Industry Article

CHOICE Arrangement: From Emerging Trend to Mainstream Strategy for Employers of All Sizes

Once considered a niche solution, the **Custom Health Option and Individual Care Expense (CHOICE) Arrangement, formerly ICHRA** has matured into a widely adopted benefits strategy — and the latest data proves it. According to the 2026 HRA Council Data report, adoption of CHOICE Arrangement is growing rapidly among both small and large employers, solidifying its status as a flexible, cost-effective, and scalable alternative to traditional group health insurance.

Explosive Growth Across Employer Segments

- **Small employer adoption** has surged **73% to 128% year-over-year**, depending on business size.
- **Large employers** (applicable large employers with 50+ full-time employees) are fast-growing adopters, with **108% year-over-year growth**, and specific segments showing **growth as high as 178%**.
- More than **two-thirds of small businesses offering the CHOICE Arrangement** in 2026 had previously offered no health coverage — demonstrating the CHOICE Arrangement's role as an **on-ramp to offering benefits** for smaller companies.

Wider Reach and Greater Employee Engagement

- CHOICE Arrangement is not just reaching more employees — it's also **covering more dependents**. Employees and their dependents now account for **402,000 known covered lives**, with total enrollment estimated to have surpassed 500,000.
- Employees are actively choosing **gold and silver-tier plans** (66% combined), indicating they are selecting higher-quality coverage when empowered with choice.

Long-Term Sustainability and Policy Momentum

- **The overwhelming majority** of employers who offer a CHOICE Arrangement **renew it year over year**, a strong indicator of satisfaction and success.
- Multiple states, including Indiana, Connecticut, Mississippi, Georgia, and Ohio, are proposing or have passed **CHOICE / ICHRA-related incentives**, proving its value as a state-supported solution.
- Federal policymakers are working to **codify CHOICE Arrangement as a permanent option** under new legislation, reinforcing its future stability.

A Smart Strategy for a Modern Workforce

CHOICE Arrangement offers a powerful solution for employers navigating:

- A distributed or remote workforce
- Rising group premiums
- Diverse employee needs and demographics

By enabling **employee choice, cost control, and scalable benefits** delivery, CHOICE Arrangement is reshaping how companies of all sizes approach health coverage — **not just as a benefit, but as a strategic advantage**.

Did You Know?

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Get in touch to learn how your business can take advantage of CHOICE Arrangement and other flexible benefits — designed specifically with your needs in mind.

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