

What does a self-funded multi-employer plan (MEWA) mean?

RESOURCE ROADMAP | FOR COVERED MEMBERS OF THE MCUL TRUST

I have medical coverage through the MCUL Trust which is a self-funded multi-employer plan (MEWA), what does that mean?

According to Federal guidelines, a MEWA, also known as a “multiple employer welfare arrangement,” is an arrangement that provides health plan benefits to the employees of two or more unrelated employers. This means that the Trust credit unions can pool contributions together which allows collective buying power and offers a better benefit package to you at lower rates thanks to economy of scale.

What is self-funding?

The Trust is a self-funded (or self-insured) group health plan as we assume the financial risk associated with providing health care benefits to our Trust members.

Rather than paying fixed premiums to an insurance company—which, in turn, assumes the financial risk the Trust pays for medical claims out of pocket as they are incurred.

Why did the Trust choose self-funding?

The Trust offers a self-funded health plan for several reasons.

- Instead of trying to purchase a “one size fits all” health plan, as a self-funded plan, the Trust benefits can be customized to fit the needs of our credit union members.
- The Trust controls the health plan cash reserves, which maximizes the interest income (insurance companies generate interest income for themselves by investing premium dollars).
- Self-funded coverage is not prepaid, as it is when the employer pays premiums to an insurance company. Therefore, as a self-funded plan the Trust has improved cash flow.
- Self-funded plans are not subject to conflicting state health insurance regulations and benefits mandates. Instead, the Trust plans are regulated by federal law.
- Self-funded plans are not subject to state health insurance premium taxes.
- Self-funding allows the Trust to contract with the providers or a particular provider network that will best meet the needs of our members.



You Can Help!

Because the Trust assumes the financial risk of providing you with health care benefits, we can either save or lose money depending on the level of claims incurred by our members.

We want to be able to provide you with high quality health benefits, but as the cost of providing health care rises, you too must do your part to keep benefits high and costs low.

Some easy ways that you can help save money for yourself and the Trust are:

- Access in-network providers
- Use independent xray and lab clinics for your labs, xrays/CT scans and MRIs, mammograms and colonoscopies vs a hospital. Hospitals typically charge up to 3 times more than independent facilities!
- Go to urgent care clinics vs. the Emergency Room

