

October 29, 1985

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

Re: Opinion of the Trustees
Resolution of Dispute
Case No: 81-556

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 level of health benefits coverage provided by the Employer.

The Employee began working for the Employer in a classified position in November of 1979. The Employer provided health benefits coverage for the Employee and his eligible dependents pursuant to its Employer Benefit Plan until the termination of such coverage on May 31, 1984. The Employee continued working for the Employer until he was laid off on September 20, 1984. On October 20, 1984, the Employer reinstated the Employee's health benefits coverage by securing coverage through a different insurance carrier.

The Employee has submitted medical invoices with dates of service between May 31, 1984 and October 20, 1984 claiming that such invoices have been denied under the Employer Benefit Plan. The Employee has also submitted the provisions of the new coverage that became effective October 20, 1984 which state that benefit payments are subject to \$100 deductible amount and, thereafter, are paid up to 80% of the cost of the service.

As the Employee's representative, you have asked whether the Employer must provide health benefits coverage for the Employee and his eligible dependents at the level prescribed by the Employer Benefit Plan required to be established pursuant to the 1981 National Bituminous Coal Wage Agreement ("Wage Agreement").

In a telephone discussion with a Funds' staff member on February 6, 1985, the Employer acknowledged its responsibility to provide health benefits coverage to the Employee at the level specified by the Employer Benefit Plan from May 31, 1984 until the Employee's coverage was reinstated on October 20, 1984. On February 21, 1985, the Funds sent a letter to the Employer confirming that discussion and its agreement to provide such coverage for the Employee.

However, the Employer has failed to pay any medical charges incurred by the Employee or his eligible dependents during the period May 31, 1984 to October 19, 1984. Consequently, you have asked that the Trustees reconsider the dispute and issue an opinion regarding the Employer's obligations in this matter.

Because the Employer has failed to respond to all requests, especially the Trustees' written request of September 12, 1985 to provide its position in this matter, the Trustees must decide the dispute based on the available information.

Article XX (C)(3)(i) of the National Bituminous Coal Wage Agreement of 1981 provides that "each signatory Employer shall establish and maintain an Employee benefit plan to provide, implemented through an insurance carrier(s), health and other non-pension benefits for its Employees covered by this Agreement ... The benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this agreement by that Employer at levels set forth in such plans."

Article II A. (1) and (4) of the Employer Benefit Plan as established by the 1981 Wage Agreement provides health benefits coverage for Employees "actively at work for the Employer on the effective date of the Wage Agreement." New Employees will be eligible for health benefits coverage from the first day of employment with the Employer. Furthermore, Article III D. (1) (a) of the Employer Benefit Plan provides for continuation of benefits coverage for active Employees who are laid off for a period based upon the number of hours worked for the Employer during the twenty- four (24) consecutive calendar month period immediately prior to the Employee's last date worked. Based upon his hours worked during the twenty-four (24) consecutive calendar month period prior to September 20, 1984, his last day worked prior to layoff, the Employee is eligible for continuation of benefits coverage from September 21, 1984 to September 30, 1985 pursuant to the terms of Article III D. (1) (a) of the Employer Benefit Plan as established by the 1981 Wage Agreement.

You have stated that health benefits coverage was provided for the Employee and his eligible dependents by the Employer until May 31, 1984. However, the Complainant was an active Employee as defined by Article II A. (1) and (4) of the Employer Benefit Plan until his layoff on September 20, 1984, and, thereafter, was eligible for continuation of benefits coverage as a laid-off Employee through September 30, 1985. Accordingly, the Employer is responsible for the provision of health benefits coverage for the Employee and his eligible dependents at the level prescribed by the Employer Benefit Plan during the Complainant's total period of eligibility, including the period May 31, 1984 through September 30, 1985.

The Employee has submitted evidence indicating that health benefits coverage effective October 20, 1984 through a new insurance carrier does not meet the requirements of the Employer Benefit Plan established by the 1981 National Bituminous Coal Wage Agreement in that it subjects benefits payments to deductibles and co-insurance payments which are inconsistent with the terms of the Plan. Benefits levels to be provided to Employees, Pensioners and their dependents and survivors are established through collective bargaining and are not subject to unilateral change by either party. Accordingly, the Employer is responsible for the provision of

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health benefits coverage for the Employee and his eligible dependents for his period of eligibility at the levels prescribed by the Employer Benefit Plan.

Sincerely,

Joseph P. Connors, Sr., Chairman

Paul R. Dean, Trustee

William B. Jordan, Trustee

William Miller, Trustee

Donald E. Pierce, Jr., Trustee