

OPINION OF TRUSTEES

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In Re

Complainants: Employees  
Respondent: Employer  
ROD Case No: 88-353 - February 28, 1991

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee; Thomas H. Saggau, 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 Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants are employed in classified positions by the Respondent, a signatory employer. The representative for the Complainants contends that the Respondent has failed to provide health benefits coverage as required by the terms of Article XX of the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988.

According to the Complainants' representative, the Respondent informed the Complainants that it had deposited approximately \$5,000 in a bank account for the payment of the Complainants' medical bills. The Respondent provided the Complainants with identification cards to present to their medical providers. The cards state that claims should be submitted to the Respondent; however, according to the Complainants' representative, medical providers will not accept the cards. The Complainants have submitted their medical bills directly to the Respondent for payment, but the Complainants' representative states that the bills have not been paid.

Dispute

Whether the Respondent has provided health benefits coverage for the Complainants and their eligible dependents as required under Article XX of the Wage Agreement?

Positions of the Parties

Position of the Complainants: The Respondent is required to establish and maintain an Employer Benefit Plan implemented through an insurance carrier to provide health benefits coverage for the Complainants and their eligible dependents. The Respondent is required to pay the covered medical expenses incurred by the Complainants and their eligible dependents.

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

#### Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1988 provides in pertinent part:

(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.... The plans established pursuant to this subsection are incorporated by reference and made a part of this Agreement, and the terms and conditions under which the health and other non-pension benefits will be provided under such plans are as to be set forth in such plans.

Article I (I), (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 1988, 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.

#### Discussion

Article XX Section (c)(3)(i) of the 1988 Wage Agreement requires each signatory Employer to establish and maintain an Employer Benefit Plan, implemented through an insurance carrier(s), to provide health and other non-pension benefits for its Employees. The Wage Agreement

further stipulates that benefits provided by the Employer pursuant to such Plan shall be guaranteed during the term of the Agreement at levels set forth in such Plan.

According to the information provided in this case, the Respondent established a bank account for the payment of the Complainants' medical bills. The Respondent advised the Complainants to submit their medical bills to the Respondent, but has not paid their claims. The Respondent's method of providing health benefits coverage for the Complainants through a bank account is inconsistent with Article XX Section (c)(3)(i) of the Wage Agreement which requires an employer to establish and maintain an Employer Benefit Plan implemented through an insurance carrier to provide health benefits for its Employees, consistent with the terms of the Employer Benefit Plan. Because the Complainants are actively employed in classified positions by the Respondent, the Respondent is responsible for providing their health benefits coverage for the period of their employment and for payment of the covered medical expenses incurred by the Complainants, consistent with the terms of the Employer Benefit Plan.

#### Opinion of the Trustees

The Respondent's method of providing health benefits is inconsistent with the express provisions of the 1988 Wage Agreement. The Respondent is required to establish and maintain an Employer Benefit Plan, implemented through an insurance carrier, to provide health and other non-pension benefits for the Complainants. In addition, the Respondent is responsible for payment of the covered medical expenses incurred by the Complainants, consistent with the terms of the Employer Benefit Plan, during the period of the Complainants' employment with the Respondent.