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## OPINION OF TRUSTEES

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### In Re

Complainant: Employee  
Respondent: Employer  
ROD Case No: 84-205 - December 3, 1986

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William B. Jordan, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., 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 level of health benefits coverage for an Employee under the terms of the Employer Benefit Plan.

### Background Facts

The Complainant claims that he was employed by the Respondent, a signatory company, in a classified position from June 19, 1985 through May 2, 1986. The Complainant has stated that the Benefit Plan implemented by the Respondent does not provide health benefits coverage at the level prescribed by the terms of the Employer Benefit Plan established pursuant to the National Bituminous Coal Wage Agreement of 1984. The Complainant has submitted medical bills for services rendered to him and to his wife between November 22, 1985 and April 29, 1986. During this period, the Respondent provided health benefits coverage for the Complainant through Blue Cross/Blue Shield. Under the Blue Cross/Blue Shield policy, the Complainant was required to pay \$300 toward the cost of medical services for each of the first three policy beneficiaries. Blue Cross/Blue Shield was to pay up to 80% of the remaining cost of service.

The Complainant asks whether the Respondent is responsible for the provision of health benefits coverage at the level prescribed by the terms of the Employer Benefit Plan. The Respondent has failed to respond to repeated correspondence from the Funds regarding its position in this dispute.

### Dispute

Is the Respondent responsible for the provision of health benefits coverage for the Complainant and his eligible dependents at the level prescribed by the Employer Benefit Plan?

### Position of the Parties

Position of the Complainant: The Respondent is responsible for the provision of health benefits coverage for the Complainant as an Employee and for his eligible dependents at the level prescribed by the Employer Benefit Plan.

Position of the Respondent: The Respondent has failed to present its position in this dispute.

#### Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 provides in pertinent part:

(c) 1974 Plans and Trusts

(3)(i) Each signatory Employer shall establish 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 classified employment was with such Employer. The benefits provided pursuant to such plans shall be guaranteed during the term of this Agreement by each Employer at levels set forth in such plans.

Article I (1), (2), and (4) of the Employer Benefit Plan provide:

#### 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 1984, as amended from time to time and any successor agreement.
- (4) "Employee" shall mean a person working in a classified job for the Employer, eligible to receive benefits hereunder.

Article II A. (4) of the Employer Benefit Plan provides:

#### Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

- A. Active Employees

Benefits under Article III shall be provided to..:

- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

Article III A (8) and D. (1)(a) and (b) of the Employer Benefit Plan provide:

Article III - Benefits

A. Health Benefits

(8) Co-payments

Certain benefits provided in this Plan shall be subject to the co-payments set forth below and such co-payments shall be the responsibility of the beneficiary. The Plan Administrator shall implement such procedures as deemed appropriate to achieve the intent of these co-payments.

Co-payments for Health Benefits are established as follows:

<u>Benefit</u>	<u>Co-Payment</u>
(a) Physician services as an out-patient as set forth in Section A (2) and physician visits in connection with the benefits set forth in Section A(3), paragraph (c) but only for pre- and post-natal visits if the physician charges separately for such visits in addition to the - charge for delivery, and paragraphs (g) through (m), paragraph (n) per family. except inpatient surgery, paragraph (o) and Section A(7) paragraph (b) Prescription drugs and insulin, as set forth in Section A(4) and take-home drugs following a hospital confinement as set forth in - Section A(1)(a).	Working Group -- \$7.50 per visit up to a maximum of \$180 per 12-month period(*) per family. Non-Working Group -- \$5 per visit up to a maximum of \$100 per 12-month period(*)
If an employee is covered under an employee Plan (established pursuant	\$5 per prescription or refill up to a \$80 maximum per 12-month period(*) per family. Note: For purposes of this co-payment provision, a prescription or refill shall be deemed

to the NBCWA of 1978) by more than one signatory employer during a 12-month period (\*), the total co-payments made by the employee during such period shall be counted toward the 12-month (\*) maximum.

to be each 30 days (or fraction thereof) supply.

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\* The 12-month periods shall begin on the following dates: March 27, 1984; March 27, 1985; March 27, 1986; and March 27, 1987.

### Discussion

Article XX Section (c)(3)(i) of the 1984 Wage Agreement requires a signatory employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for its Employees. The Wage Agreement stipulates that benefits provided by the Employer pursuant to such plans shall be guaranteed during the term of the Agreement by that Employer at levels set forth in such plans. Inasmuch as the Complainant worked in a classified position for the Respondent from June 19, 1988 until May 2, 1986, he is eligible for health benefits coverage during this period of employment.

Article III A (8) of the Employer Benefit Plan specifies the co-payments which are the responsibility of the beneficiary for medical services and prescriptions. Levels of benefits to be provided to Employees, Pensioners and their dependents and survivors are established through collective bargaining and may not be unilaterally changed by an Employer. The Respondent's use of a non-conforming 80/20 health coverage plan with a deductible benefit payment is inconsistent with the provisions of the 1984 Wage Agreement and the Employer Benefit Plan. Accordingly, the Respondent is responsible for payment of benefits in conformity with the provisions of the 1984 Wage Agreement.

### Opinion of the Trustees

The Respondent's use of a substandard health coverage plan is inconsistent with the express provisions of the 1984 Wage Agreement. The Respondent is responsible for the provision of health benefits coverage for the Complainant and his eligible dependents at the level specified in the Employer Benefit Plan. Accordingly, the Respondent is responsible for payment of benefits in conformity with the provisions of the 1984 Wage Agreement.