

OPINION OF TRUSTEES

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In Re

Complainant: Employee's Father  
Respondent: Employer  
ROD Case No: 157, June 30, 1981

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 provision of health benefits to an Employee by the Employer and hereby render their opinion on the matter.

Background Facts

The Employee performed classified work for the Employer from October, 1979. In January, 1980, the Employee suffered a stroke while at work. He was immediately hospitalized and was still hospitalized as of March, 1981.

Under Article XI, Section (c) of the NBCWA of 1978, the Employer provided the Employee with 13 weeks of Sickness and Accident benefits based on the Employee's length of classified employment. Additionally, the Employee was provided with continuation of health and other non-pension benefits under the Employer's Plan through July, 1980, based on the number of hours he had worked in the 24 months prior to his last work date. His last date of health benefit coverage was July 31, 1980.

Dispute

Is the Employer responsible for provision of health and other non-pension benefits for the Employee beyond July 31, 1980?

Position of the Parties

Employee's Father's Position: In view of the state laws governing insurance coverage, the Employer should be responsible for providing benefits beyond July 31, 1980. These laws establish that if benefits cease while an Employee is hospitalized, benefits will be extended to

cover charges incurred for treatment of that particular illness or injury, but not for any new illness that develops after termination coverage.

Employer's Position: According to Article III E (1)(b) of the Employer's Plan the Employee was eligible for continuation of coverage until July 31, 1980 based on the fact that he had worked 872 hours in the 24 months prior to date of disability. Therefore, benefit coverage was terminated on August 1, 1980.

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Pertinent Provisions

- Article III, E (1)(a)(b) of the Employer's Benefit Plan which provides:

E. General Provisions

(1) Continuation of Coverage

(a) Layoff

If an Employee ceases work because of layoff, continuation of health, vision care, life and accidental death and dismemberment insurance coverage is as follows:

Number of hours worked for the employer in the 24 calendar month period prior to the date last worked.	Period of coverage continuation from the date last worked.
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-- 2,000 or more hours	Balance of month plus 12 months.
-- 500 or more but less than 2,000 hours	Balance of month plus 6 months.
-- Less than 500 hours	30 days

(b) Disability

Except as otherwise provided in Article II, Section C, if an Employee ceases work because of disability, the Employee will be eligible to continue health, vision care, life and accidental death and dismemberment insurance coverage while disabled for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (i i) the period as set forth in the schedule in (a) above.

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Discussion

According to Article III E (1)(b) of the Employer's Plan, a disabled Employee is eligible for continuation of benefit coverage while disabled for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (i i) the period set forth in the Plan schedule. Because the Employee worked 872 hours in the 24 months prior to his date last worked, he is entitled to coverage until the end of January, 1980 plus six months. At the end of this period of eligibility, continuation of coverage ceases and benefits are terminated. Therefore, the Employee is only eligible for benefit coverage through July 31, 1980.

The Employee claims that the Employer is responsible for the provision of benefits beyond July 31, 1980, because state laws would require the extension of coverage under the facts of this case. Because the exemption granted to the Trustees by the Department of Labor only authorizes the Trustees to resolve disputes pertaining to eligibility questions arising under the terms of the Employer's Plan, the Trustees may not render an opinion on the merits of this issue.

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Opinion of the Trustees

The Trustees are of the opinion that under the Employer's Plan the Employer is not required to provide health and other non-pension benefits for the Employee beyond July 31, 1980.