



## Important Facts About the APRx Group Insurance Initiative

### Q1: What's a MEWA?

A Multiple Employer Welfare Arrangement Plan allows a group of employers to collectively offer health insurance coverage to their employees. MEWAs most often are found among employer groups belonging to a common trade group or industry/professional association.

### Q2: What is the Benefit of a MEWA Plan Vs. My Current Plan?

An APRx MEWA plan would allow your member pharmacy to enroll all its participating employees as part of a larger APRx group, which means more predictability for the group's health-care costs and the power to leverage lower premiums with an insurance company. After operating as a MEWA for a year, an APRx group could expand with additional member pharmacies and lower the premium for future years. If we established a solid track record after multiple years of operation, we could transition to a self-funded status for additional savings. (Being considered a large employer allows us to avoid some ACA regulations and taxes, further reducing premiums.)

### Q3: How Would a MEWA Plan Benefit Me & My Employees?

Large employee groups generally enjoy lower health insurance premiums and smaller premium increases than small groups because risk and utilization costs are spread across more premium-paying individuals. Larger groups are simply more *predictable* for insurers. *An APRx MEWA plan would make your premiums more affordable and stable, and save your employees money on their portion of insurance premiums. Better health insurance benefits also increase employee satisfaction and loyalty.*

### Q4: Why Does American Pharmacies Want to Create a MEWA?

American Pharmacies is committed to taking every possible step to reduce your cost of doing business. Every dollar we can save you in overhead increases your profitability.

### Q5: Why Do You Need a Completed CENSUS FORM?

The insurance company that underwrites the MEWA cannot generate accurate coverage and premium projections unless it knows the number of individuals to be covered and has specific, detailed demographic information (Age/Gender/Other) for those individuals. This

information is critical for our proposed MEWA Plan to secure the best possible pricing. After the MEWA has operated for a full year, the insurer can consider both the demographics of insured members and the actual first-year claims experience in determining renewal premiums for the second year. In the first year, the insurer can use only census data to set the premium. **NOTE:** *All employee census data is strictly confidential and is viewed only by parties involved in designing our MEWA plan.*

**Q6: What Are the Next Steps in the Process?**

In October, we submitted census data to the insurance agency, which presented our group to the insurance company for a quotation. We received pricing and corresponding benefit coverage information in November, which we shared with the 28 pharmacies that submitted employee data. United Health Care requires that 75% (300) of the 400 employees that were included in the underwriting process actually enroll in the plan for it to take effect on Jan. 1. **We are now in the critical enrollment period and need to reach our enrollment target of 300 before January 1. There is also a limited window of time – through 5 p.m. on Wednesday, Dec. 5 – for other member pharmacies to submit employee data and join the plan, even though they were not part of the initial underwriting group.**

