

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 81-509 - April 29, 1985

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William B. Jordan, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee.

Pursuant to Article IX of the United Mine Workers of America ("UMWA") 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 coverage for obstetrical and maternity services for a laid-off Employee's wife under the terms of the Employer Benefit Plan. They hereby render their opinion on the matter.

Background Facts

The Complainant worked in a classified position for the Respondent from July 33, 1983, until he was laid off on June 24, 1983. He worked over 2000 hours in the 24 consecutive calendar months preceding his layoff. The Complainant has stated that his wife became pregnant in April or May of 1984, and in accordance with the Employer Benefit Plan (Plan) that had been given to him at the commencement of his employment, he assumed that all costs for her pregnancy would be covered pursuant to Article III D (3)(a) (Continuation of Coverage) and Article III A. (30) (a) (2) (ii) (General Exclusions) of the 3978 Employer Plan as amended on April 29, 1979.

The Respondent has stated that Article III A. (30) (a) (2) (ii) of the 1983 Plan, in effect at the time services were provided, precludes benefits coverage for the Complainant's wife's obstetrical costs beyond June 1984, since on that date the Complainant ceased to be eligible for benefits coverage. The Respondent further stated that notification of changes to the 1981 Employer Plan were mailed to each Employee's home address on November 2, 1981, and March 25, 1982, respectively, and that a reference to these changes also appeared in an April 1982 edition of the company newsletter that was sent to all Employees.

The Employee claims that he never received information regarding these changes to the Plan and would not had pursued pregnancy knowing that obstetrical and maternity costs would not be covered past June 1984.

Dispute

Is the Respondent responsible for coverage of obstetrical and maternity costs for the Complainant's wife after June 1984?

Position of the Parties

Position of the Complainant: The Respondent is responsible for providing obstetrical and maternity benefits coverage because it failed to inform the Complainant of 1981 changes to the Employer Plan.

Position of the Respondent: The Respondent is not responsible for medical services rendered subsequent to June 1984, the date that the Complainant ceased to be eligible for benefits coverage under the terms of the 1981 Employer Benefit Plan.

Pertinent Provisions

Articles I (3) (2) (4) and (7) of the 1978 and 1983 Employer 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 1981, 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 forth in Article III hereof.
7. "Dependent" shall mean any person described in Section D of Article II hereof.

Article II A(2) and D(1) of the 1978 and 1981 Employer Benefit Plan provide:

Article II - Eligibility

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

A. Active Employees

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

2. Is on layoff or disabled from the Employer and had continuing eligibility as of the effective date of the [Wage Agreement (1981)] Plan for coverage under the 1978 Employer Benefit Plan ("prior Plan") as a laid off or disabled employee. Coverage for such laid off or disabled Employees shall not continue beyond the date when they would no longer have been eligible for such coverage under the provisions of the prior Plan.

D. Eligible Dependents

Health benefits under Article III shall be provided to the following members of the family of any Employee, Pensioner, or disabled Employee receiving health benefits pursuant to paragraphs A, B, or C of this Article II.

1. A spouse who is living with or being supported by an eligible Employee or Pensioner.

Article III A(10) (a)(2)(ii) of the 1978 Employer Benefit Plan as amended provides:

Article III - Benefits

(10) General Exclusions

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

(2) Services rendered

- (i) prior to the effective date of a beneficiary's eligibility under the Plan, or
- (ii) subsequent to the period after which a beneficiary is no longer eligible for benefits under the Plan; however, coverage as described in Article III, Sections A(1), (h), and (3) (c) will be provided for a pregnancy which commenced prior to the pregnant person's termination of insurance. However, no extended benefits are payable for such pregnancy, if her insurance ends because the Group policy

ceases or coverage ends on the class of which she is a member. In no event will extended benefits be payable for charges incurred due to pregnancy on or after the date the person becomes covered under any other arrangement for individuals in a group.

Articles III A(11)(a)(2)(ii) and D (1)(a) of the 1981 Employer Benefit Plan provide:

Article III - Benefits

(11) General Exclusions

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

(2) Services rendered

(ii) subsequent to the period after which a Beneficiary is no longer eligible for benefits under the Plan;

D. General Provisions

1. Continuation of Coverage

(a) Layoff

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

Number of Hours Worked for
the Employer in the 24
Consecutive Calendar Month
Period Immediately Prior to Period of Coverage
the Employee's Date Continuation from the
 Last Worked Date Last Worked

2,000 or more hours Balance of month plus 12 months

500 or more but less than Balance of month plus 6 months
2,000 hours

Less than 500 hours 30 days

Discussion

The Complainant worked in a classified position for the Respondent from July 33, 1983, to June 24, 1983, when he was laid off. The Funds' records show that he worked more than 2000 hours during the 24 consecutive calendar months prior to his layoff. Accordingly, under Article III D (1)(a) of the Employer Plan, his benefits coverage extended through June 30, 1984.

The Complainant states that when he commenced work with the Respondent in 1981, he was given a 1978 Employer Benefit Plan as amended on April 29, 1979. This amended Plan provided benefits coverage for pregnancy commencing during eligibility for coverage under the Plan. A change in the 1981 Wage Agreement, in Article III A (11)(a)(2)(ii), precludes benefits coverage for obstetrical and maternity costs beyond an Employee's last date of eligibility for benefits under the Plan. Under the language of the 1981 Employer Benefit Plan, the Complainant's wife would not be eligible for obstetrical and maternity benefits after June 30, 1984, because the Complainant's coverage ended on June 30, 1984. The Complainant maintains, however, that he should not be bound by the coverage modification in the 1981 Employer Benefit Plan, because he was never notified of this change nor any other subsequent changes to the Plan made by the 1981 Wage Agreement.

In its response to the Complainant's allegations, the Respondent has provided evidence that it took reasonable measures to inform its Employees of changes to the 1978 Plan. Information provided shows that on November 2, 1983, and March 25, 1982, letters advising of changes to the Plan were sent out by first class mail to all Employees at their home addresses. The Respondent states there is no evidence in the Complainant's file to indicate his letters were returned as undelivered. In addition, a copy of the company's April 1982 newsletter, sent to all Employees, makes reference to Plan changes. Although the Complainant claims he never received notification of these changes, the Trustees conclude that sufficient evidence has been presented by the Respondent to demonstrate that it took reasonable measures to inform its Employees of changes to the Employer Benefit Plan. The Trustees therefore conclude that the Respondent is not responsible for benefits coverage for the Complainant and his eligible dependents beyond June 30, 1984.

Opinion of the Trustees

The Employer is not responsible for benefits coverage for the Complainant and his eligible dependents beyond June 30, 1984.