
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 02-0049

Trustees: Daniel L. Fassio, Morris D. Feibusch, Michael H. Holland and Marty Hudson

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

On June 30, 2011, Complainant was diagnosed with a hearing impairment by Respondent's participating vendor, Beltone, which recommended two hearing aids for Complainant at a total cost of \$4,000. Respondent initially agreed to pay \$1,074, but subsequently offered to pay \$2,400, for the two hearing aids recommended to Complainant. Respondent believes that \$2,400 is the reasonable and customary charge for the two hearing aids. Beltone has suggested that Complainant will be responsible for the difference between the charges of \$4,000 and the amount that Respondent has agreed to pay for the two hearing aids.

Dispute

Is Respondent required to pay the full amount of the charges for the hearing aids recommended to Complainant in June 2011?

Positions of the Parties

Position of the Complainant: Respondent is required to pay the full amount of the charges for the hearing aids recommended to Complainant in June 2011 because they were recommended by a participating vendor in accordance with Art. III(A)(7)(d) of the 2002 Employer Benefit Plan.

Position of the Respondent: Pursuant to Art. III of the Employer Benefit Plan, Respondent is only required to pay reasonable and customary charges for the two hearing aids, which, in this instance, are \$2,400. Beltone offers hearing aid models at or below this price.

Pertinent Provisions

Article III(A)(7)(d) of the 2002 Employer Benefit Plan provides, in pertinent part:

(d) Hearing Aids

Benefits are provided for hearing aids recommended by a licensed otologist or otolaryngologist and a certified clinical audiologist. Such hearing aids must be purchased from a participating vendor.

The introduction to Article III of the 2002 Employer Benefit Plan provides, in pertinent part:

ARTICLE III BENEFITS

The benefits provided under this Plan are as set forth in Article III. Benefit payments are based on negotiated rates applicable to services provided by hospitals, physicians, pharmacies and other providers on Participating Provider Lists (PPL's) adopted under Article IV. During any period when PPL's are not in effect, and for covered services and supplies not offered under a PPL (or otherwise not subject to a PPL-related benefit limit), benefit payments shall not exceed reasonable and customary charges* for covered services and supplies.

* * *

* The reasonable and customary charge for any service or supply is the usual charge for the service or supply in the absence of insurance. The usual charge may not be more than the general level of charges for illness or injury of comparable severity and nature made by other providers within the geographic area in which the service or supply is provided. This is determined by the use of prevailing health care charges guides such as that prepared by the Health Insurance Association of America (HIAA).

Discussion

Art. III(A)(7)(d) of the 2002 Employer Benefit Plan provides benefits for hearing aids recommended by a licensed otologist or otolaryngologist and a certified clinical audiologist that are purchased from a participating vendor. Art. III of the 2002 Employer Benefit Plan states that benefit payments for covered services provided by providers on Participating Provider Lists ("PPL's") are based on negotiated rates. However, Art. III of the 2002 Employer Benefit Plan further states that benefit payments for covered supplies, which are not subject to a PPL-related benefit limit, shall not exceed the reasonable and customary charges for those covered supplies.

In this case, a participating vendor, Beltone, diagnosed Complainant's hearing loss and recommended the two hearing aids for Complainant. However, Respondent does not assert that the hearing aids are subject to a PPL-related benefit limit and states that the amount that it has agreed to pay is the reasonable and customary charge for the hearing aids.

The Funds' hearing aid network administrator has reviewed the facts of this case and concluded that \$4,000 would not exceed the reasonable and customary charges for the two hearing aids. Therefore, Respondent is required to pay the charges of \$4,000 for the hearing aids recommended to Complainant by the participating vendor in June 2011.

Opinion of the Trustees

Under the terms of the 2002 Employer Benefit Plan, Respondent is required to pay the full amount of the charges for the hearing aids recommended to Complainant by the participating vendor in June 2011.