

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 84-584 - March 28, 1988

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 under the terms of the Employer Benefit Plan.

Background Facts

The Complainant has worked for the Respondent in a classified position since March 1979. The Respondent contracted with an Employer association to provide health benefits coverage to its Employees, the Complainant included, until April 30, 1985. The Employer association subsequently ceased paying health benefits claims and filed a Petition for Relief under Chapter 11 of the Bankruptcy Code. The Complainant has submitted copies of unpaid bills for medical services incurred on March 5 and March 27, 1985. The Complainant contends that he should not be responsible for payment of these bills.

The Respondent has provided health benefits coverage for the Complainant through different insurance carriers since May 1, 1985. The Respondent has stated that since it provided health benefits coverage for the Complainant through the Employer association, the Employer association is responsible for payment of the Complainant's outstanding medical bills.

Dispute

Is the Respondent responsible for payment of the outstanding medical bills incurred by the Complainant in March 1985?

Positions of the Parties

Position of the Complainant: The Respondent is responsible for payment of the medical bills incurred by the Complainant in March 1985.

Position of the Respondent: The Respondent provided the Complainant with health benefits coverage through an Employer association. The Employer association is therefore responsible for payment of the outstanding medical bills incurred by the Complainant.

Pertinent Provisions

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

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), 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 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. (1) 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 any Employee who:

- (1) is actively at work* for the Employer on the effective date of the Wage Agreement;

* Actively at work includes an Employee of the Employer who was actively at work on September 30, 1984, and who returns to active work with the Employer two weeks after the effective date of the Wage Agreement.

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."

Article II A. of the Employer Benefit Plan provides health benefits coverage to active Employees working in classified jobs for a signatory Employer. The Respondent in the instant case implemented its Employer Benefit Plan until April 30, 1985 through an Employer association which subsequently became insolvent. Implementation of a plan, in and of itself, does not relieve the Respondent of its primary obligation to provide benefits pursuant to the Wage Agreement. Inasmuch as the Complainant was eligible for health benefits coverage from the Respondent as an active Employee at the time his outstanding medical charges were incurred, the Respondent is responsible for payment of those charges under the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for payment of covered medical expenses incurred by the Complainant in March 1985, consistent with the terms of the Employer Benefit Plan.