CHOICE (ICHRA) vs. Group Health Insurance & Launch Checklist

Side-by-side employer comparison and 90-day rollout timeline -- Reviewed November 2026

1. Traditional Group Health Insurance vs. CHOICE (ICHRA)

Comparison Factor	Traditional Group Health Plan	CHOICE (ICHRA) on SimplyHRA
Budget Predictability	Carrier renewal spikes (often 9% to 12%+ annually) hit the company P&L.	Fixed employer monthly budget cap; pay only up to your chosen allowance.
Minimum Participation	Usually requires 70% to 75% employee sign-up or carrier declines the group.	**Zero minimum participation** required by carriers or SimplyHRA.
Carrier & Doctor Choice	Entire team forced into 1 to 3 pre-selected group plans and networks.	Every employee selects their own individual plan, doctors, and network.
Administration Cost	Broker fees embedded in high group rates plus PEO/HR admin surcharges.	Flat **$29 per enrolled employee/month** -- zero setup or hidden fees.
Unused Allowances	Fixed monthly premiums go entirely to the carrier whether used or not.	Employers keep unspent balances when employees spend below cap (or waive).
Payroll Independence	Bundled PEO group plans break if you switch payroll providers.	Keep Gusto, QuickBooks, Rippling, or ADP with clean Section 105 reports.

2. Employer 90-Day Rollout & Notice Checklist

1. **Days 120 to 95 before launch -- Design plan & budget:** Review employee census (ages/ZIPs), pick permitted classes, set monthly allowances, and check `9.96%` (2026) / `10.22%` (2027) ACA affordability if 50+ FTEs.
2. **At least 90 days before launch (Oct 3, 2026 for Jan 1, 2027 start) -- Send notices:** Execute written plan documents and deliver mandatory 90-day CHOICE (ICHRA) written notices to all eligible employees.
3. **Days 60 to 15 before launch -- Employee shopping & virtual cards:** Employees book free 1:1 sessions with SimplyHRA licensed specialists, enroll in qualifying individual plans, and add virtual cards to carrier auto-pay.
4. **Prior to existing group renewal deadline -- Cancel old group policy cleanly:** Confirm new individual effective dates before terminating the legacy group plan to prevent any coverage gap.
5. **Monthly ongoing -- Funding & payroll reconciliation:** Authorize monthly funding and post SimplyHRA's Section 105 reimbursement summaries in your payroll run.