

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 81-516 - February 25, 1985

Board of Trustees: Harrison Combs, Chairman; Joseph P. Brennan, Trustee; William Miller, Trustee; Paul R. Dean, Trustee.

Pursuant to Article IX of the United Mine Workers of America ("UMWA") 1950 Benefit Plan and Trust, and under the authority of an exemption granted by the United States Department of Labor, the Trustees have reviewed the facts and circumstances of this dispute concerning the responsibility for the provision of benefits coverage for an Employee by the Employer under the terms of the Employer's Benefit Plan. The Trustees hereby render their opinion on the matter.

Background Facts

According to information reported to the Funds by the Respondent, the Complainant was employed in a classified position in February 1980 and worked approximately 1700 hours before being laid off in March 1981. He returned to work in the months of June and July 1981 and was again laid off. The Complainant worked for a non-signatory employer from January 15, 1982 until February 10, 1982 when he was recalled to his job with the Respondent. He worked for the Respondent from February 11, 1982 until his discharge in May 1982.

In June 1980 the Complainant began to incur medical bills. From the information submitted, it appears that only some of these bills were paid by the various insurance carriers retained by the Respondent over this period. On September 19, 1984, a judgment was entered against the Complainant in the General District Court on behalf of a hospital in the total amount of \$956.39. This amount represents \$803.50 of unpaid medical bills (including some individual co-payments), \$130.89 in interest charges, \$10.00 judgment costs, and \$12.00 for garnishment costs. Although these charges were for benefits covered under the Employer Benefit Plan, to date the Respondent has refused to provide the Complainant with health benefits coverage for these charges. The Complainant contends that he did not receive the level of coverage that is required under the Employer Benefit Plan. The Respondent has not submitted its position in this dispute.

Dispute

Is the Respondent responsible for provision of health benefits coverage and

related charges incurred for services provided from February 1980 to May 1982?

Position of Parties

Position of the Complainant: The Complainant maintains that as an Employee of the Respondent, he was eligible for health benefits coverage from February 1980 to May 1982.

Position of the Respondent: The Respondent has failed to present its position to the Funds despite repeated requests for information.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreements of 1978 [1981] provide:

(c) 1974 Plans and Trusts

- (3)(i) ...[E]ach signatory Employer shall establish [and maintain an Employee benefit plan to provide, implemented through an insurance carrier(s), health and other non-pension benefits for its Employees covered by this Agreement as well as pensioners under the 1974 Pension Plan and Trust, whose last [signatory] classified employment was with such Employer. The benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plans.....

Article I (1), (2), and (4) of the 1978 [1981] Employer Benefit Plans provides:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (coal company)
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1978 [1981], as amended from time to time and any successor agreement.
- (4) "Employee" shall mean a pensioner working in a classified job for the Employer, eligible to receive benefits hereunder.

Article II A(1)(2) and (4) of the 1978 [1981] Employer Benefit Plans provide:

Article II - Eligibility

A. Active Employees

Benefits under Article III shall be provided to any Employee who:

- (1) Is actively at work* for the Employer on the effective date of the [Wage Agreement]; or...
- (2) Is on layoff or disabled from the Employer and had continuing eligibility as of the effective date of the [Wage Agreement] Plan for coverage under the 1978 Employer's Benefit Plan ("prior Plan") as a laid off or disabled employee. Coverage for such laid-off or disabled Employees shall not continue beyond the date when they would no longer have been eligible for such coverage under the provisions of the prior Plan.
- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

Article III A (10) [(11)] (a) 18. and E [D] (1)(a) and (c) of the 1978 [1981] Employer Benefit Plans provide:

Article III - Benefits

A. Health Benefits

(10) [(11)] General Exclusions

- (a) In addition to the specific exclusions otherwise contained in the Plan, benefits also are not provided for the following:

18. Finance charges in connection with a medical bill.

E. [D]. General Provisions

(1) Continuation of Coverage

- (a) Layoff

If an Employee ceases work because of layoff, continuation of health, life and accidental death and dismemberment insurance coverage is as follows:

Number of Hours Worked for
the Employer in the 24
Consecutive Calendar Month
Period Immediately Prior to Period of Coverage
the Employee's Date Continuation from the
Last Worked Date Last Worked

2,000 or more hours	Balance of month plus 12 months
500 or more but less than 2,000 hours	Balance of month plus 6 months
Less than 500 hours	30 days

(e) Quit or Discharge

If an Employee quits or is discharged, health, life and accident death and dismemberment coverage will terminate as of the date last worked.

Discussion

The Complainant has incurred medical bills during his period of employment with the Respondent which he claims were not paid because the Respondent had a variety of insurance carriers during his employment. He therefore claims he was not provided with the level of health benefits coverage specified in the Employer Benefit Plan.

Article XX Section (c)(3)(i) of the Wage Agreement(s) states that each signatory Employer shall establish and maintain an Employee benefit plan to provide, implemented through an insurance carrier(s), health and other non-pension benefits for its Employees covered by the Agreement(s). That provision also states that benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of the Agreement(s) by that Employer at levels set forth in such plans.

During the twenty-four month period prior to his layoff in July, 1981 the Complainant worked more than 500 but less than 2,000 hours. Under Article III E (1978) or D (1981) of the Employer Benefit Plans, he was, therefore, entitled to benefits coverage until he accepted employment with a non-signatory company January 15, 1982. His eligibility for coverage under Article II A(1) and (4) resumed when he returned to work with the Respondent as an active Employee February 11, 1982, and continued until his discharge in May 1982.

The Respondent, therefore, is responsible for providing benefit coverage to the Complainant and his eligible dependents from the date of his employment in February 1980, through his date of discharge in May 1982, exclusive of his period of other employment from January 15 through February 10, 1982.

The Complainant has also raised a question regarding the Respondent's responsibility for payment of interest and related charges arising from the court action by a provider to obtain payment.

Article III A of the 1978 and 1981 Employer's Benefit Plans specifically excludes from coverage finance charges in connection with medical services. This opinion by the Trustees, however, is not intended to express any view regarding the availability to the Complainant of recourse to other forums to recover the finance charges incurred.

Opinion of the Trustees

It is the opinion of the Trustees that the Respondent is responsible for providing health benefits coverage to the Complainant from February 1980 to May 1982 (excluding the period January 15, 1982 to February 10, 1982), at the level specified in the Employer Benefit Plan.