

# Manufacturer improves employee retention, cost management, and administrative efficiency with a move to ICHRA

## Background

- A small manufacturer specializing in vehicle electrical parts, with 59 employees, was grappling with the **increasing costs of providing healthcare benefits** through a traditional group health plan.
- The organization's leadership recognized the need for a more **flexible** and **cost-effective** solution to ensure employees received quality care while reducing financial strain on the company.

## Challenge

- The company experienced annual premium increases that outpaced wage growth and struggled with the significant administrative resources and time required to manage the group plan.
- Employees had limited health plan options and often felt dissatisfied with their coverage. Additionally, the high healthcare costs affected employee retention and recruitment.

## Solution

- After thorough research and analysis, the company transitioned from the traditional group health plan to **offering an Individual Coverage Health Reimbursement Arrangement (ICHRA) plan**.
- This innovative approach provided **increased choice for employees** and **significant cost savings for the organization**.

**30%+**  
reduction in cost  
of health care  
premiums

## Results



### Immediate Cost Savings

The manufacturer reduced costs by over 30% by achieving savings of more than \$134,000 in health care premiums.



### Administrative Efficiency

The simplified plan model reduced the administrative burden, allowing HR staff to focus on other critical areas of employee engagement and development.



### Employee Satisfaction

Employees appreciated the new flexibility in selecting plans that better suited their healthcare needs, improving their satisfaction and morale.



### Enhanced Recruitment and Retention

The improved health benefits package boosted recruitment efforts, attracting top talent in a competitive industry while retaining existing employees who valued the new offerings and choices.