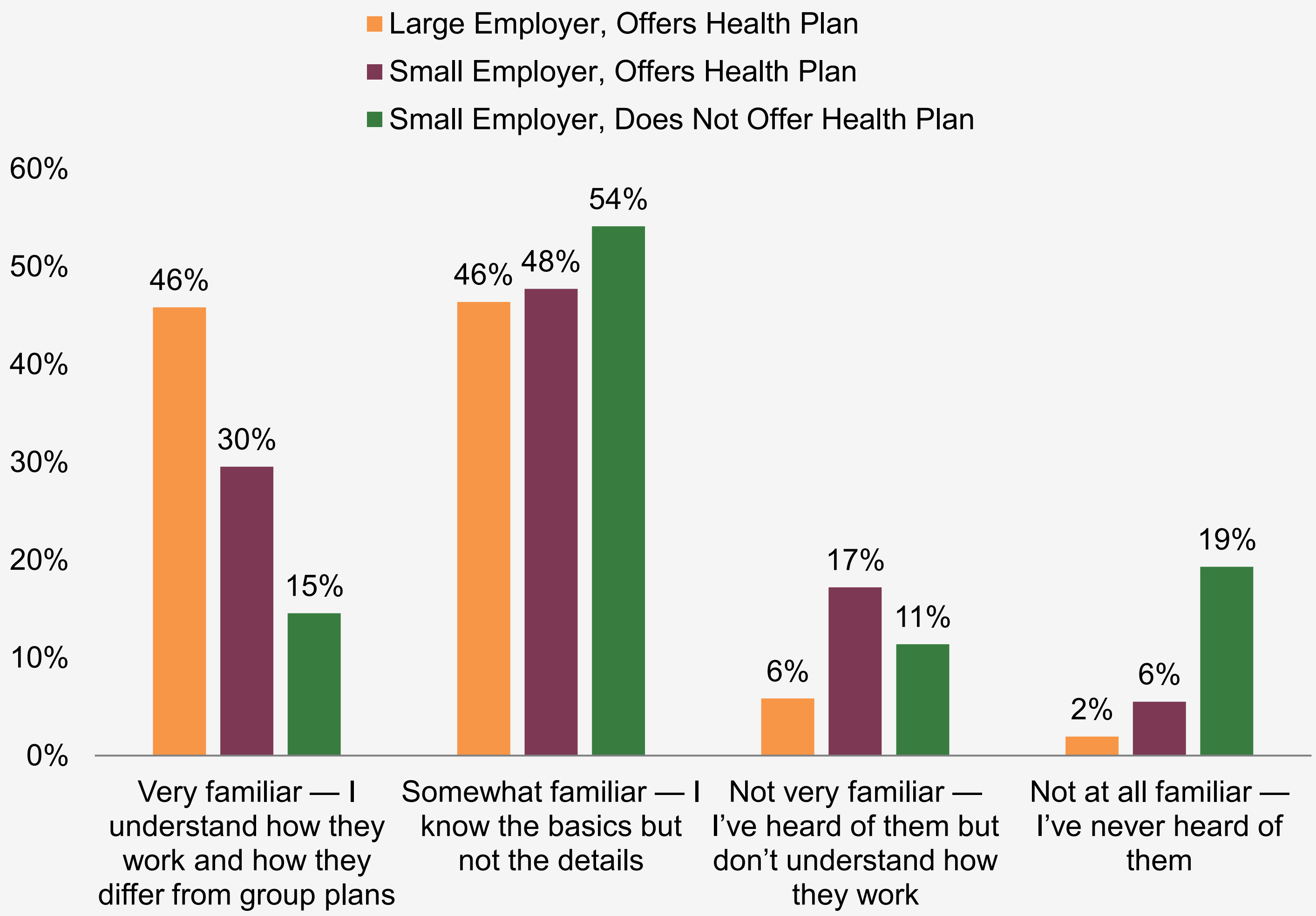
# Awareness and Interest

# Familiarity With ICHRAs

- Nearly six in 10 employers reported being at least somewhat familiar with ICHRAs, although familiarity varied considerably by employer size and current coverage status.
- Familiarity increased with employer size and was highest among employers that currently offer health benefits.
- Small employers that do not currently offer health benefits are substantially less familiar with ICHRAs, suggesting an opportunity for additional education and outreach.

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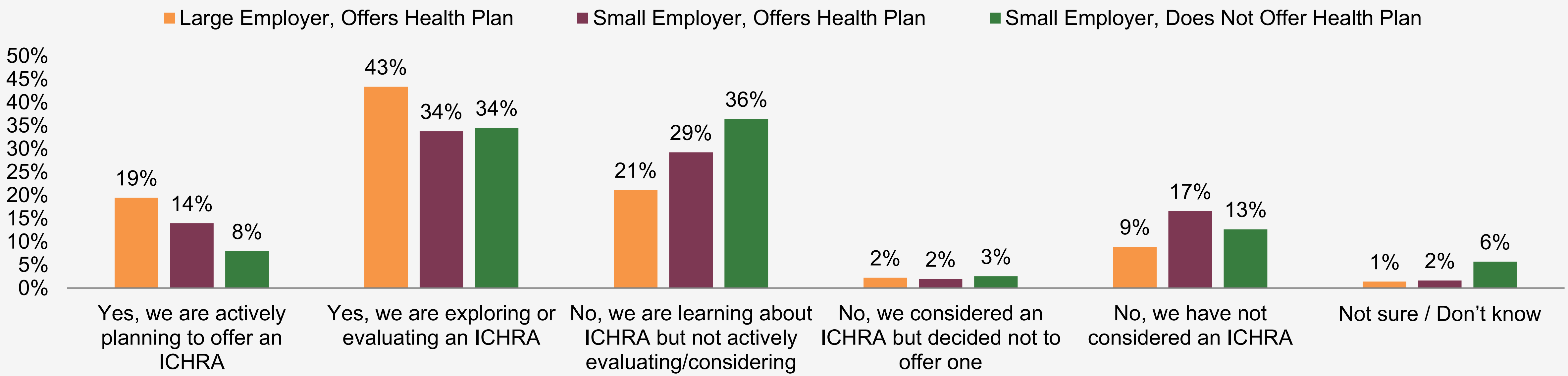
# Employer Is Currently Considering Offering an ICHRA

- More than one-third of employers reported that they are actively planning or evaluating an ICHRA.
- Employers were far more likely to be evaluating ICHRAs than actively planning implementation.
- These findings suggest substantial employer interest, while also indicating that many employers remain in the evaluation stage.

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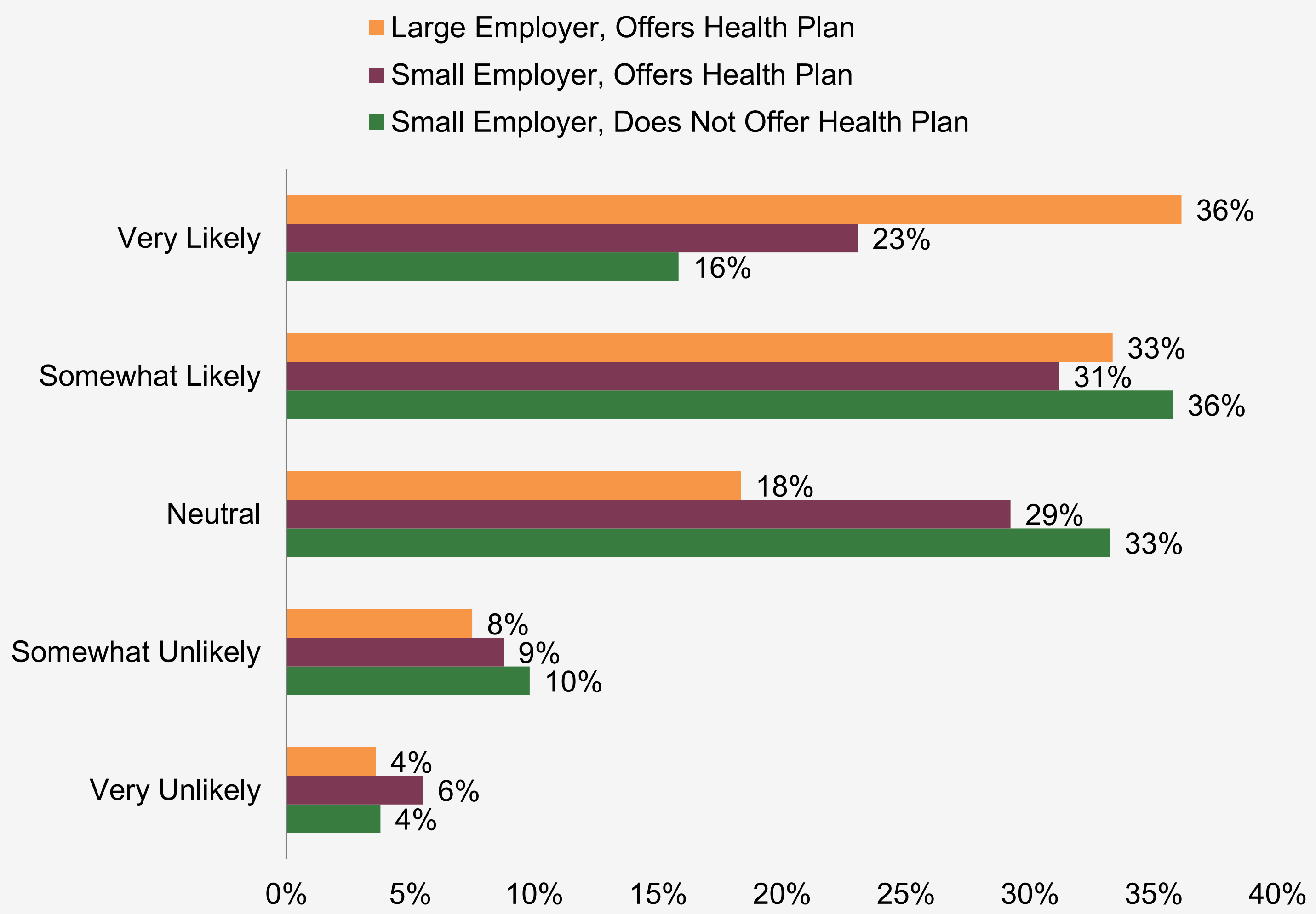
# Likelihood of Adopting an ICHRA in Next 1–2 Years




- 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.

# Likelihood of Adopting an ICHRA in Next 1–2 Years, by Detailed Firm Size

- Reported likelihood of adopting an ICHRA generally increased with employer size among employers currently offering health benefits.
- Employers with 500–999 employees reported the highest level of near-term adoption interest, while interest levels were similar across the largest employer groups.
- Among small employers that do not currently offer health benefits, adoption intentions varied little by firm size.

Note: Respondents answered this question after reviewing a standardized description of ICHRAs. Reported likelihood reflects employer interest after learning about the concept and should not be interpreted as a forecast of actual adoption.

| | Percentage Very Likely to Adopt ICHRA |
|---|---|
| **Employer Offers Health Coverage** | |
| 3–24 | 19% |
| 25–49 | 24% |
| 50–99 | 26% |
| 100–499 | 35% |
| 500–999 | 40% |
| 1,000–9,999 | 37% |
| 10,000 or more | 33% |
| | |
| **Employer Does Not Offer Health Coverage** | |
| 3–24 | 18% |
| 25–49 | 16% |
| 50–99 | 13% |

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# 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

| | | Small Employer, Not Offering a Health Plan | | | Small Employer, Offering a Health Plan | | | Large Employer, Offering a Health Plan | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| # of Employees | | 3–24 | 25–49 | 50–99 | 3–24 | 25–49 | 50–99 | 100–499 | 500–999 | 1,000–9,999 | 10,000+ |
| Sample Size (n) | | 115 | 101 | 100 | 102 | 75 | 131 | 62 | 65 | 125 | 108 |
| Heard of ICHRA before Today | | 26% | 51% | 60% | 48% | 59% | 58% | 58% | 72% | 73% | 66% |
| Inclusive Definition (Likely Upper Bound) | Heard of *and* Exploring or Planning ICHRA | 14% | 23% | 26% | 23% | 31% | 40% | 44% | 55% | 53% | 42% |
| | **Heard of, Exploring or Planning, and <u>Somewhat or Very Likely to Adopt ICHRA in Next 2 Years</u>** | **9%** | **19%** | **16%** | **22%** | **24%** | **31%** | **35%** | **49%** | **47%** | **35%** |
| Limited Definition (Potential Underestimate of True Market) | Heard *and* Actively Planning ICHRA | 7% | 3% | 2% | 9% | 8% | 11% | 18% | 12% | 20% | 12% |
| | **Heard of, Actively Planning, and Only Very <u>Likely to Adopt ICHRA in Next 2 Years</u>** | **3.5%** | **0%** | **1%** | **8%** | **7%** | **9%** | **15%** | **11%** | **14%** | **7%** |

- Likelihood of adoption was highest among large employers
  - The range of likelihood to adopt (tan vs. blue rows) reflects sizable proportions that were 'maybe': many businesses remained in the actively exploring (vs. planning) or only somewhat likely (vs. very likely) to adopt groups
- Awareness of ICHRA was highest among large employers (500+ employees) and lowest for very small businesses (3–24 employees)

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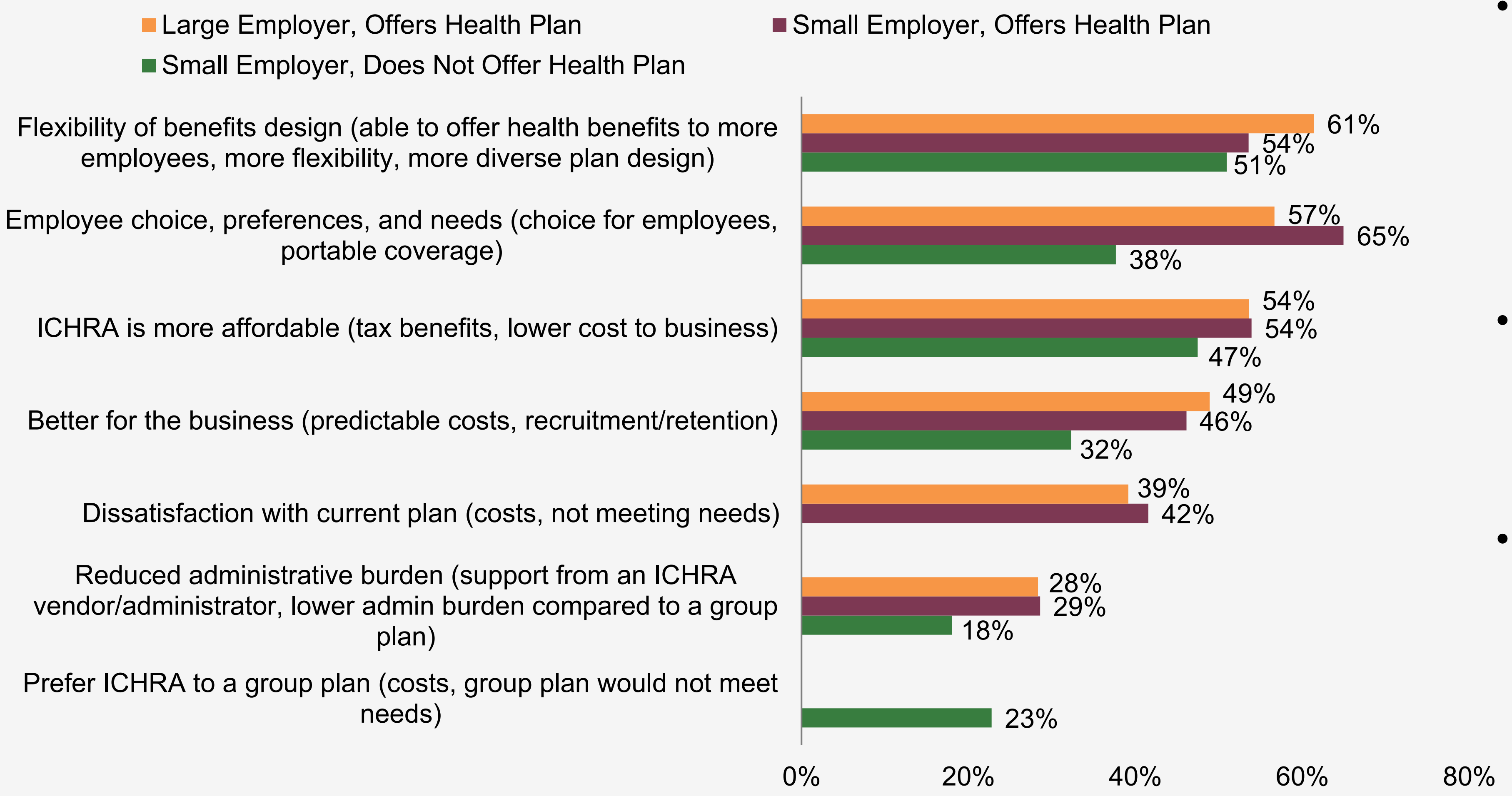
# Employer Interest in ICHRAs

# 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.

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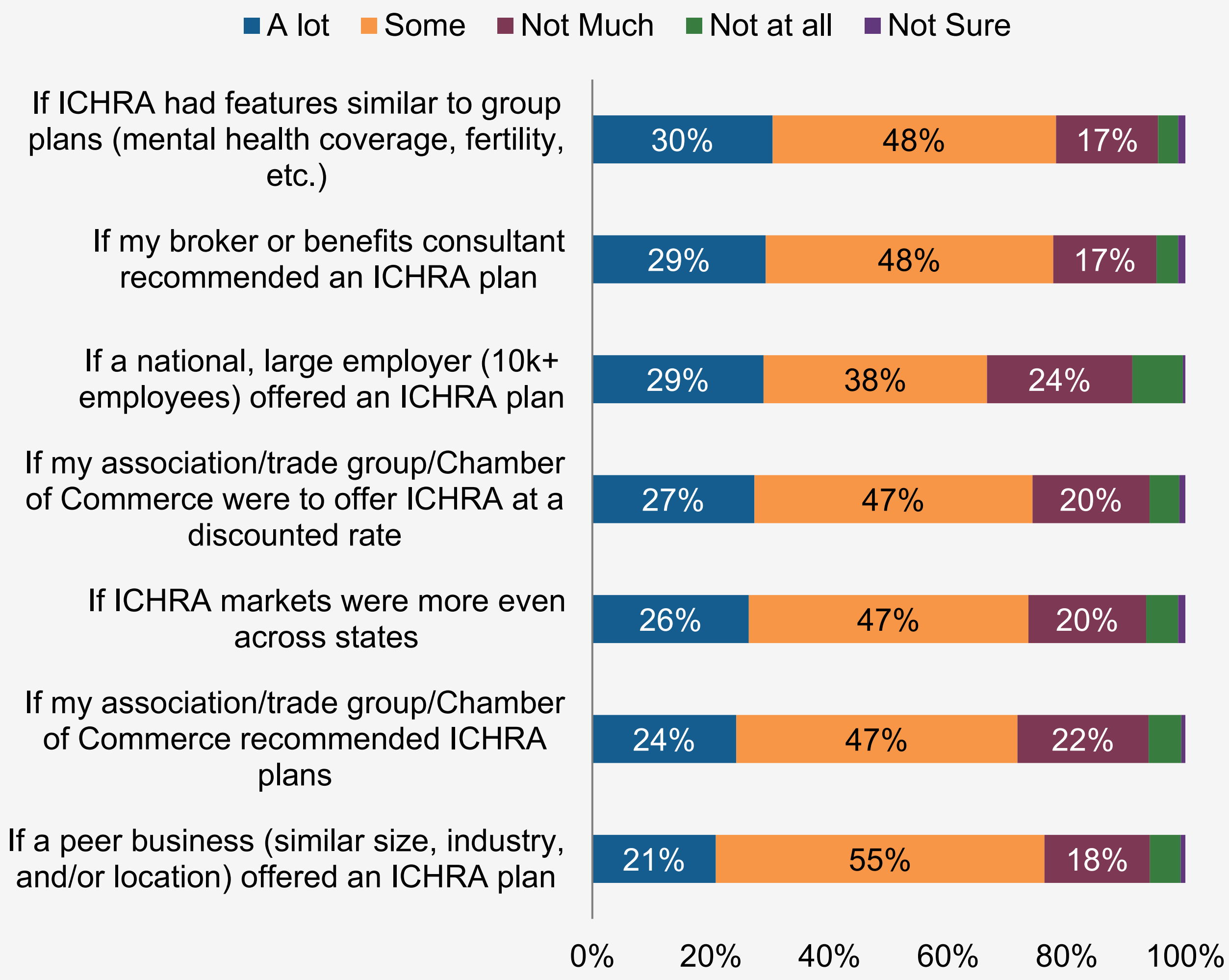
Note: Dissatisfaction with current plan was not asked of employers not offering coverage. Prefer ICHRA to a group plan was not asked of employers offering coverage. Respondents selected their top three reasons.

# 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.

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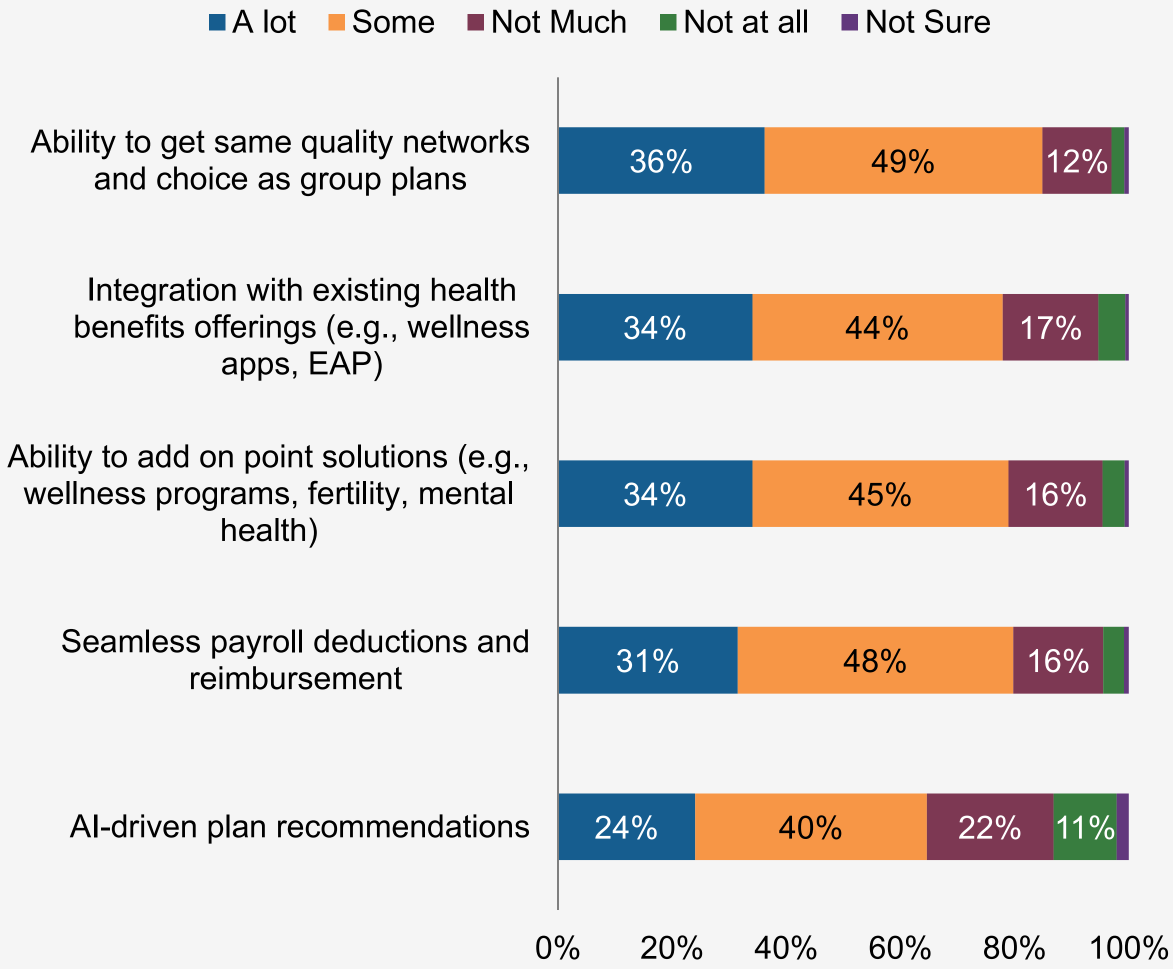
# Features That Would Increase Employer Interest




- 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.

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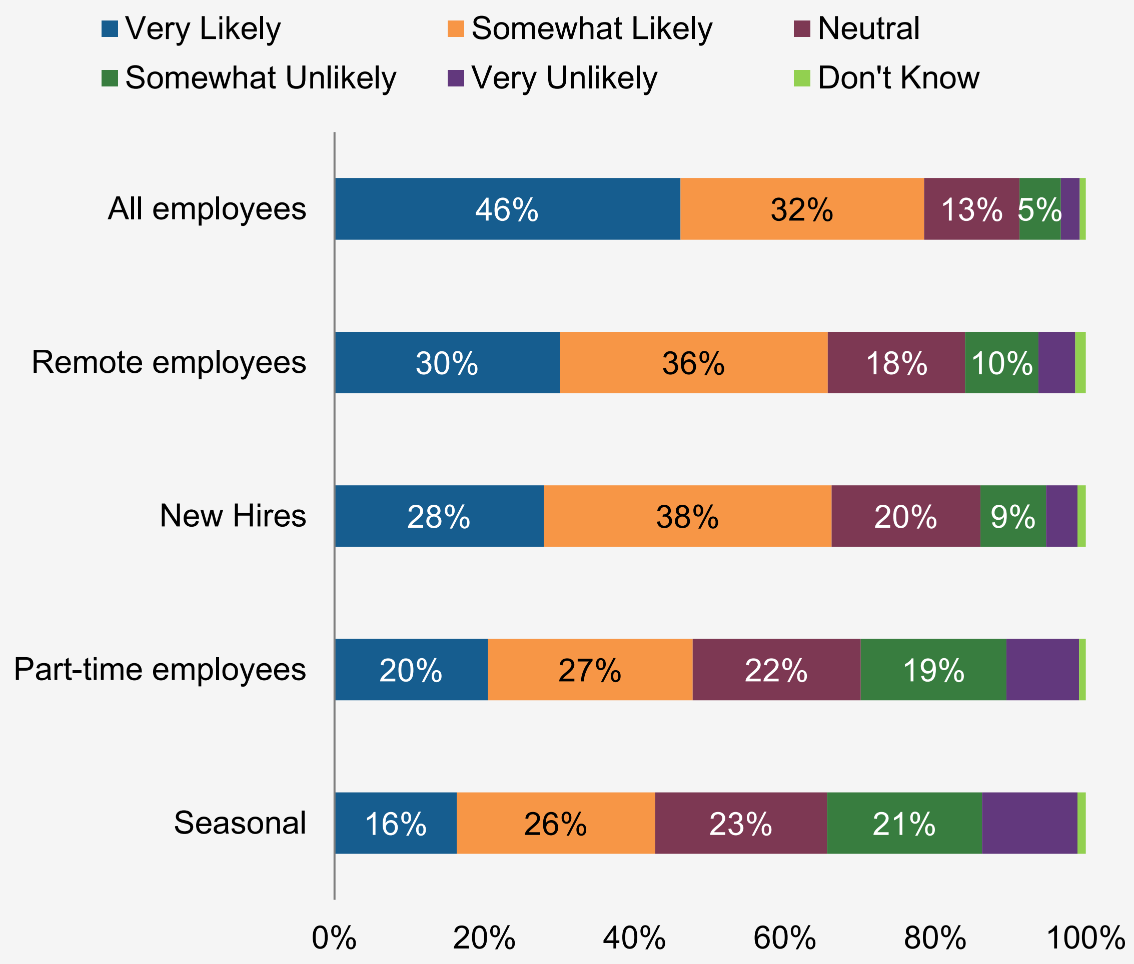
# Preferred Employee Groups for ICHRA Coverage
## (How likely would you be to offer an ICHRA to these types of employees?)




- 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.

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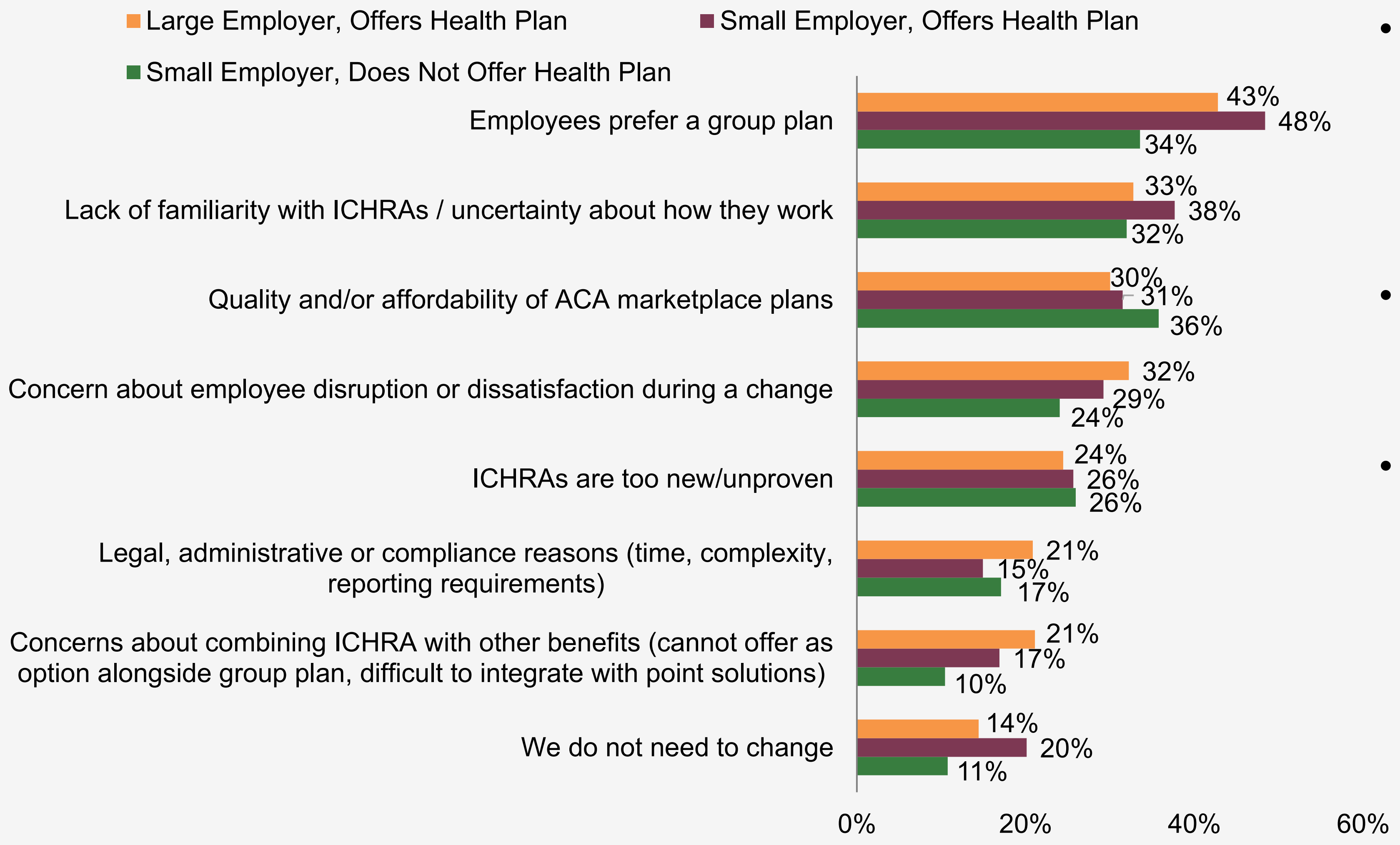
# Barriers to Adoption

# 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.

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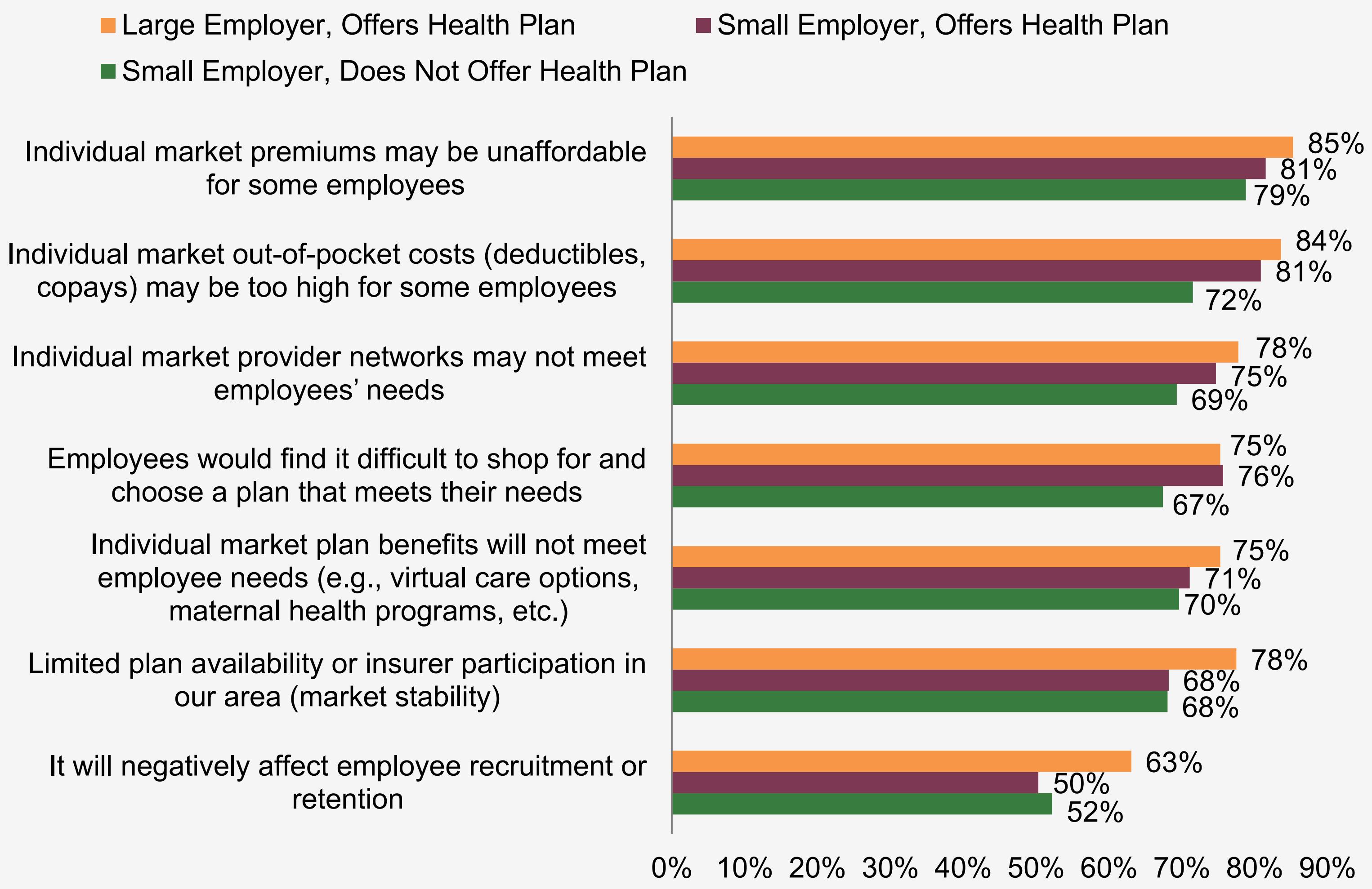
Note: Respondents selected their top three reasons.

# 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.

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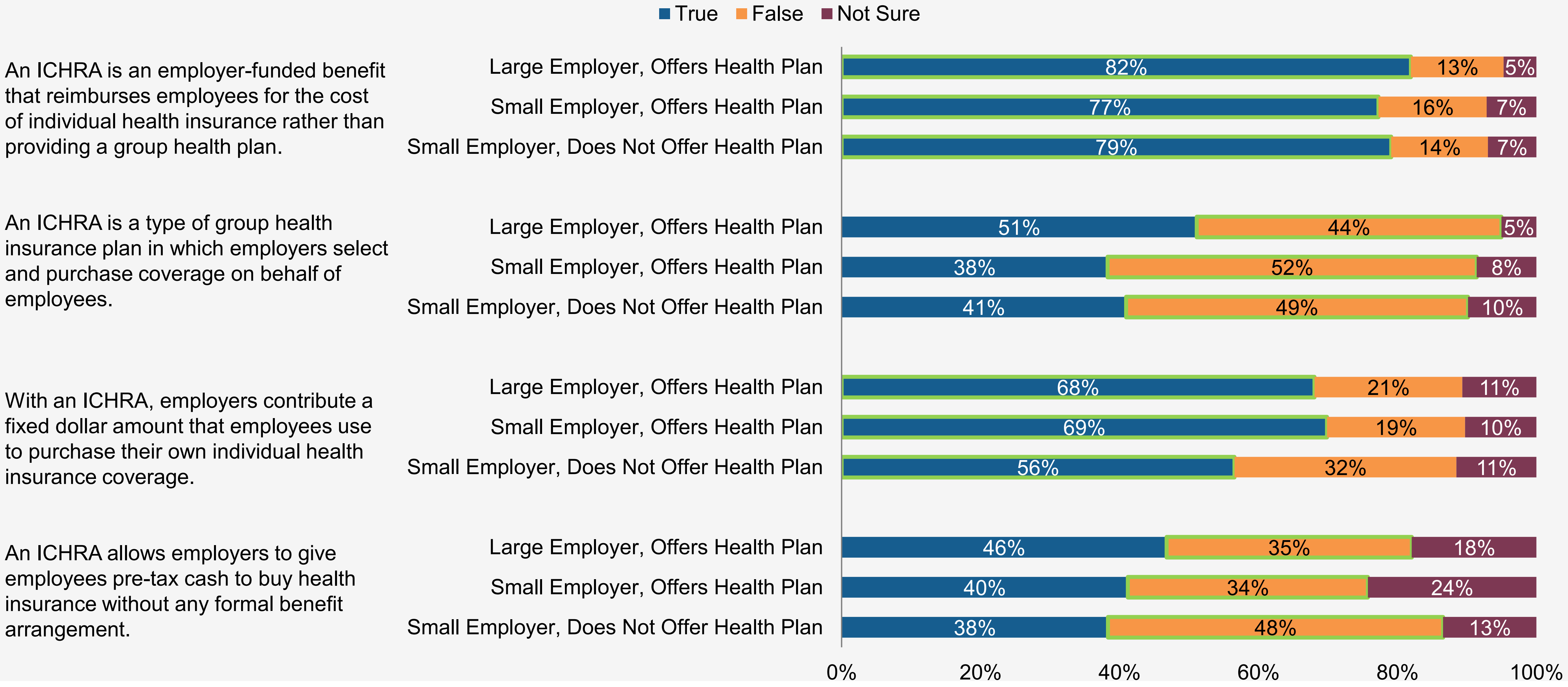
Note: The question asked, “If your business offered an ICHRA, how concerned would you be about each of the following?” The graph shows the *percentage who were “a lot” or “somewhat” concerned.*

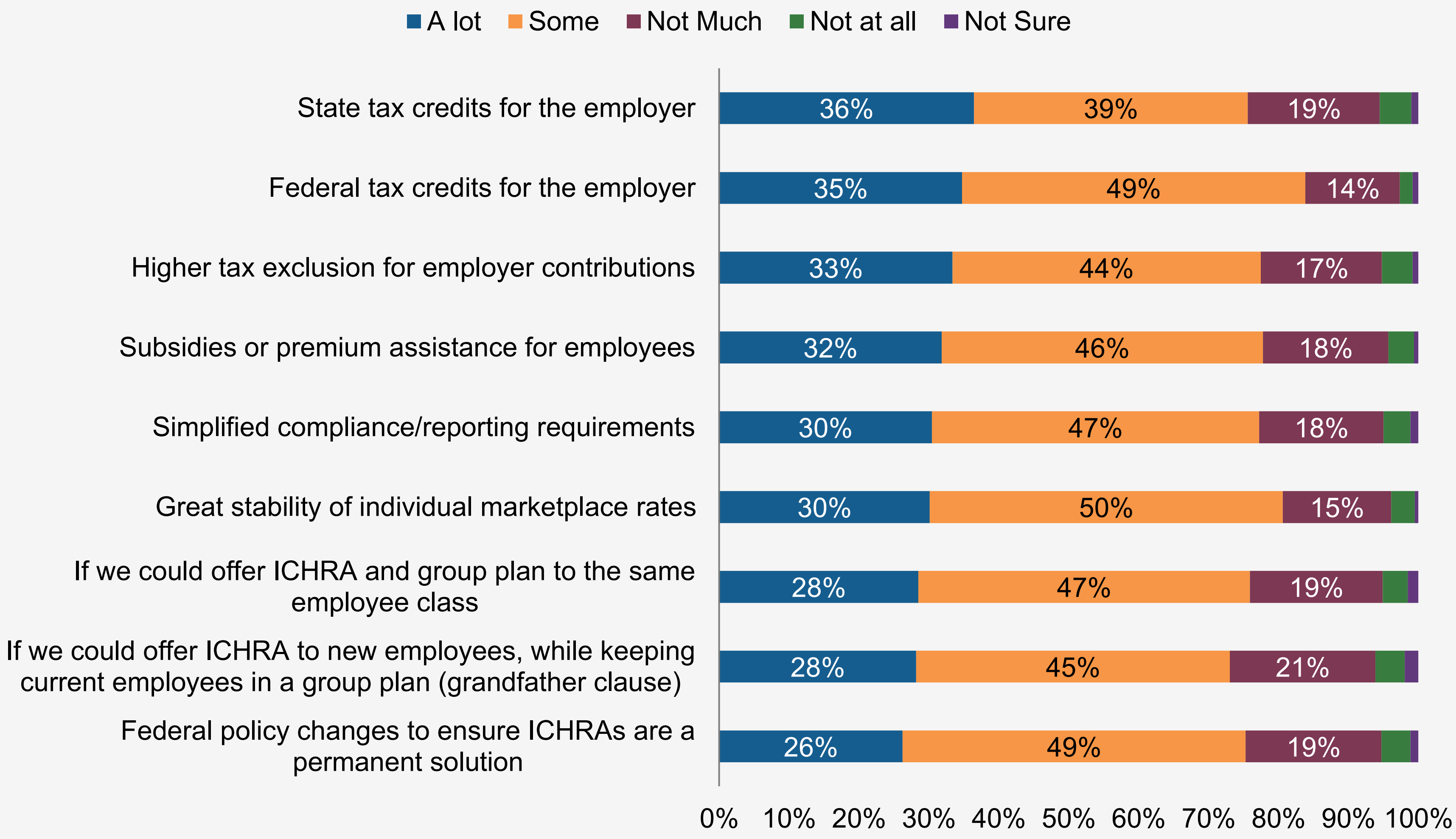
# Knowledge Gaps




Note: Correct answer is highlighted green.

# Drivers of Future Adoption

# Policy Changes




- Employers indicated that both tax incentives and greater policy certainty would increase interest in ICHRAs.
- State and federal tax credits received the strongest support among the policy options evaluated.
- Employers also expressed interest in greater flexibility to combine ICHRAs with traditional group health plans, which is currently not possible so as to minimize the risk of employers moving only unhealthy employees out of the group plan.

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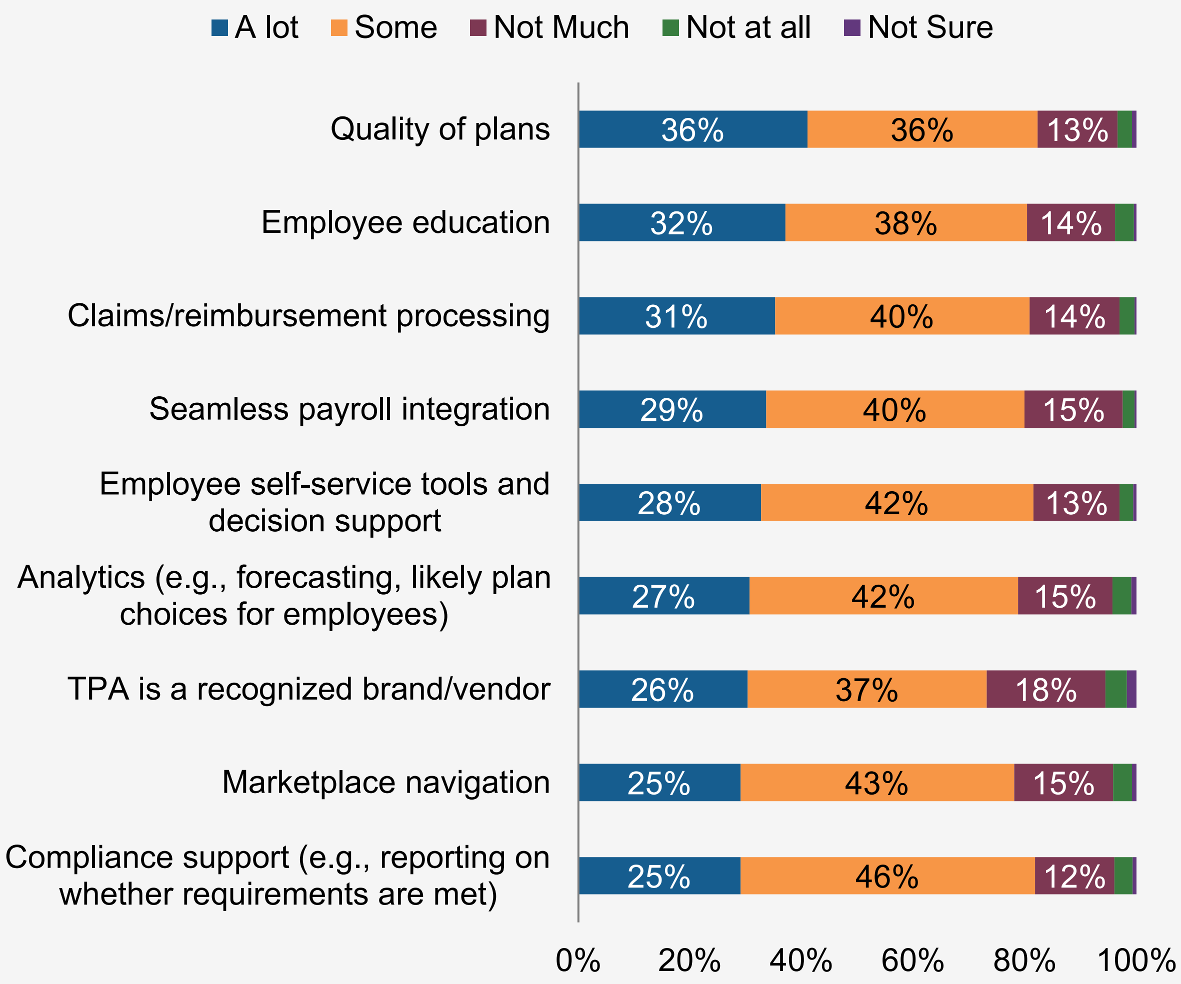
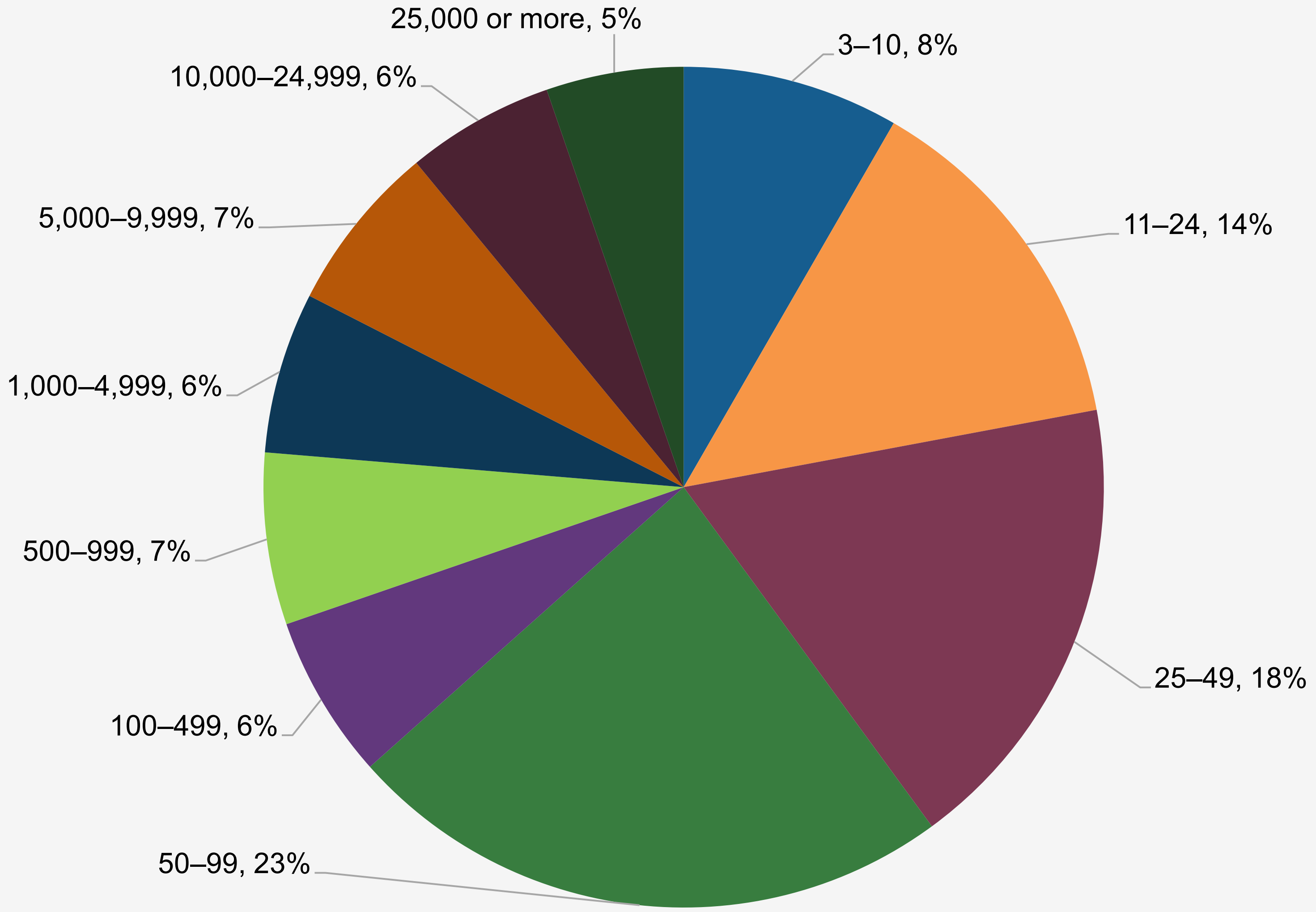
# Market Features




- Employers placed the greatest value on improvements that simplify implementation and strengthen the employee experience.
- High-quality health plans, employee education, claims administration, and payroll integration emerged as the most attractive marketplace features.
- Collectively, these findings suggest that market infrastructure may be as important as policy changes in supporting broader ICHRA adoption.

# Appendix

# Number of U.S. Employees Currently on Company's Payroll

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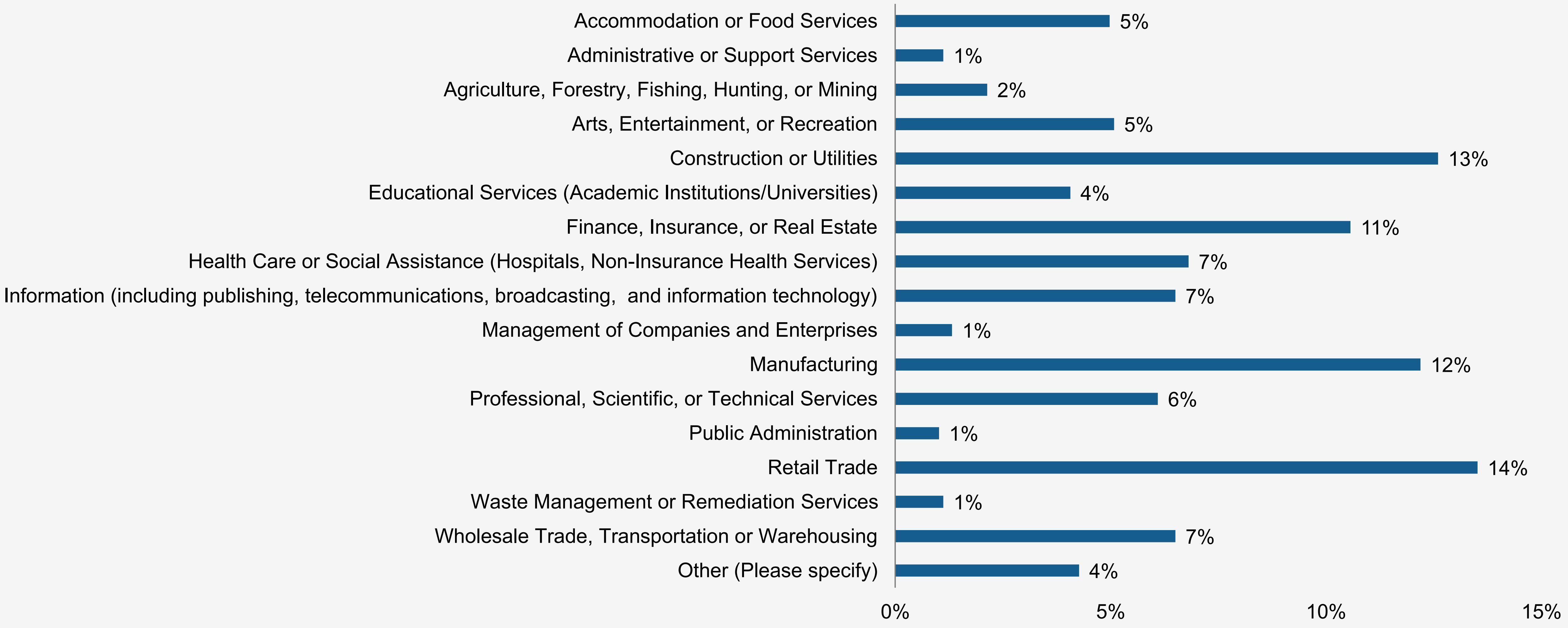
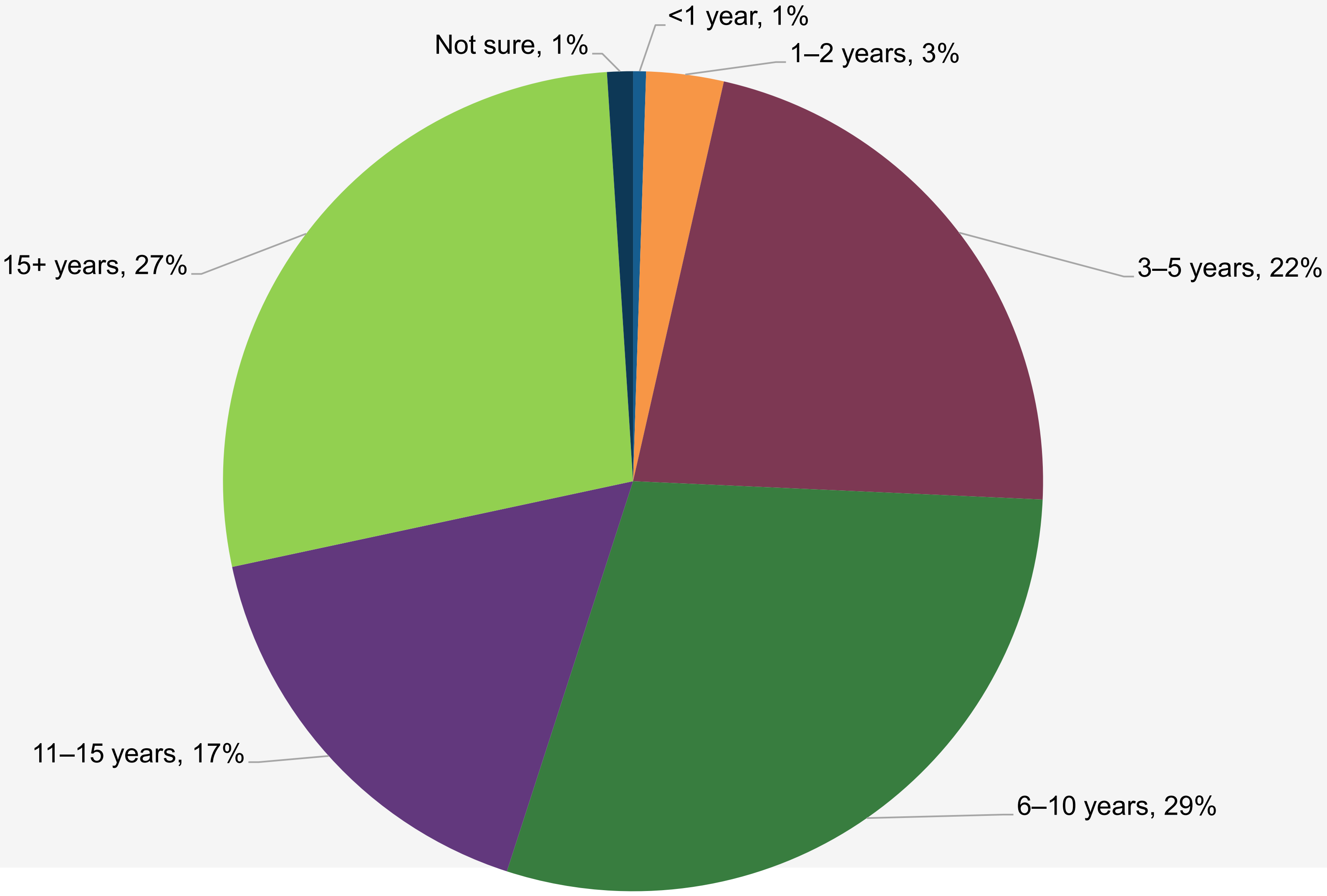
# Which of the Following Best Describes the Industry Your Company Is In?



# Years Since Company Was Started

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# Benefits Offered

| | Total (n=984) | Large — Offers Health Plan (n=360) | Small — Offers Health Plan (n=308) | Small — Does Not Offer Health Plan (n=316) |
|---|---|---|---|---|
| Health Plan | 68% | 100% | 100% | 0% |
| Retirement Plan | 56% | 71% | 57% | 38% |
| Dental | 46% | 61% | 51% | 23% |
| Vision | 38% | 55% | 44% | 14% |
| Life Insurance | 49% | 65% | 45% | 34% |
| Disability | 29% | 40% | 29% | 18% |
| FSA for Health Care | 18% | 31% | 22% | 0% |
| HSA | 25% | 47% | 27% | 0% |
| ICHRA/QSEHRA | 2% | 4% | 3% | 0% |
| None of the Above | 12% | 0% | 0% | 37% |

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