
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer (Insurance Company)
ROD Case No. 13, September 18, 1979

Board of Trustees: Harrison Combs, Sr., Chairman; John J. O'Connell, Trustee; Paul R. Dean, Trustee.

Pursuant to Article IX of the United Mine Workers of America 1950 Benefit Plan and Trust, and under the authority of an exemption granted by the United States Department of Labor, the Trustees have reviewed the facts and circumstances of this dispute concerning payment of initial prescriptions, and hereby render their opinion on the matter.

Background Facts

Complainant is an active mine worker eligible for the health benefits under the Employer's Plan. The employee went to pharmacy in order to have two prescriptions filled. Each of these prescriptions was an "initial" prescription to be filled for a 50 day supply. The Pharmacist filled both prescriptions and billed the insurance company for coverage of the prescriptions' cost. The insurance company covered 60% of the charge for the initial prescriptions.

Question or Dispute

The employee has requested that the insurance company cover the entire cost of the prescriptions. The insurance company has responded that the 60% coverage of the cost represents the maximum coverage allowable for initial prescriptions. Any cost above that maximum is not covered under the Plan.

Positions of Parties

Complainant: The insurance company is responsible for entire payment of the prescriptions.

Respondent: The insurance company is not responsible for that portion of an initial prescription which exceeds the maximum coverage of a 30-day supply, allowable under Article III, Section A (4).

Applicable Regulations

- o Article III, Section A (4) (a) of the Employer Plan provides as follows:

(4) Drugs and Medications

(a) Benefits Provided

Benefits are provided for insulin and prescription drugs prescribed by a physician for treatment or control of an illness or a non-occupational accident. The initial amount dispensed shall not exceed a 30-day supply. Any original prescription may be refilled for up to six months as directed by the physician. The first refill may be for an amount up to, but no more than, a 60-day supply. The second such refill may be for an amount up to, but no more than, a 90-day supply. Benefits for refills beyond the initial six months require a new prescription by the physician.

- o Q & A #103

Please see attached.

Discussion

The governing provisions of the plan indicate that "initial" prescription is covered for a 30 day supply.

Opinion of the Trustees

The Trustees are of the opinion that the insurance company is not responsible for payment of employee's prescriptions which exceeds the maximum coverage allowable under the plan.

Date: August 22, 1979

1978 Contract Q&A

Control Number: 103

Index Reference Number: III A 4

Subject: Payment for Drug Supplies

References: Contract, Plans & Trusts: Amended 1950 & 1974 Benefit Plans and Trusts Article III, Section A (4) (a), other Q&A's

Question:

Does the Plan expressly limit payment for the first prescription of covered drugs to a 30 day supply, the first refill to a 60 day supply, and the second refill to a 90 day supply?

Answer:

Yes.