

OPINION OF TRUSTEES

---

In Re

Complainant: Employee  
Respondent: Employer  
ROD Case No: 84-495 - November 24, 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 by the Respondent from April 6, 1987 to July 3, 1987, when he was laid off. The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1984.

The Respondent provided health benefits coverage for the Complainant during his employment through Mountain Trails Health Plan. Information provided to the Funds indicates that Mountain Trails Health Plan was declared insolvent, effective September 23, 1987. Due to insolvency, Mountain Trails Health Plan had ceased paying benefits claims for services rendered prior to September 23, 1987. The Complainant has submitted copies of unpaid bills for medical services rendered between May 28, 1987 and June 24, 1987. The Complainant contends that the Respondent is responsible for payment of his outstanding medical bills which are unpaid due to the insolvency of Mountain Trails Health Plan.

Dispute

Whether the Respondent is responsible for payment of the Complainant's outstanding medical bills.

Positions of the Parties

Position of the Complainant: The Respondent is responsible for payment of the Complainant's outstanding medical bills.

Position of the Respondent: The Respondent has not responded to repeated correspondence from Funds' staff regarding its position in this dispute.

#### Pertinent Provisions

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

#### Article XX - Health and Retirement Benefits

##### Section (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), (4) and (7) 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 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.
- (7) "Dependent" shall mean any person described in Section D of Article II hereof.

Article II A. (4) and D. (2) of the Employer Benefit Plan provide:

#### Article II - Eligibility

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

A. Active Employees

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

D. Eligible Dependents

Health benefits under Article III shall be provided to the following members of the family of any Employee, Pensioner, or disabled Employee receiving health benefits pursuant to paragraphs A, B, or C of this Article II:

- (1) A spouse who is living with or being supported by an eligible Employee or Pensioner;

Discussion

Article XX Section (c)(3)(i) of the 1984 Wage Agreement requires Employers to provide an Employee benefit plan... "implemented through an insurance carrier(s), [for] health and other non-pension benefits..." It further requires that "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." Although the Respondent in the instant case had implemented its Employer Benefit Plan through an insurance carrier which subsequently was declared insolvent, such event does not relieve the Respondent of its primary obligation to provide benefits pursuant to the Wage Agreement.

Article II. A of the Employer Benefit Plan provides health benefits coverage for active Employees working in classified jobs for a signatory Employer. Inasmuch as the Complainant was an active Employee of the Respondent at the time the outstanding medical charges were incurred, the Respondent is responsible for payment of the charges incurred by the Complainant and his eligible dependent under the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for payment of the covered medical charges incurred by the Complainant and his eligible dependent during his employment with the Respondent under the terms of the Employer Benefit Plan.