

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 93-080 - April 3, 1997

Trustees: Thomas F. Connors, Michael H. Holland, Donald E. Pierce, Jr., and Elliot A. Segal.

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

The Employee was admitted to the hospital for uncontrolled diabetes and hypertension. An EKG performed on the day of admission reflected changes from a prior EKG and the patient had left shoulder pain. During his inpatient stay, the Employee learned to perform his own blood sugar testing and to give himself insulin injections. On Sunday, October 8, 1995, the patient indicated that he was ready to go home. His physician declined to discharge him until after a cardiac consultation could be conducted. Since the cardiac consultants are at the hospital only on Mondays, the Employee's discharge was delayed until after the consultation on Monday, October 9, 1995.

The Employer has provided benefits for the inpatient stay through October 8, 1995, but has denied benefits for October 9, 1995 because the additional day of the admission was not medically necessary.

Dispute

Is the Employer required to provide benefits for the last day of admission?

Positions of the Parties

Position of the Employee: The Employer is required to provide benefits for the last day of admission because the Employee had to do what the physician ordered.

Position of the Employer: The Employer is not required to provide benefits for the last day of admission 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:

(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) (h) 2. states:

(10) General Provisions

(h) Explanation of Benefits (EOB) and Hold Harmless

2. 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, judgements 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. The

"hold harmless" protections available under this subparagraph do not apply until the deductible is met in full for the year, and shall not apply in the case of any service or supply obtained from a non-PPL source until the non-PPL out-of-pocket maximum is reached.

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) provides benefits for hospitalization.

A Funds' medical consultant has reviewed the information submitted and noted that the cardiac consultation done during this time 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 October 9, 1995. Therefore, under the provisions of the Employer Benefit Plan, the Employer is not required to provide benefits for the room and board charges on October 9, 1995, but is required to provide benefits for any ancillary charges on the last day which would have been incurred at a visit at a lower level of care as an outpatient.

Article III. A. (10) (h) 2. of the Employer Benefit Plan, known as the "hold harmless" provision, applies when the provider charges for services that are not medically necessary. It has been determined that the Employee could have been discharged on October 8, 1995. 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 for the room and board charges of the final day of hospitalization.

Opinion of the Trustees

The Employer is not required to provide benefits for the room and board charges for the Employee's hospitalization on October 9, 1995, but is required to hold the Employee harmless against any attempt by the provider to collect for these charges. Also, the Employer is required to provide benefits for any ancillary charges incurred during the final day that would have been incurred in an out-patient setting.