
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 98-031 – February 19, 2002

Trustees: A. Frank Dunham, Michael H. Holland, Marty D. Hudson and
Elliot A. Segal.

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

Background Facts

The Complainant has been employed in a classified position with the Respondent since September 1995. The Respondent is signatory to the 1998 National Bituminous Coal Wage Agreement (Wage Agreement) of 1998. According to the Complainant, in October 2000 the Complainant began receiving notices of non-payment of his medical bills. The Complainant brought the matter to the attention of his Plan Administrator who indicated to the Complainant that the unpaid medical bills would be paid. However, the Complainant states that since that conversation, the Respondent has paid some of his bills but others remain unpaid. As a result, the Complainant has received two collection notices and statements from providers threatening collection action if the outstanding bills are not paid.

Dispute

Is the Respondent providing health benefits coverage for the Complainant and his eligible dependants as required under the National Wage Agreement and Employer Benefit Plan?

Positions of the Parties

Position of the Complainant: The Respondent is required to pay the covered medical expenses incurred by the Complainant and his eligible dependents in a timely manner.

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 (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1998 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.

Article I (1), (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 1998, 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.

Article II A. (4) of the Employer Benefit Plan provides:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

A. Active Employees

- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

Discussion

Article XX (c)(3)(i) of the 1998 Wage Agreement requires an Employer to provide an Employer Benefit Plan that is implemented through an insurance carrier(s), for health and other non-pension benefits. It further requires that 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. Article II. A of the Employer Benefit Plan provides health benefits coverage to active employees working in classified jobs for a signatory Employer.

The Complainant in this case has received collection notices because the Respondent has failed to pay the Complainant's medical bills in a timely manner. In ROD 88-492, the Trustees addressed the issue of processing claims in a timely manner and found that the processing time taken by the Employer or its agent to adjudicate health benefit claims may not cause collection action to be taken against the beneficiary nor result in any other action that would impair the creditworthiness of the beneficiary. The Trustees also noted that the Employer must insulate and defend the beneficiary against any such actions initiated by the provider(s). Therefore, the Trustees conclude that in this case the Respondent's failure to process health benefits claims for the Complainant in a timely manner does not conform to the requirements of the National Bituminous Coal Wage Agreement or the Employer Benefit Plan.

Opinion of the Trustees

The Respondent's failure to process health benefits claims for the Complainant in a timely manner does not conform to the requirements of the National Bituminous Coal Wage Agreement of 1998 or the Employer Benefit Plan. The processing time taken by the Respondent or its agent to adjudicate health benefit claims may not cause collection action to be taken against the Complainant nor result in any other action that would impair the creditworthiness of the Complainant. The Respondent must insulate and defend the Complainant against any such actions initiated by the provider(s).