
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondents: Employers
ROD Case No: 84-470 - November 4, 1987

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 provision of health benefits coverage for an Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was employed in a classified job with Master Mining, Inc., from September 1983 until about March 8, 1984, when Master Mining ceased operations. Master Mining became signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1981 on September 7, 1983. Funds' records indicate that during the 24-month period prior to March 8, 1984, the Complainant worked 974 hours for Master Mining. The Complainant has submitted copies of unpaid bills for medical services rendered between March 19, 1984 and March 21, 1984.

The Complainant went to work for Neibert Coal Company ("Neibert") on or about March 22, 1984, when Neibert became signatory to the 1981 Wage Agreement. The Complainant has stated that Neibert operated at the same mine site and employed the same Employees as had Master Mining. There is no evidence that Neibert expressly assumed the health benefit obligations of Master Mining. The 1981 Wage Agreement expired on September 30, 1984. Hours of service reported to the Funds by Neibert and evidence submitted by the Complainant indicate that the Complainant continued working for Neibert until October 26, 1984, when Neibert ceased operations. The Complainant has submitted a copy of an unpaid bill for medical services rendered between October 31, 1984 and November 6, 1984. There is no evidence that Neibert Coal Company had agreed to an extension of the terms of the 1981 Wage Agreement beyond September 30, 1984 nor that it signed a Letter of Intent or a Letter of Agreement to comply with the terms of the 1984 Wage Agreement.

The Complainant then worked for Jamax, Inc., which took over the mine site previously operated by Master Mining and Neibert. Jamax, Inc. became signatory to the 1984 Wage Agreement on November 8, 1984. There is no evidence that Jamax expressly assumed the health benefit obligations of Master Mining or Neibert. Hours of service were reported to the Funds by Jamax for the Complainant from December 1984 through October 1985, when the Complainant quit to accept other employment. Funds' records indicate that Jamax provided health benefits coverage for its Employees through New York Life Insurance until October 31, 1985; however, the carrier was unable to verify this information. The Complainant has submitted a copy of an unpaid medical bill incurred in May 1985.

Dispute

Whether the Respondents are responsible for payment of the Complainant's outstanding medical bills.

Positions of the Parties

Position of the Complainant: The Complainant was entitled to health benefits coverage as either an active or a laid-off Employee when the bills in question were incurred. Therefore, the Respondents are responsible for payment of the Complainant's outstanding medical bills.

Position of the Respondent: Master Mining, Inc., has stated that it filed for bankruptcy on September 8, 1984. Neibert Coal Company and Jamax, Inc., have not responded to repeated correspondence from Funds' staff regarding their positions in this dispute.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreements of 1981 and 1984 provide in pertinent part:

(c) 1974 Plans and Trusts

(3)(i) 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 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 Employer Benefit Plan provide:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (Employer's Name).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1981 [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 Employee

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

Article III D. (1)(a) of the Employer Benefit Plan provides:

Article III - Benefits

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
the Employee's Date
Last Worked

Period of Coverage
Continuation from the
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

Discussion

Article XX Section (c)(3)(i) of the 1981 and 1984 Wage Agreements require each signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits to its Employees. The Wage Agreements stipulate that benefits provided by the Employer pursuant to such Plan shall be guaranteed during the term of the respective Agreements.

Article II A. of the Employer Benefit Plan provides health benefits coverage for active Employees of a signatory Employer. Article III. D. (1)(a) of the Employer Benefit Plan provides continued benefits coverage for a laid-off Employee for a defined period based on the number of hours worked for the Employer during the 24-month period prior to the date last worked.

Inasmuch as the Complainant worked 974 hours for Master Mining during the 24-month period prior to his layoff on March 8, 1984, Master Mining was responsible for the continuation of the Complainant's health benefits coverage from March 8, 1984 until March 22, 1984, when the Complainant accepted employment with Neibert Coal Company. Thus, Master Mining is responsible for payment of the covered medical expenses incurred by the Complainant and his eligible dependents between March 8, 1984 and March 21, 1984.

On March 22, 1984, Neibert Coal Company signed the National Bituminous Coal Wage Agreement of 1981 for the mine formerly operated by Master Mining. The Complainant worked for Neibert Coal from March 22, 1984 until October 26, 1984. He has incurred unpaid medical expenses for services rendered between October 31, 1984 and November 6, 1984. There is no evidence that Neibert Coal assumed responsibility for the health benefit obligations of Master Mining. The issue here is whether Neibert Coal was contractually obligated to provide continued health benefits coverage for the Complainant as a laid-off Employee after the expiration of the 1981 Wage Agreement when it did not sign the 1984 Wage Agreement. Because the Complainant in this case was laid off after the expiration of 1981 Wage Agreement, and there is no evidence that the Complainant was working under the terms of either the 1981 or 1984 Wage Agreements when he was laid off on October 26, 1984, he is not entitled to the period of continued benefits coverage specified by the Wage Agreements. Thus, Neibert Coal Company is not responsible for payment of the covered medical expenses

incurred by the Complainant and his eligible dependents between October 31, 1984 and November 6, 1984.

On November 8, 1984, Jamax signed the 1984 Wage Agreement for the mine formerly operated by Master Mining and Neibert Coal. Jamax did not assume responsibility for the health benefit obligations of Master Mining or Neibert Coal. Inasmuch as the Complainant was an active Employee of Jamax from December 1984 until October 1985, Jamax is responsible for payment of the covered medical expenses incurred by the Complainant and his eligible dependents in May 1985.

Opinion of the Trustees

Master Mining is responsible for payment of the covered medical expenses incurred by the Complainant and his eligible dependents between March 8, 1984 and March 21, 1984. Jamax, Inc. is responsible for payment of the covered medical expenses incurred by the Complainant and his eligible dependents in May 1985.

The Complainant was not entitled to health benefits coverage at the time medical expenses were incurred between October 31, 1984 and November 6, 1984.