

Opinion of Trustees
Resolution of Dispute
Case No. 81-421

April 19, 1983

(Opinion issued in letter form; name and address deleted)

Re: Opinion of Trustees
Resolution of Dispute
Case No. 81-412

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 your Request for Resolution of Dispute concerning the level of health benefits coverage for physician services.

Under Article III A. (11)(a) 12. of the Employer's Benefit Plan, the Plan Administrator has the sole authority to determine whether a charge is excessive. The Trustees may, however, resolve disputes involving excessive fees to the extent that they may determine whether the Plan Administrator has adopted and applied procedures calculated to arrive at an excessive fee determination.

In this case, the insurance carrier determined that \$175.00 of the \$350.00 total charge is excessive. The Employer did not respond to the Trustees' requests for the methodology adopted and used to determine that the fee was excessive.

The Employer has failed to carry out its obligations under the Employer's Benefit Plan by not assuming responsibility for the excessive fee procedures used in this instance. The Trustees are asked to believe that the Employer is unable to obtain a copy of its own insurance carrier's procedures. Moreover, instead of taking any actions to fulfill its responsibilities under Article III A. (10)(g) of the Plan to shield the Beneficiary from the effects of excessive fee denials, the Employer instructed the Complainant to contact the insurance carrier and, after the carrier declined to change its decision, suggested that the Complainant contact the Insurance Commission of the State of West Virginia.

Based on the information contained in the file, the Trustees are unable to determine that the Plan Administrator used reasonable procedures to arrive at an excessive fee determination. We are, therefore, remanding the case to the Plan Administrator to develop, if necessary, and apply reasonable procedures to arrive at an excessive fee determination in this case, and to take affirmative steps to live up to its commitment to shield beneficiaries from providers who attempt to collect excessive fees.

Sincerely,

Harrison Combs, Chairman

John J. O'Connell, Trustee

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Paul R. Dean, Trustee
