
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Insurance Carrier
ROD Case No. 78, January 28, 1980

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 non-duplication of benefits for Employee's dependents and hereby render their opinion on the matter.

Background Facts

Complainant is an active mine worker eligible for health benefits under the Employer's Plan. The Employee's spouse works outside the coal industry and is eligible for health benefits under a family plan established by her employer. Under the spouse's plan, there is a \$100 deductible for drugs and medications, and physician services. Employee and his spouse have a dependent son who is eligible for benefits under both of his parents' health benefit plan.

Question or Dispute

- 1) Which health benefit plan is considered the primary payor with regards to the Employee's spouse and son?
- 2) If the Employer's Plan is considered the secondary payor for either the spouse or son, how and at what point should claims be submitted to the Employer's Plan?

Position of Parties

Complainant: The Employee has stated that his Employer's Plan should be the primary payor with regard to his entire family until the \$100 deductible requirement under his spouse's plan is met. At that point, the spouse's plan should become primary with regard to the spouse.

Respondent: The Employer (Insurance Carrier) accepts status of primary payor with regard to the Employee and his son. The Insurance Carrier states that it is secondary payor with regard to the spouse and will pay the spouse's claims only after her benefit plan has paid as the primary.

Applicable Regulations

- o Article III Section A (9)(f) Non-Duplication provides:

"Benefits will be reduced by benefits provided under any other group plan, including a plan of another Employer signatory to the Wage Agreement.

"In determining whether this Plan or another group plan is primary (i) the Plan covering the patient other than as a dependent will be the primary plan; (ii) where both plans cover the patient as a dependent child, the plan covering the patient as a dependent child of a male will be the primary; (iii) where the determination cannot be made in accordance with (i) or (ii) above, the plan which has covered the patient the longer period of time will be the primary plan."

- o 1978 Contract Question and Answer #105, as approved by the Trustees on August 22, 1979, provides as follows:

Question: The nonduplication of benefits provisions in the 1950 and 1974 Benefit Plans and Trusts state that benefits will be reduced, in certain circumstances, by benefits provided by another group plan.

- a) Which of the following are considered group plans?

1. an individual medical coverage policy bought by a miner or a member of the miner's family;
2. a school accident policy, paid for entirely by the parents, which only covers accidents;
3. a health care plan provided through employment, coverage paid for by the employer, employee or both;
4. health coverage provided through a plan which is only available to members of a particular organization or group, i.e., Elks, AAA, YMCA

- b) If another plan is not a group plan, what effect does coverage under that plan have on payment by the Funds?

Answer: a) Numbers 3 and 4 are "group plans,"

b) Not any.

Discussion

The Employer's Plan provides that benefits will be reduced by benefits provided under any other group plan. According to the definition outlined in 1978 Contract Question and Answer #105, the health benefits plan provided under the spouse's non-coal industry employer qualifies as a group plan. In determining which of the two plans is primary for the dependent son, the Plan clearly specifies that "the plan covering the patient as a dependent child of a male will be the primary plan." Therefore, the dependent son should have benefits provided under the Employee's Insurance Carrier as primary payor.

According to Article III, Section A (9)h 2(i) of the Plan, the spouse's own health benefit plan covers her as primary payor because the plan covers her "other than as a dependent". Therefore the Employee's benefit plan should be considered the secondary payor with regard to the spouse.

Opinion of the Trustees

The Trustees are of the opinion that the Employer's Plan is primary payor with regard to the Employee and son, and secondary with regard to the spouse. The spouse must submit her claims to her own health benefit plan first. Once her plan has determined its liability as the primary payor, the claims not covered by that plan should be submitted to the Employee's health benefit Plan in order to make payment as the secondary payor.