

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-648 - July 8, 1993

Board of Trustees: Michael H. Holland, Chairman; Thomas F. Connors, Trustee; Marty D. Hudson, Trustee; Robert T. Wallace, Trustee.

The Trustees have reviewed the facts and circumstances of this dispute concerning the provision of health benefits coverage for inpatient hospital benefits under the terms of the Employer Benefit Plan.

Background Facts

The Employee's spouse was admitted to a local hospital through the emergency room complaining of shortness of breath, nausea and headache. The Employee's spouse has a history of diabetes mellitus. The purpose of the hospitalization was to monitor the spouse's chest pain, diabetes mellitus, and peptic ulcer disease. The total hospital confinement was for 11 days, between January 6, 1992 and January 17, 1992.

After the initial review, the Employer's claims administrator provided benefits for the hospital the first 10 days of the confinement but denied benefits for the final day's hospitalization on January 17, 1992 as not medically necessary. The Employee appealed the decision. The Employer's claims administrator had the medical records re-reviewed by a second Health Services Physician Auditor and on July 14, 1992 upheld its original decision that the final day of hospitalization was not medically necessary as no specific care was being rendered.

Dispute

Is the Employer required to provide benefits for the Employee's spouse's last day of hospital confinement on January 17, 1992?

Position of the Parties

Position of the Employee: The Employer is required to pay the hospital charges incurred on January 17, 1992 because the Employee's spouse's physician did not discharge her until January 17, 1992. The Employee's spouse left the hospital as soon as her physician felt that she was physically able to go home.

Position of the Employer: The Employer is not required to provide benefits for the last day of the Employee's spouse's hospitalization on January 17, 1992, as the Employer's claims administrator determined after two reviews that it was not medically necessary.

Pertinent Provisions

The Introduction to Article III states in pertinent part:

Covered services shall be limited to those services which are reasonable and necessary for the diagnosis or treatment of an illness or injury and which are given at the appropriate level of care, or are otherwise provided for in the Plan. The fact that a procedure or level of care is prescribed by a physician does not mean that it is medically reasonable or necessary or that it is covered under this Plan....

Article III.A.(1)(a) states:

_____ (a) Semi-private room

_____ When a Beneficiary is admitted by a licensed physician (hereinafter "physician") for treatment as an inpatient to an Accredited Hospital (hereinafter "hospital"), benefits will be provided for semi-private room accommodations (including special diets and general nursing care) and all medically necessary services provided by the hospital as set out below for the diagnosis and treatment of the Beneficiary's condition.

Medically necessary services provided in a hospital include the following:

- Operating, recovery, and other treatment rooms
- Laboratory tests and x-rays
- Diagnostic or therapy items and services
- Drugs and medications (including take-home drugs which are limited to a 30-day supply)
- Radiation therapy
- Chemotherapy
- Physical therapy
- Anesthesia services
- Oxygen and its administration
- Intravenous injections and solutions
- Administration of blood and blood plasma
- Blood, if it cannot be replaced by or on behalf of the Beneficiary

Article III.A.(3)(g) states:

(g) Inhospital Physicians' Visits

_____ If a Beneficiary is confined as an inpatient in a hospital because of an illness or injury, benefits are provided for in-hospital visits by the physician in charge of the case. Such benefits will also be provided concurrently with benefits for surgical, obstetrical and radiation therapy services when the Beneficiary has a separate and complicated condition, the treatment of which requires skills not possessed by the physician who is rendering the surgical, obstetrical or radiation therapy services.

Article III.A.(10)(g)3. of the Employer Benefit Plan states:

(g) Explanation of Benefits (EOB). Cost Containment and Hold Harmless

3. The Employer and the UMWA agree that excessive charges and escalating health costs are a joint problem requiring a mutual effort for solution. In any case in which a provider attempts to collect excessive charges or charges for services not medically necessary, as defined in the Plan, from a Beneficiary, the Plan Administrator or his agent shall, with the written consent of the Beneficiary, attempt to resolve the matter, either by negotiating a resolution or defending any legal action commenced by the provider. Whether the Plan Administrator or his agent negotiates a resolution of a matter or defends a legal action on a Beneficiary's behalf, the Beneficiary shall not be responsible for any legal fees, settlements, judgments or other expenses in connection with the case, but may be liable for any services of the provider which are not provided under the Plan. The Plan Administrator or his agent shall have sole control over the conduct of the defense, including the determination of whether the claim should be settled or an adverse determination should be appealed.

Discussion

The Introduction to Article III of the Employer Benefit Plan states that covered services shall be limited to those services which are reasonable and necessary for the diagnosis or treatment of an illness or injury and which are given at the appropriate level of care. The Introduction further states that the fact that a level of care is prescribed by a physician does not mean that it is medically reasonable or necessary or that it is covered under the Plan. Article III. A. (1)(a) of the Plan states that if a Beneficiary is admitted to a hospital by a physician, benefits will be provided for room accommodations and medically necessary services provided by a hospital for the diagnosis and treatment of the Beneficiary's condition.

The Employer in this case has denied benefits for the room and board charge for the last day of the Employee's spouse's hospitalization, January 17, 1992. A Funds' medical consultant has reviewed the information submitted in this case, including detailed hospital records and nursing notes. The consultant notes that the Employee's spouse was admitted with chest pain and poorly controlled diabetes mellitus. According to the hospital records, a cardiac origin for the chest pain was ruled out, and at the time of discharge the cause of the chest pain was noted as being G.I. (gastrointestinal) in origin, with the diagnoses of gastritis and a history of peptic ulcer

disease. The consultant also notes that the patient was evaluated for headaches with no definite pathology found. In the consultant's opinion, after a review of the nursing notes, order sheets, vital signs records and bedside nursing notes, no medical reason was documented that would necessitate the continued hospitalization on January 16, 1992. Therefore, the consultant states that the last day of hospitalization would not be considered medically necessary. Accordingly, the Trustees find that the Employer's denial of the room and board charge for the last day of the Employee's spouse's hospitalization is reasonable under the terms of the Employer Benefit Plan.

Article III. A. (10)(g) 3. of the Employer Benefit Plan, known as the "hold harmless" provision, applies when provider charges are deemed to be excessive or when the services provided are not medically necessary. The Introduction to Article III states that covered services shall be limited to those which are reasonable and necessary for the diagnosis or treatment of an illness or injury and which are given at the appropriate level of care. It has been determined that the Employee's spouse could have been discharged on January 16, 1992. Therefore, hospitalization for the additional day was not medically necessary, and the Employer must hold the Employee harmless from any attempts by the hospital to collect charges for the final day of hospitalization.

The Employee noted that the Employer had also not reimbursed him for in-hospital doctor's visits by his wife's attending physician. While the Plan provides benefits for in-hospital doctor's visits under Article III.A.(3)(g), the Employee did not provide any copies of bills, Explanations of Benefits or denial letters to substantiate his position. Therefore, the Trustees are unable to render a decision on the in-hospital physician's charges without proper documentation for review.

Opinion of the Trustees

The Employer is not required to provide benefits for the room and board charge for the final day of the Employee's spouse's hospitalization on January 17, 1992. The Employer should implement its hold harmless procedures as required under the provisions of Article III.A.(10)(g) 3. of the Employer Benefit Plan in the event the hospital attempts to collect charges for the final day of hospitalization.