
OPINION OF TRUSTEES

In Re

Complainants: Employees
Respondent: Employer
ROD Case No: 98-046 - April 14, 2005

Trustees: Micheal W. Buckner, A. Frank Dunham, Michael H. Holland, 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 Complainants are currently employed by the Respondent, with the exception of one Complainant who ceased work on April 12, 2003.

The Complainants claim that the Respondent has failed to provide health benefits coverage as required by the Wage Agreement and the Employer Benefit Plan. Specifically, the Respondent has been slow to pay the Complainants' medical bills. As a result, the Complainants have received collection notices and statements from providers threatening collection action if the outstanding bills are not paid.

The Respondent is self-insured so that medical claims are submitted to a company that processes and pays the claims from funds provided by the Respondent. According to the Respondent, due to financial difficulties, the payment of covered medical claims has fallen behind.

Additionally, according to the Respondent, the Complainant who ceased work on April 12, 2003, was hired on October 9, 2001, off a master panel of the Complainant's previous employer. At the time of recall by the Respondent, the Complainant was receiving a deferred vested pension based on 18 years of service under the 1974 Pension Plan. Consequently, the Respondent questions whether the Complainant as a pensioner should have been on a master panel and available for recall and whether the Respondent was responsible for providing health benefits coverage for the Complainant as an Employee. The Respondent also asks which employer will be deemed the Complainant's last signatory employer when the Complainant's pension resumes.

Dispute

Is the Respondent providing health benefits coverage for the Complainants as required under the Wage Agreement and Employer Benefit Plan?

Positions of the Parties

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

Position of the Respondent: The Respondent is required to pay the Complainants' medical bills; however, due to financial difficulties, payments of covered medical claims have fallen behind.

The Respondent also raised two questions concerning the Complainant who ceased work on April 12, 2003: 1) If the Complainant as a pensioner should not have been on a master panel and available for recall, is the Respondent responsible for providing health benefits coverage for the Complainant as an employee? 2) When the Complainant's pension benefits resume, which employer will be deemed the Complainant's last signatory employer?

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 provides:

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 this Plan.

Article II. A. (1) and (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

Benefits under Article III shall be provided to any Employee who:

- (1) is actively at work* for the Employer on the effective date of the Wage Agreement; or

* * *

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

*Actively at work includes an Employee of the Employer who was actively at work on December 31, 1997, who returns to active work with the Employer two weeks after the Effective Date of the Wage Agreement.

Article II B. (3) of the 1998 Employer Benefit Plan provides:

Article II - Eligibility

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

B. Pensioners

Health benefits under Article III hereof shall be provided to Pensioners as follows:

* * *

- (3) Any person who
 - (a) has been receiving a pension under the 1974 Pension Plan,

(b) has not been previously covered as a Pensioner under this Plan,
and

(c) is employed in a classified job by the Employer after December 31, 1997, shall, upon subsequent retirement, be covered as a Pensioner under this Plan only if such person is credited with at least three or more years of service under the 1974 Pension Plan subsequent to the most recent date of employment in a classified job 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 for an active Employee working in a classified job for a signatory Employer.

The Complainants in this case have received collection notices from health providers because the Respondent has failed to pay the Complainants' medical bills in a timely manner. In ROD 88-492, the Trustees addressed the issue of processing undisputed claims in a timely manner and found that the time taken by the Employer or its agent to process and pay health benefit claims should 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 undisputed health benefits claims for the Complainants in a timely manner and its claim that it is financially unable to process existing health benefits claims do not conform to the requirements of the Wage Agreement or the Employer Benefit Plan nor relieve the Respondent from its obligation to provide appropriate coverage.

The Respondent raised two issues concerning the Complainant who ceased work. The first issue concerns the Respondent's responsibility to provide coverage for the Complainant who was receiving a pension at the time he was recalled. The Respondent questioned whether the Complainant should have been on a panel and available for recall. Under the Resolution of Dispute process, the Trustees have jurisdiction to review the provision of health benefits coverage under Article XX of the Wage Agreement. The administration of panel records is not addressed under Article XX of the Wage Agreement and is not within the scope of the Trustees' jurisdiction. The issue of whether the Complainant was eligible for health coverage as an Employee, however, falls within the Trustees' jurisdiction. Pursuant to Article II A. of the

Employer Benefit Plan, the Respondent is required to provide health benefits coverage to any Employee who is actively at work for the Employer. The Complainant was an Employee of the Respondent during the period from October 12, 2001, through April 12, 2003. Consequently, the Respondent is required to provide health benefits coverage to the Complainant and his eligible dependents during this period.

The second issue raised by the Respondent involves identifying the last signatory employer of the Complainant. Although the Respondent raised this issue during the ROD process, the issue is not ripe for the Trustees to decide. Article XX of the Wage Agreement gives the Trustees jurisdiction to resolve disputes arising under the Agreement. The dispute between the parties in this matter involves the Respondent's failure to pay medical bills incurred while the Complainant was an Employee of the Respondent. It does not involve the question of which employer will be liable for the Complainant's health benefits coverage once he became a Pensioner. If a dispute arises over this issue in the future, the Complainant and Respondent can avail themselves of the ROD process at that time.

Opinion of the Trustees

The Respondent's failure to process undisputed health benefits claims for the Complainants in a timely manner does not conform to the requirements of the Wage Agreement of 1998 or the Employer Benefit Plan. The Respondent's claim of financial difficulty does not relieve it of its obligation to provide coverage. The Respondent must insulate and defend the Complainants against any actions initiated by the provider(s).

Concerning the Complainant who ceased work on April 12, 2003, the Respondent is required to provide health benefits coverage for the Complainant and his eligible dependents as an Employee from October 12, 2001, through April 12, 2003.