



SOLUTION FOCUS

Benefit: ICHRA

Industry: Healthcare/Insurance broker

Region/State: Birmingham, AL

Number of employees: 60

SUMMARY OF BENEFITS

- 100% client satisfaction
- Annual savings of up to \$30,000 over traditional group health insurance for clients
- Large-tier clients are staying ACA-compliant with a more flexible benefit

“Having PeopleKeep as a partner is a valuable addition to my business. Even if I didn’t receive a commission, I would still sell PeopleKeep’s HRA for free because it gives my clients more flexibility and saves them thousands of dollars each year.”

Ben Butler

Lead advisor for HIPnation and independent broker

Partnership with PeopleKeep allows insurance broker to offer clients a cost-saving, flexible, and ACA-compliant health benefit

Ben Butler, an insurance broker from Alabama, partners with PeopleKeep to provide clients with a flexible and cost-saving health benefit to support their employees’ healthcare needs

The Challenge

As a broker, Ben Butler mostly sold direct primary care (DPC) plans coupled with cost-sharing memberships to small businesses. But his larger-tier clients couldn’t satisfy the Affordable Care Act’s (ACA) employer mandate with just those plans. To meet his clients’ needs, Ben had to find a new health benefit option that would keep his clients compliant while maximizing their overall savings.

The Solution

After some research, Ben learned about the individual coverage HRA (ICHRA). In contrast to DPC, the ICHRA complies with ACA regulations while allowing employers to cover their employees’ healthcare needs, regardless of location. After comparing various HRA administration platforms, Ben decided to partner with PeopleKeep because of its superior software and intuitive user experience.

The Results

Since partnering with PeopleKeep in 2020, Ben has referred clients to PeopleKeep, allowing them to offer an ICHRA compliantly. His business is more robust, and all of his clients are satisfied with their ICHRA benefit. By adding PeopleKeep’s ICHRA with Ben’s other health plan options, Ben’s clients have another way to save thousands of dollars a year on their health benefits costs. One client saved \$30,000 with an ICHRA, allowing them to spend that money elsewhere to better attract and retain key employees. Overall, PeopleKeep has allowed Ben to save his clients more money, provide better coverage to businesses of all sizes, and grow his own book of business.

The Challenge

As an independent broker and lead advisor for HIPnation, Ben Butler worked with a diverse range of clients. While he mostly sold insurance plans to small businesses with 5-30 employees and to individuals, he also had a few larger-tier clients that were considered applicable large employers (ALEs) under the Affordable Care Act (ACA). The ACA's employer mandate requires ALEs to offer their full-time employees a health insurance plan that is affordable and meets minimum essential coverage or be subject to costly penalties.

However, Ben only sold Direct Primary Care (DPC)—a membership-based model of primary care where the member or employer contracts directly with a doctor—coupled with Sedera, a medical cost-sharing membership program. This posed a problem for his ALE clients because neither DPC nor Sedera is considered ACA-compliant health insurance.

Ben needed something to supplement his DPC and Sedera plans that would make them an ACA-compliant option for ALEs. His first consideration was a health savings account (HSA). However, because DPC isn't a qualified high deductible health plan, it wouldn't work with an HSA.

ACA compliance wasn't the only problem his clients were facing. The rising cost of healthcare was becoming unsustainable for many of his clients, so he needed a health benefit that would not only satisfy ACA requirements, but also keep costs low and provide better budgetary certainty.

The Solution

In 2020, Ben's clients had a new option for obtaining an ACA-compliant health benefit thanks to regulations regarding the individual coverage HRA (ICHRA). Ben immediately started researching the ICHRA health benefit to learn more.

Ben learned that ICHRAs allow employers of all sizes to reimburse their employees, tax-free, for individual health insurance premiums and other qualifying medical expenses. As long as an employer offers an affordable allowance and the employee has an individual health insurance policy that meets minimum essential coverage, an ICHRA satisfies the employer mandate.

After his research, Ben felt confident that his ALE clients would benefit significantly from an ICHRA. Employers would be compliant with the ACA while offering greater flexibility to employees who weren't as comfortable with alternative options like the DPC and Sedera plans. Instead, these employees could choose a more familiar individual health insurance policy from a state or federal marketplace and participate in the ICHRA.

Also, because ICHRA can be used to purchase individual health insurance nationwide, Ben could suggest an ICHRA to his clients with remote and distributed teams. This gave the ICHRA a leg-up on DPC and Sedera plans, which are more regionally-focused.

“Now I can offer employers financial savings with DPC and Sedera in addition to the ICHRA through PeopleKeep, which supports any employees that are better suited with a more traditional health plan.”

Between the three types of health benefits Ben offered, employers could get major healthcare savings over traditional group health insurance and provide more coverage options to their employees.

“I chose PeopleKeep over other HRA administration software because PeopleKeep had the best software, had a very responsive team, and made it easy for my clients to administer the ICHRA benefit, which is very important for small employers.”

After learning about the ICHRA, Ben needed to find a partner that could help his clients easily administer the health benefit. Upon comparing the top HRA administration platforms available, Ben was sold on PeopleKeep.

After reading content on PeopleKeep’s website and working with his personalized benefits advisors, Ben felt PeopleKeep had the best reputation, software, and user interface out of the companies he considered for his clients. Considering all the factors, Ben and his team at HIPnation knew that partnering with PeopleKeep was a no-brainer.

The Results

Over the past year of his partnership with PeopleKeep, Ben has referred specific clients to the ICHRA benefit. Client satisfaction with the ICHRA and PeopleKeep is at 100%. Employers are administering the benefit easily, and Ben works with his clients to ensure their employees understand how the ICHRA works.

The ICHRA has been able to fill the gap that DPC and Sedera weren’t able to cover and offers significant cost savings. For instance, Ben has a client that is saving \$30,000 annually over traditional group health insurance by offering an ICHRA.

“What sets PeopleKeep apart is the administrative ease and clarity that’s built into the software that allows the employers to process the reimbursements quickly and efficiently.”

Its flexibility also makes it possible for clients to hire employees in states that don’t have DPC or Sedera coverage available. Most of Ben’s clients put their health benefit savings towards operational improvements or recruiting and retention efforts.

The ICHRA's customization, geographic flexibility, unlimited allowance amounts, and unique employee classes make it more attractive to Ben and his clients. But most importantly, it gives Ben an ACA-compliant option to share with his clients that will save them money.

"Being able to offer an ICHRA along with DPC and Sedera is a huge value-add for my clients. Having the ICHRA in place to keep employers compliant and save them potentially thousands of dollars a year in ACA penalties is a major win for these companies. As an advisor, providing options to my clients is important."

Partnering with PeopleKeep has been a valuable addition to Ben's business. The referral process and compensation payout schedule run smoothly, and Ben always knows who to reach out to on the PeopleKeep business development team if he has questions or concerns.

His partnership is working so well that Ben is now looking into referring clients to PeopleKeep's WorkPerks stipend administration software to provide them with even more reimbursement options, including employee wellness and remote work expenses. For Ben, as long as PeopleKeep continues to meet the needs of his clients, he'll keep offering their personalized benefits solutions to as many clients as he can.

About the Ben Butler

Ben Butler is the Lead Advisor at HIPnation and an independent broker of Direct Primary Care paired with complementary products. When he started working in the world of health benefits, he felt that the products offered to people in the health insurance market were deeply flawed. Upon learning about HIPnation, he knew he wanted to be a part of helping provide unique, value-driven, cost-effective solutions. He's been a PeopleKeep partner since 2020, helping clients create a more well-rounded benefits package with an HRA. Ben is married and lives in Birmingham, AL.

About HIPnation

Healthcare Impact Partners (HIP) was created by practicing physicians who want healthcare and the practice of medicine to focus on providing better patient care. At HIPnation, they are building the foundation for a new and more effective healthcare system.