



Testimony in SUPPORT of HB 5247 – An Act Concerning Employee Health Benefit Consortiums

Good morning. My name is Kim Daigle, and I am the President/CEO of CU Insurance Solutions and also the Plan administrator for the Maine Credit Union League Insurance Trust. Five years ago, we created a Multiple Employer Welfare Arrangement to allow Maine Credit Unions to come together collectively to buy health insurance as a large group to help stabilize the large renewal increases our Credit Unions were experiencing. Our nonprofit, self-funded MEWA currently helps 26 credit unions in Maine by insuring over 1000 credit union employees and their dependents.

I want to provide background on how our nonprofit self-funded plan works. First and foremost, our plan is regulated by the Bureau of Insurance in Maine. Before starting the MEWA, the Bureau of Insurance required us to complete the following to form our plan.

- We hired an actuary to assist us with the rating methodology.
- We hired Anthem as our third-party administrator to pay claims, use their networks, and take advantage of their negotiated rates with providers/facilities.
- We purchased specific and aggregate stop-loss coverage so no claim can deplete our reserves.
- For any group that joined the MEWA, we collected three-month premiums for "reserves" to ensure we remain solvent and able to pay claims.
- Each group that joins has to sign a "Participation Agreement" that requires that they stay on this plan for three years. This helps provide stability to our plan.
- Each group that joins must share their Financials, which were reviewed before joining the plan by WIPFLI, our accounting firm.
- We created a Board of Trustees that oversees our MEWA.
- Maintain Fiduciary liability insurance and directors' and officers' coverage.
- Obtain a license from the Bureau of Insurance.

For ongoing regulation from the Bureau of Insurance, we are required to:

- Collect monthly premiums from our credit unions and pay Anthem weekly for claims and administration fees.
- Send our Financial Statements to the Bureau of Insurance once a month.
- On an annual basis, we have a financial audit completed by WIPFLI, the accounting firm we hired. The Bureau also requires us to submit a "Risk-Based Capital Ratio" report, which our actuary completes.

I'm happy to report that we've experienced three years of increases of roughly 6%, which was below what groups were experiencing in the small group market. This year, our association health plan ran so well that we issued a rate hold for our base rate. The savings for each group vary depending on what their rates were when they joined our plan. However, I can say that the credit unions DID save money by joining our plans. Otherwise, it would have made no sense for them to join. To date, they continue to save money through this MEWA option.