

## Mo-Kan Sheet Metal Workers Welfare Fund

P.O. Box 300019, Kansas City, MO 64130-0019  
(816) 531-0334 or Toll Free at (866) 531-5488



**\*\*Original Mail Date: October 9, 2010**

Dear Member:

Effective January 01, 2011 the Fund will add a new benefit entitled the "Working Spouse Incentive Program". This program will allow a working spouse who has voluntarily elected or will elect to have primary coverage with their current employer that offers a "qualified health plan", to receive a quarterly reimbursement of employee contributions paid by the spouse.

The reason behind the implementation of this benefit is simple, more and more corporate and public employers are shifting the liability of health insurance coverage to union health plans. Many employers offer their employees incentives to not enroll in their employer sponsored plan. When employers do this, they are shifting millions of dollars of liability from themselves to union health plans. After careful review Mo-Kan believes that by offering this incentive program it will keep the rising cost of health care benefits to the Fund at a reasonable level. Carefully review your spouse's options to see if the program will benefit your household.

The most notable benefit to the member and spouse will be the amount of out-of-pocket savings that can occur when a spouse has dual coverage. When a spouse has a primary health insurance carrier and a secondary health insurance carrier, claims will begin to pay at 100% more quickly than if just one carrier was responsible for making the payments.

Every spouse of an active Mo-Kan Member must complete a *Spousal Coverage Verification Form*. **All dependent spouse benefits under the Mo-Kan Sheet Metal Workers Welfare Fund Plan will be pended beginning January 01, 2011 until the verification form is received.**

A Verification Form for the Working Spouse Incentive Program is enclosed for completion. **This form must be completed and returned no later than December 15, 2010.**

Benefit Details –

- Spouses may apply on a quarterly basis to be reimbursed 100% of their employee contribution up to a monthly maximum of \$200.00.
- This incentive will apply to primary Medical and Prescription Drug Coverage, excluding Vision and Dental.
- Mo-Kan will provide secondary coverage for spouses covered under their employer's plan.
- Mo-Kan will provide primary coverage for spouses who have no other coverage. (Spouses who are not employed, spouses who are self-employed, spouses who work part-time, and spouses whose employer does not offer health insurance coverage in a "qualified plan")
- Spouses who already have primary coverage through their employer prior to January 01, 2011 will be able to apply for the reimbursement of their premium cost beginning the first quarter of 2011.
- The reimbursement form is due by the 15<sup>th</sup> of the month following the end of the quarter.
- In order to receive reimbursement, proof of premium payment must be received.

A list of frequently asked questions is enclosed for your review as well as a self-addressed, stamped envelope for your convenience in responding. If you have any questions, please contact a Fund Representative at 816-531-0334, ext 108 or toll-free at 866-531-5488, ext. 108.

Sincerely,  
Board of Trustees



## Frequently Asked Questions

Q. Who must complete a spousal verification form?

A. All spouses of active\* covered members must complete a valid spousal verification form.

\*Active means eligibility based on hours worked.

Q. What is considered a “qualified health plan”?

A. A “qualified health plan” means an insured or self insured plan recognized by the insurance industry or other governing body and subject to regulations issued by the IRS, ERISA, DOL and state or federal authorities. It is a plan that offers industry recognized “standard benefits” to include coverage for hospitalization, medically necessary surgery, medical outpatient and physician services and prescription drugs. A plan that offers “standard benefits” is typically referred to as a PPO, HMO or POS plan. If the employer offers a variety of plan choices, a PPO, HMO or POS plan must be selected before a high-deductible plan.

Q. What is “dual coverage”?

A. Dual coverage - some patients have two insurers because both spouses receive coverage through their employer. Dual coverage doesn't mean that your benefits are doubled. What it does mean is that you will likely enjoy lower out-of-pocket costs for you healthcare. Two plans work together to ensure that the combined amount by the plans does not exceed the total amount charged by a provider.

\*\*\*Example: Suppose that both your plans provide benefits for out-patient medically necessary surgery. If the provider charges \$10,000, your primary insurance carrier will process the claim first. Let's say your primary carrier has a calendar year deductible of \$1000.00 and once met processes all claims at 80%. The primary carrier would pay \$7200.00, leaving the patient responsible for \$2800.00. That same claim would then be sent to the secondary carrier for payment. Your secondary insurance carrier has a \$500.00 calendar year deductible and then pays 80%. If the secondary carrier would have paid first their benefit would have been \$7600.00. Since the secondary carrier would have paid more than \$2800.00 as the primary carrier the secondary carrier will pay the entire \$2800.00, leaving you **responsible for zero.**

Q. Is my spouse required to enroll other family members into his/her employer sponsored coverage?

A. No, only the spouse will be able to get reimbursed for the premiums paid out for the spouse's coverage.

Q. When my spouse signs up for other coverage, how is coverage with the Fund affected?

A. Your spouse's coverage will be the primary payer on their claims and the Mo-Kan Plan will pay as secondary. In most situations, this will result in 100% coverage.

Q. How is prescription coverage affected?

A. Present your primary insurance card to your pharmacy. You will then present any amount due to the Mo-Kan plan to process as the secondary payer.

Q. How are vision and dental coverage affected?

A. In order to receive the Working Spouse Incentive benefit, the spouse only needs to enroll for primary Medical and Prescription coverage. However, if there is other dental and vision coverage, Mo-Kan will pay secondary.