

# HEALTH CARE FOR SMALL BUSINESS

## MULTIPLE EMPLOYER WELFARE AGREEMENT

VIRGINIA CHAMBER

**SB 1689 (Dunnavant)** and **HB 2443 (Wilt)**, multiple employer welfare arrangements (MEWAs) expand access to health care benefits for participating small businesses and their employees. The Virginia Chamber of Commerce would like to create its own MEWA to offer its membership additional health care benefit options for their employees.

### WHAT IS A MEWA?

A multiple employer welfare arrangement (MEWA) is a self-funded benefits consortium of small employers that pool together to offer their employees comprehensive, affordable group health care coverage on terms similar to those available to large employers.

### WHAT ARE THE BENEFITS OF A MEWA?

This innovative approach offers small employers several valuable benefits:

- **Affordable, competitive** health care rates due to the larger pooling of risk for the participating small groups
- **Options for small employers** to offer their employee benefits they otherwise wouldn't be able to provide
- **Comprehensive coverage** for working Virginians who otherwise go without it

### DO MEWA'S OFFER QUALITY HEALTH COVERAGE?

Yes. MEWA's allow small businesses to gain access to the same type of comprehensive group coverage options that large employers have access to with affordable rates.

## **DO MEWA'S RESTRICT ACCESS TO HEALTH COVERAGE BASED ON A PERSON'S HEALTH STATUS?**

No. These plans do not impose restrictions or limitations regarding guaranteed renewability, pre-existing condition exclusions, or discrimination based on an individual's health status.

## **WILL THIS LEGISLATION IMPACT THE ACA'S INDIVIDUAL MARKETPLACE?**

No. These plans are not in direct competition with the individual market of the Affordable Care Act. MEWA's are only available at the group level, meaning that individuals cannot opt for the coverage they provide over a plan on the individual market. The target population for this proposal is employees of small businesses that do not currently provide insurance coverage and who cannot afford marketplace coverage. By offering small businesses new access to affordable comprehensive coverage, the General Assembly can offer these employees a new option for coverage without impacting the individual market.

## **WHY IS A MEWA THE BEST OPTION FOR SMALL BUSINESSES AND THEIR EMPLOYEES?**

MEWA's allow small businesses and their employees to pool together in order to take advantage of the affordable and comprehensive coverage that larger companies offer their employees.

## **WHAT ARE SOME EXAMPLES OF A SUCCESSFUL MEWA?**

- In Virginia, the bankers and private universities already enjoy the benefits of MEWAs for their members.
- Similar self-funded MEWA arrangements have thrived in other states such as Washington, Missouri, Ohio, Nevada, and Georgia.