

OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employers
ROD Case No: 337 - February 27, 1984

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 health services charges by the Employer under the terms of the Employer's Benefit Plan and hereby render their opinion on the matter.

Background Facts

The Complainant last worked for the Respondent on August 4, 1978. He received Sickness and Accident benefits from August 4, 1978, through August 4, 1979. His pension from the 1974 Pension Plan and Trust became effective September 1, 1979.

In September 1978, the Complainant was hospitalized for one week. His hospital charges were paid by the Respondent's insurance carrier. However, the Complainant received a bill dated December 30, 1982, from a surgical clinic for services rendered during his hospitalization from September 11, 1978, to September 18, 1978. The bill advised that the account had been deleted from the clinic's active files for third-party collection action.

The Respondent claims that it provided benefits coverage for the Complainant through its insurance carrier A from June 1978, to October 1, 1982. The Respondent changed insurance carriers on October 1, 1982, and has provided benefits coverage for the Complainant through insurance carrier B to date. Insurance carrier A has advised the Respondent that it does not maintain records beyond 12 months and, therefore, will not honor the claim.

Dispute

Is the Respondent responsible for the payment of covered health services charges for an eligible Employee which were incurred more than three years prior to the billing date?

Positions of the Parties

Position of the Complainant: The Complainant asks the Trustees to determine who is responsible for the payment of the health services charges.

Position of the Respondent: The Respondent claims that had the surgical clinic submitted the charges to the Complainant or its insurance carrier A, the charges would have been paid. Since that did not occur, the Respondent is of the opinion that the statute of limitations for claims has expired and the surgical clinic has lost its right to claim payment for services.

Pertinent Provisions

Article I. (1), (2), (4) and (5) of the Employer's Benefit Plan provide:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (coal company)
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1978, as amended from time to time and any successor agreement...
- (4) "Employee" shall mean a person working in a classified job for the Employer, eligible to receive benefits hereunder.
- (5) "Pensioner" shall mean any person who is receiving a pension, other than a deferred vested pension based on less than 20 years of credited service, under the United Mine Workers of America 1974 Pension Plan (or any successor thereto) whose last classified employment was with the Employer.

Article II A. (1) of the Employer's Benefit Plan provides:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

A. Employees

Benefits under Article III shall be provided to any employee who:

- (1) is actively at work* for the Employer on the effective date of the Plan; or...

*Actively at work includes an Employee of the Employer who was actively at work on December 5, 1977, and who returns to active work with the Employer within two weeks after the effective date of the Plan.

Article III E. (1) (a) and (b) of the Employer's Benefit Plan provide:

Article III - Benefits

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:

| <u>Number of Hours Worked for the Employer in the 24 Calendar Month Period Prior to the Date Last Worked</u> | <u>Period of Coverage Continuation from 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, 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 (ii) the period set forth in the schedule in (a) above.

Discussion

Opinion of the Trustees

ROD Case No. 337

Page 4

The Respondent does not dispute the fact that the Complainant was a beneficiary of the Employer's Benefit Plan in September 1978, when he received the surgical services for which benefits have been denied, and in 1982, when the claim for these services was first submitted to the Respondent. The Respondent's only basis for denying the claim is that the claim was submitted after the statute of limitations expired.

Neither the Employer's Benefit Plan nor the National Bituminous Coal Wage Agreement of 1978 includes a time limit within which claims must be submitted. And no such statute of limitations is included in the Employee Retirement Income Security Act of 1974, which governs employee benefit plans.

Furthermore, without commenting on whether a state statute of limitations could be applied to a claim against an employee benefit plan, the Trustees note that the Virginia statute of limitations for a claim based on a written contract is five years. Thus, even if this state statute of limitations applies here, it would not bar the Complainant's claim. Therefore, the Respondent may not deny the Complainant's claim on the basis that it was submitted after the statute of limitations had expired.

The Trustees acknowledge the Respondent's statement that it has changed insurance carriers since the Complainant received the surgical services in question and that the previous insurance carrier has refused to pay the claim because it has destroyed certain records covering the period when the services were provided. Nevertheless, any arrangements made by the Employer with an insurance carrier regarding the provision of benefits coverage are private arrangements, which have no effect on the Employer's obligation to pay benefits under the terms of the Employer's Benefit Plan.

Opinion of the Trustees

The Trustees are of the opinion that the Respondent may not deny the Complainant's claim on the basis that it was submitted after the statute of limitations had expired. The Respondent is responsible for payment of benefits for the surgical services provided to the Complainant during his September 1978 hospitalization, subject to any excessive fee or other limitation set forth in the Employer's Benefit Plan.