
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer and Insurer of Employer
ROD Case No: 36 - January 16, 1980

Board of Trustees: Harrison Combs, 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 the payment of medical and hospital charges incurred by the Employee of the Employer and hereby render their opinion on the matter.

Background Facts

The Employee was injured on August 31, 1975 when he was dropped 60 feet in a mine shaft. He sustained broken ribs and a broken nose in the fall. He reported experiencing pain in his back and legs, but no specific diagnosis was made as to any impairment to his knee at that time. He returned to work nine weeks later with the same employer. In September 1976, the Employee accepted a lump sum Workers' Compensation settlement based on the August 31, 1975 accident.

The Employee began working for the Respondent Employer in March 1977. He describes the nature of such work as "shoveling, lifting and walking." He claims that this work caused his legs to hurt. This was subsequently diagnosed as "torn cartilage." On August 22, 1978, the Employee underwent surgery on his left knee to correct the torn cartilage. The Respondent Employer denies responsibility for payment of the medical and surgical expenses.

Dispute

Is the Employee entitled to coverage under his Employer's benefit plan for the charges resulting from the surgery performed on the Employee's knee?

Positions of the Parties

Position of Insurer: The insurer contends that the knee surgery was causally related to the industrial accident of August 31, 1975 for which a Workers' Compensation settlement was received. Consequently, it is specifically excluded from coverage by the plan.

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Position of the Employee: The Employee feels that it would be unreasonable for an Employer to deny coverage for treatment of a disability on the basis that the disability is the result of an accident which occurred prior to commencement of employment with the Employer. In addition, the Employee argues (1) that the Plan provision excluding cases covered by Workers' Compensation (III A (10)(a)(1)) is not applicable as he is now barred from receiving coverage under Workers' Compensation provisions as a settlement has been made; and (2), while employed by the construction company, he filed a negligence suit against his present Employer who owned the site on which the construction work was being performed; therefore, the Employer's plan should pay the charges in question and subrogate in accordance with Article III A(9)(e).

Pertinent Provisions

Article III A(10)(a)(1) of the Employer's Plan.

Discussion

Article III A(10)(a)(1) of the Employer's Plan and the United Mine Workers of America 1950 and 1974 Benefit Plans and Trusts, exclude payment of "cases covered by Workers' Compensation laws or employer's liability acts or services for which an employer is required by law to furnish in whole or in part." As this applies to Workers' Compensation, the United Mine Workers of America Health and Retirement Funds ("Funds") has historically interpreted this to mean that only those services that are actually paid by Workers' Compensation shall be excluded from Funds coverage. Services which are required a number of years later, which were not paid for by Workers' Compensation, are not excluded from payment by the Funds. This has been the Funds' policy in the past, and is currently the Funds' policy.

Opinion of the Trustees

The Trustees are of the opinion that charges for the knee surgery performed on the Employee in August 1978 are a covered benefit under the Employer's Plan.