

## **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

Dear Member:

On January 01, 2011 the Fund added a new benefit entitled the "Working Spouse Incentive Program". This program allows a working spouse who has voluntarily elected to have primary coverage with his/her current employer to receive a quarterly reimbursement of employee contributions paid by that spouse. This benefit has been extended to the 2018 plan year due to its utilization and cost savings to the Fund.

While this Incentive Program is strictly voluntarily, the Fund strongly encourages all spouses of Mo-Kan SMW members who are offered health insurance benefits through a qualified health plan at their place of employment elect to take that plan as their primary health insurance coverage.

The reason behind the implementation of this benefit was 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, the cost savings of this program has been upwards of \$850K and Mo-Kan believes that by offering this incentive program will keep the rising cost of health care benefits to the Fund at a reasonable level.

**Exceptions: The following are circumstances under which spouses will not be required to enroll in employer sponsored health coverage.**

- 1) Spouses who are not employed.
- 2) Spouses who are covered with the member by non-active coverage (Retired, Disabled).
- 3) Spouses who are "Self-Employed". Self-employed is defined as having no employees.
- 4) Working Spouses who work "Part-Time". Part-time is defined as "less than or equal to 24 hours worked per week". **The employer must verify.**
- 5) Working Spouses who are in a "Waiting-Period" required by the employer. **The employer must verify.**
- 6) Working Spouses whose employer requires the employee to pay 100% of the health premium for employee-only coverage. **The employer must verify.**
- 7) Working Spouses whose employer either does not offer health coverage at all or the health plan offered is not considered a "Qualified plan". **The employer must verify.**

A list of frequently asked questions is enclosed for your review. If you have any questions, please contact a Fund Representative at 816-531-0334 or toll-free at 866-531-5488.

Sincerely,  
Board of Trustees

## **Frequently Asked Questions**

- Q. Who must complete a spousal verification form?
- A. All spouses of covered members that carry their own insurance through their own employer must complete a spousal verification form to update their employer and insurance information with Mokan.
- 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. However, if the spouse chooses to cover other family members the birthday rule for coordination of benefits (COB) will apply. If the spouse is primary on the child/ren due to the birthday rule, Mokan will reimburse at the employee plus child/ren rate and the premium benefit rate summary would be required to determine the rate for employee plus child/ren 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.

The Working Spouse Incentive Program at Mo-Kan Sheet Metal Workers Welfare Fund was implemented in January 2011 and has saved the Fund and its members a considerable amount of money over the 7 years it has been offered as a benefit. If you are an actively working sheet metal worker and a member of Mo-Kan Sheet Metal Workers Welfare Fund and your spouse has or has access to a qualified medical health insurance plan through his/her employer, you can benefit from this program. The cost savings is proven in two ways: those actively working member spouses who participate are getting 100% of their primary medical health insurance premium reimbursed up to \$200.00 a month, and because these spouses have another insurance company paying primary on their medical health expenses, the Fund is saving money as well. To learn more about this program and the details of eligibility, please contact the Mo-Kan Fund office at 816-531-0334. If you currently participate in the program you are aware of the awards.

To participate in the program for the first time, please complete and return the spousal verification form which can be found on our website and included with this letter. Certain medical plans are not eligible for the benefit so this form will help us determine if a members plan qualifies.