

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-825 - July 12, 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 care under the terms of the Employer Benefit Plan.

Background Facts

On May 20, 1993, the Employee's spouse was hospitalized for left facial weakness and neck lymphadenopathy, and persistent upper respiratory infection. The patient's gall bladder had been removed six weeks prior to this hospitalization. She was a newly-diagnosed diabetic and it was noted she was morbidly obese. Shortly after admission, the patient developed right upper quadrant pain for which a consultation was requested to rule out possible cardiac complications. She was treated with intravenous antibiotics and respiratory nebulizers. She was seen by two other consultants for her facial numbness and acute sinusitis. She was discharged on May 25, 1993.

The Employer provided benefits for hospital charges for May 20, May 21, and May 22, but denied \$700.00 for semi-private room and board charges and \$3,085.94 for associated charges for May 24 and 25, stating that the inpatient confinement during this period was not medically necessary and the treatment could have been rendered in an outpatient setting with equal efficacy.

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 \$700.00 in semi-private room and board charges and for \$3,085.94 in associated charges for May 23 and 24, 1993?

Positions of the Parties

Position of the Employee: The Employer is required to provide benefits for the Employee's spouse's hospitalization on May 23 and May 24, 1990 because the Employee's spouse's physician stated that he kept her hospitalized due to the enlarged node. If the Employer will not provide benefits, it should hold the Employee harmless.

Position of the Employer: The Employer is not required to provide benefits for the room and board charges incurred by the Employee's spouse on May 23 and 24, 1993 because the services rendered could have been safely and adequately performed in an outpatient setting and were, therefore, not medically necessary.

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) states:

Article III Benefits

A. Health Benefits

_____ (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.

Article III. A. (10)(g) 3. states:

Article III Benefits

A. Health Benefits

(10) General Provisions

(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 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.

A Funds' medical consultant has reviewed the information submitted and noted that any diagnostic evaluation(s) done during the last two days of hospitalization could have been scheduled on an outpatient basis since neither emergent results nor acute medical observation was required at this stage of the patient's treatment and evaluation. The consultant has concluded that the documentation does not support the medical necessity for hospitalization on May 23 and 24, 1993. Therefore, under the provisions of the Employer Benefit Plan, the Employer is not required to provide benefits for the inpatient hospitalization charges incurred during these two days, but is required to provide benefits for the diagnostic testing, medications or any other charges which would have been incurred at a lower level of care as an outpatient.

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. It has been determined that the Employee's spouse could have been discharged on May 23, 1993. Therefore, hospitalization for the additional two days was not medically necessary, and the Employer must hold the Employee harmless from any attempts by the hospital to collect for the room charges for the final two days of hospitalization.

Opinion of the Trustees

The Employer is not required to provide benefits for the room and board charges for the Employee's spouse's hospitalization on May 23 and 24, 1993, but is required to provide benefits for the ancillary charges incurred on those days. 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 for the room charges for the final two days of hospitalization.