

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-783 - June 23, 1995

Trustees: Thomas F. Connors, Michael H. Holland, Marty D. Hudson and Robert T. Wallace.

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

Background Facts

The Employee was admitted to a local hospital on March 1, 1993 complaining of shortness of breath, coughing, sore throat, left shoulder and chest pain. Additionally, he had upper respiratory symptoms of two weeks' duration that had been treated with medications on an outpatient basis. He was diagnosed with bronchitis prior to the hospitalization, but the attempted treatments had no effect as the hospital record states that the Employee is "helplessly addicted to cigarette smoking". The Employee was admitted through the emergency room where he presented with an increase in his left sided chest pain and shoulder pain. The Employee said he became concerned and sought emergency treatment because of a family history of myocardial infarction in members in their early 50's.

After admission, testing was performed to rule out an acute myocardial infarction. The Employee was given intravenous antibiotics and bronchodilators to help clear his bronchitis. Sinus x-rays were preformed as the Employee complained of severe headaches. The results of the sinus x-rays revealed left maxillary antral sinusitis and ethmoidal and frontal sinusitis with fluid levels. Additionally, cervical x-rays revealed cervical degenerative arthritis with possible C4, C5 and C6 compression syndrome. On March 4, 1993 the Employee underwent an exercise tolerance test and a GXT protocol, both of which were negative.

The Employee was discharged on March 4, 1993 and was to continue with the bronchodilators, decongestants, a saline nasal spray, and Aerobid twice daily. The Employee was advised to quit smoking. The hospital arranged for the Employee to see two local physicians to follow up on his sinusitis and the possible cervical compression syndrome.

The Employer provided benefits for all but the final day of the hospitalization, denying charges totalling \$1,813.50, and stating that "continued stay in an acute care facility not medically indicated. The patient could have safely been followed up in an outpatient setting."

The Employer was signatory to the 1988 National Bituminous Coal Wage Agreement (Wage Agreement) which terminated February 1, 1993. The Employer signed an Interim Agreement extending the terms and conditions of employment of the 1988 Wage Agreement from February 2, 1993 to the effective date of a successor agreement on December 16, 1994.

Dispute

Is the Employer required to provide benefits for the Employee's final day of hospitalization on March 4, 1993?

Positions of the Parties

Position of the Employee: The Employer is required to provide benefits for the Employee's final day of hospitalization on March 4, 1993, because the Employee's physician stated that he required additional testing to be performed prior to discharge.

Position of the Employer: The Employer is not required to provide benefits for the Employee's final day of hospitalization on March 4, 1993, because the services could have been safely rendered in an outpatient setting and were, therefore, not medically necessary. Additionally, the Employee's physician was notified on March 3, 1993, that no additional days of hospitalization would be certified.

Pertinent Provisions

The Introduction to Article III of the Employer Benefit Plan states in pertinent part:

ARTICLE III BENEFITS

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) of the Employer Benefit Plan provides in pertinent part:

(1) Inpatient Hospital Benefits

_____ (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.

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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 the 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 for 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 Employer was signatory to the 1988 Wage Agreement. The Employer signed an Interim Agreement extending the terms and conditions of employment of the 1988 Wage Agreement from February 2, 1993 to the effective date of a successor agreement on December 16, 1993. This dispute arose over an event that took place during the period covered by the Interim Agreement.

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 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.

A Funds' medical consultant has reviewed the information submitted in this file, including medical records for this admission. The consultant has advised that the records indicate that by March 3, 1993, the evaluation of the Employee for the acute problem of chest pain was complete and would have allowed for him to be discharged that day with any subsequent evaluations done as an outpatient. Further, the consultant notes that there is no evidence in the medical records that the patient requested the extended stay, or was aware that his stay was beyond the previously authorized length of stay. It is the consultant's opinion that the hospitalization was not medically necessary after March 3, 1993. Accordingly, the Trustees find that the Employer's denial of the hospital room and board charges incurred by the Employee from March 3, 1993 through March 4, 1993, is reasonable under the terms of the Employer Benefit Plan. Benefits for the laboratory, x-rays, therapy, and medications during that period are the responsibility of the Employer as these costs would have been incurred on an outpatient basis as well. Review of records and documentation reveals that the \$1,813.50 in denied charges represents a flat one-third of the total hospital bill, and does not reflect the actual charges incurred during the final day of hospitalization. Since the Employer can only deny the charge of \$300.00 for the final day's room and board, the Employer is required to provide benefits for the remaining \$1,513.50, representing the hospital ancillary charges.

Article III. A. (10)(g) 3. of the Employer Benefit Plan, the "hold harmless" provision, states that the Plan Administrator shall attempt to negotiate with, or defend a Beneficiary against, providers who seek to collect charges for services not medically necessary. It has been determined that the patient's treatment on the dates in question in this case could have been effectively and appropriately administered on an outpatient basis. Therefore, hospitalization from March 3, 1993, through March 4, 1993, was not medically reasonable and necessary, and the Employer must hold the Employee harmless for the room and board charges incurred for the final day's stay.

Opinion of the Trustees

The Employer is not required to provide benefits for the Employee's room and board charges for March 3, 1993, through March 4, 1993, that were not medically necessary. 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. The Employer is required, however, to provide benefits for the hospital ancillary charges totalling \$1,513.50.