

NATIONAL BENEFIT FUNDS

PROGRAMS AND INITIATIVES CONCERNING YOUR NATIONAL PENSIONS AND HEALTH AND WELFARE PLANS

PPO Benefits Under the National Health Plan

The National Roofers Union and Employers Joint Health and Welfare Fund was formed subject to collective bargaining agreements by and between various local unions of the United Union of Roofers, Waterproofers and Allied Workers and employers in the roofing industry. Due to economies of scale and a mobile workforce, the collective bargaining parties designed the Fund as a “multi-employer” Fund so that workers for the unionized employers in the industry could be covered by one health benefit program.

The Fund is made up of employees, retirees and their families. Every contribution dollar collected by the Fund and every investment dollar earned is spent to benefit participants (you and your families). The Fund provides benefits on a self-funded basis. Accordingly, it operates like an insurance company would, but without the requirement to produce a profit for the investors.

The Fund is administered by an equal number of Management and Labor Trustees. As Trustees, our objective is to provide competitive medical, dental, prescription drug and death benefits at a competitive contribution rate. We also want you to understand how to effectively use the benefits you have earned. From time to time, we will provide reminders on how you can save money for yourself and your Fund by using the benefits correctly. This first issue is dedicated to “The Benefits of a PPO Network.”

THE BENEFITS OF A PPO NETWORK

A PPO is a network of doctors, labs, hospitals and other health care service providers who agree to charge discounted rates.

The PPO saves money in several ways:

- ▶ **Provider Discounts** – Network providers give participants a discount.
- ▶ **Higher Coverage Level** – The Plan covers services at a higher rate when you use network providers. This is to encourage you to use the network. Generally, the Plan covers charges at 80% when you use a network provider, but only at 70% when you use providers who are not in the network.
- ▶ **No Balance Billing** – PPO providers cannot “balance bill” you for the difference between the provider’s billed amount and the PPO allowed amount. On the other hand, non-PPO providers can bill you for this difference in addition to any applicable deductibles, co-insurance or co-payments.

This example compares your costs when you use a network provider and a non-network provider.

	Preferred Provider	Non-Preferred Provider
Cost of Procedure	\$2,500	\$2,500
Discount Given by Provider	(\$750)	\$0.00
Copay You Pay	\$0.00	\$0.00
Deductible You Pay	(\$250)	(\$250)
Maximum Amount Covered by Plan	\$1,500	\$2,250
Plan’s Coverage Rate	80%	70%
Amount the Plan Pays	\$1,200	\$1,575
Total Charges You Pay	\$550	\$925

In this example, the Fund saves \$375 and you save \$375 by using a PPO provider.

Imagine the savings if participants all used PPO providers.

Important Reminders

Quick Reference Chart – Please refer to the Quick Reference Chart on the next page for information on who to contact.

Pre-certification – You are still required to obtain pre-certification for certain services as detailed in your Plan Rules and Regulations. Arizona Foundation for Medical Care/Continuous Hospital Outpatient and Individual Care Management Evaluation (CHOICE) program will continue to provide pre-certification services. Call 602-417-2300 within Arizona, or 1-800-852-8001 from outside of Arizona.

If you have a question about a procedure or a service, refer to the Fund Rules and Regulations.