

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 261, October 27, 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 beyond the scheduled continuation of coverage by the Employer under the terms of the Employer's Benefit Plan and hereby render their opinion on the matter.

Background Facts

The Employee, whose birth date is August 18, 1951, worked for the Employer from 1973 to October 11, 1979, when he became disabled due to a mining injury.

He received Workers' Compensation Benefits as well as supplemental payments from Sickness and Accident Benefits from February 24, 1980, through February 28, 1981.

The Employer provided the Employee with health and other non-pension benefits from October 11, 1979, through February 28, 1981.

The Employer's insurance carrier refused to pay health services bills for charges incurred after February 28, 1981. The Employee complained that he was not notified that his benefits had been terminated as of February 28, 1981.

Dispute

Is the Employer responsible for providing benefits beyond the 12-month continuation of coverage period when the Employee is not notified that his eligibility for benefits has expired?

Positions of the Parties

Position of Employee: The Employee feels that Employer should pay the health charges incurred after February 28, 1981, because the Employee was not notified that his eligibility had expired.

Position of Employer: The Employer is only required to provide health benefits coverage for the greater of the period of the Employee's eligibility for Sickness and Accident benefits or the period set forth in Article III, E (1)(a). There is no contractual requirement that an Employer advise disabled employees of the date they cease to be eligible for benefits.

Pertinent Provisions

Article III, E (1)(a); (a), (d) 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 <u>Period Prior to the Date Last Worked</u>	Period of Coverage Continuation From <u>the Date Last Worked</u>
- 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, 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 (ii) the period as set forth in the schedule in (a) above.

(d) Maximum Continuation of Coverage

In no event shall any combination of the provisions (a), (b), or (c) above result in continuation of coverage beyond the balance of the month plus 12 months from the date last worked.

Discussion

Under Article III, E (1)(b) of the Employer's Plan, Employees who cease work because of disability are eligible for continuation of coverage for the greater of the period of eligibility for Sickness and Accident benefits or the periods set forth in Article III, E (1)(a). However, under Article III, E (1)(e), continuation of coverage may not extend beyond the balance of the month plus 12 months from the last date worked.

The Employee ceased work because of disability on October 11, 1979, and received Sickness and Accident benefits from February 24, 1980, through February 28, 1981. The Employer provided continued coverage from October 11, 1979, through February 28, 1981, a period in excess of 16 months. Therefore, the Employer clearly fulfilled his obligations under Article III, E of the Employer's Plan.

The Employee claims, however, that he was entitled to additional coverage, after February 28, 1981, because the Employer did not notify him that his eligibility had expired. The Employer's Plan does not require the Employer to notify Employees of the expiration date of their coverage.

Opinion of the Trustees

The Trustees are of the opinion that the Employer is not responsible for providing benefits for the Employee beyond the maximum period stipulated in the Employer's Benefit Plan.