

OPINION OF TRUSTEES

In Re

Complainant: Disabled Pensioner
Respondent: Employer
ROD Case No: 81-402 - March 26, 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 provision of benefits for a disabled Pensioner who has received a lump sum Workers' Compensation settlement, and hereby render their opinion on the matter.

Background Facts

on March 17, 1977, the Complainant suffered an injury while working in a classified position for the Respondent. Subsequently, the Complainant received Social Security Disability Insurance benefits and Medicare benefits as a result of injuries sustained in his mine accident. In addition, he was awarded a minimum disability pension under the UMWA 1974 Pension Plan.

The Complainant received Workers' compensation benefits for a permanent total disability caused by his March 17, 1977 injury. These benefits were paid on a weekly basis for a period of 329 weeks. On April 21, 1983, a lump sum settlement agreement was signed by the Complainant, the Complainant's attorney, and the Respondent. The agreement provided a total cash settlement of \$134,021.50, including \$103,898.94 for loss of income and \$30,122.56 for future medical claims. This settlement was approved by the state Workers' Compensation Board on April 25, 1983.

In June, July, and September, 1983, the Complainant received medical services related to his compensable injury. In a letter dated November 14, 1983, he was notified that the Plan Administrator of the Respondent's Employer's Benefit Plan had denied payment for these services. He was also informed that future claims for medical care related to his mine injury would also be denied because his compensation settlement included payment for future medical claims. A portion of the charges for these services was, however, paid by Medicare.

The Complainant now asks the Trustees to decide whether he is entitled to benefits under the Employer's Benefit Plan for the above services or for any subsequent services related to his compensable injury.

Dispute

Is the Respondent responsible for the provision of health benefits for services related to the Complainant's compensable injury suffered on March 17, 1977?

Position of the Parties

Position of the Complainant: The Respondent is responsible for coverage of medical expenses, related to his compensable injury, in excess of Medicare's payment.

Position of the Respondent: The Complainant was awarded a lump sum Workers' Compensation settlement for future medical services related to his injury totalling \$30,122.56. In addition, Article 555 A.(II) (a) 1. of the Employer's Benefit Plan specifically prohibits payment for "(C)ases 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."

Pertinent Provisions

Article I (I) and (5) of the 1981 Employer's Benefit Plan provide:

Article I - Definitions

The following terms shall have the meanings set forth:

- (1) "Employer" means (name of coal company)
- (5) "Pensioner" shall mean any person who is receiving a pension, other than (i) a deferred vested pension based on less than 20 years of credited service, or (ii) a pension based in whole or in part on years of service credited under the terms of Article 55 G of the 1974 Pension Plan, or any corresponding paragraph of any successor there to, under the 1974 Pension Plan (or any successor thereto), whose last classified signatory employment was with the Employer, subject to the provisions of Article IS 9 of this Plan.

Article 55 9. (I) of the 1981 Employer's Benefit Plan provides:

Article II - Eligibility

- B. Pensioners

Health benefits and life insurance under Article III hereof shall be provided to Pensioners as follows:

(1) Any Pensioner who is not again employed in employment subsequent to

(a) Any Pensioner's initial date of retirement under the 1974 Pension Plan, and

(b) June 7, 1921,

shall be eligible for coverage as a Pensioner under, and subject to all other provisions of this Plan. Notwithstanding (i) and (ii) of the definition of Pensioner in Article I(5) of this Plan, any such Pensioner who was eligible for benefits under the 1974 Benefit Plan as a Pensioner on December 5, 1977, shall be eligible for such benefits, subject to all other provisions of this Plan.

Article III A. (II) (a) 1. of the 1981 Employer's Benefit Plan provide:

Article III - Health Benefits

A. Health Benefits

(11) General Exclusions

(a) In addition to the specific exclusions otherwise contained in the Plan, benefits are also not provided for the following:

1. 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.

Discussion

Article II B. (1) of the Employer's Benefit Plan requires that health benefits be provided to persons, such as the Complainant, who are receiving minimum disability pension benefits. The Respondent does not contest its responsibility for providing benefits to the Complainant for all covered services except those related to the compensable injury. The Respondent contends, however, that medical services attributable to the compensable injury are covered under state worker's compensation law, and are therefore excluded under Article III A. (II) (a) 1. of the Employer's Benefit Plan. Article III A. (II) (a) I. excludes payment under the Employer's Benefit Plan for services covered by worker's compensation laws.

The evidence presented by the parties demonstrates that the Complainant and the Respondent entered into a final Worker's Compensation settlement of all of the Complainant's claims arising out of his March 17, 1977 injury. The Complainant was represented by an attorney, and the settlement was approved by the state Worker's Compensation Board. Under the terms of the settlement, the Complainant received a lump sum cash award to compensate him for lost income over his remaining life expectancy, and an additional lump sum amount of \$30,122.56 specifically allocated for the payment of his future medical expenses. As part of the settlement agreement, the Complainant and his attorney executed a Final Compensation Settlement Receipt which provided that the lump sum amounts received by the Complainant were paid in final settlement and satisfaction of all claims for compensation attributable to the Complainant's compensable injury.

It is apparent from this settlement agreement that medical services attributable to the Complainant's compensable injury are covered under the worker's compensation law, and that the Complainant has received payment for these services. Accordingly, under Article III A. (II) (a)1. of the Employer's Benefit Plan, the Respondent is not responsible for payment for services related to the Complainant's compensable injury.

Opinion of the Trustees

The Respondent is not responsible under the Employer's Benefit Plan for the payment for services rendered to the Complainant related to his compensable injury.