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## OPINION OF TRUSTEES

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### In Re

Complainant: Employee  
Respondent: Employer  
ROD Case No: 81-573 - April 29, 1985

Board of Trustees: Joseph 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 level of health benefits coverage under the terms of the Employer Benefit Plan. They hereby render their opinion on this matter.

### Background Facts

The Complainant worked as a classified Employee for the Respondent from July 7, 1981, to September 1984. Information presented to the Funds shows that unpaid medical bills were incurred from March 12, 1981, to January 4, 1982. This dispute arises from the Complainant's belief that the Respondent has failed to provide him and his dependents with health benefits coverage at the level specified in the Wage Agreement. A garnishment in the amount of \$601.60 was issued against him on December 7, 1984.

The Respondent maintains that any bills incurred by the Complainant prior to the commencement of his employment on July 7, 1981, are not covered. In addition, it has stated that the Complainant failed to pay his co-payments as specified in the Employer Benefit Plan and therefore accumulated a balance due. The Respondent does acknowledge that there was a change in insurance carriers in August of 1981 which might have caused some confusion, but claims that every effort has been made to sort out those charges for which it is responsible.

### Dispute

Is the Respondent responsible for payment of \$601.60 in medical charges incurred by the Complainant and his dependents from March 12, 1981, to January 4, 1982?

### Positions of the Parties

Position of the Complainant: The Respondent is responsible for provision of benefits coverage at the level specified in the Benefit Plan.

Position of the Respondent: The Respondent is not responsible for charges incurred prior to the Complainant's employment nor for charges representing co-payments which are the Complainant's responsibility under the Benefit Plan.

Pertinent Provisions

Article I (1) (2) and (4) of the Employer Benefit Plan provides:

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.

Article II A(1) and (4) of the 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:

1. is actively at work\* for the Employer on the effective date of the Wage Agreement;
4. A new Employee will be eligible for health benefits from the first day worked with the Employer.

Article III A(8) and (11) (a) 18 of the Employer Benefit Plan provide:

Article III - Benefits

A. Health Benefits

8. Co-Payments

Certain benefits provided in this Plan shall be subject to the co-payments set forth below and such co-payments shall be the responsibility of the Beneficiary. The Plan Administrator shall implement such procedures, as deemed appropriate to achieve the intent of these co-payments. Beneficiaries and providers shall provide such information as the Plan Administrator may require effectively administer these co-payments, or such Beneficiaries providers shall not be eligible for benefits or payments under this Plan. Any overpayments made to a provider who over-charges the Plan in lieu of collecting the applicable co-payment from a participant or Beneficiary shall be repaid to the Plan Administrator by such provider.

For purpose [sic] of this paragraph (8), the working group shall be deemed to be Beneficiaries who are described in Article II A C(3) and their eligible dependents. The non-working group shall be deemed to be Beneficiaries who are described in Article II B, C(2) and E and their eligible dependents.

Co-Payments for Health Benefits are established as follows:

Benefit	Co-Payment
(a) Physician services as an outpatient as set forth in section A(2) and physician visits in connection with the benefits set forth in section A(3), paragraph (c) but only for pre- and post-natal visit if the physician charges separately for such visits in addition to the charge for delivery, and paragraphs (g) through (m), paragraph (n) except inpatient surgery, paragraph (o) and section A (7) paragraph (f)	Working Group -- \$7.50 per visit up to a maximum of \$150 per 12-month period* per family.  Non-Working Group - \$5 per visit up to a maximum of \$100 per 12-month period* per family.
(b) Prescription Drugs and in-sulin as set forth in section A(4) and take-home drugs following a hospital confinement as set forth in section A(1)(a).	in-\$5 per prescription or refill up to a \$50 maximum per 12-month period* per family. <u>Note:</u> For purposes of this co-payment provision, a prescription or refill shall be deemed to be deemed to be each 30 days (or fraction thereof) supply.

If an employee is covered under an employer Plan (established pursuant to the NBCWA of 1978) by more than one signatory employer during a 12-month period\*, the total Co-payments made by the employee during such period shall be counted toward the 12-month maximum.

\*March 27, 1981 to March 26, 1982  
March 27, 1982 to March 26, 1983  
March 27, 1983 to March 26, 1984  
March 24, 1984 to September 30, 1984

(11) General Exclusions

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

18. Finance charges in connection with a medical bill.

Discussion

Under Article II A(1) and (4) of the Employer Benefit Plan, persons who are actively at work for the Employer on the effective date of the Wage Agreement are eligible to receive health benefits pursuant to Article III of the Plan. Persons employed after the date of the Wage Agreement will be eligible from the first day worked with the Employer. Information reported to the Funds shows that the Complainant was actively employed by the Respondent from July 7, 1981, through September 1984, and is therefore eligible for health benefits coverage during that time.

An examination of the medical charges shows that \$135.00 of the \$601.60 judgment has been paid by the Respondent's insurance carrier and credited to the Complainant's account, reducing the total amount outstanding to \$466.60. It has also been established that \$175.00 of that amount represents charges incurred prior to the Complainant's employment with the Respondent. Since Article II A (4) provides for benefits coverage for a new Employee from the first date worked for the Employer, this amount is not the Employer's responsibility.

Further evaluation of the charges shows that \$60.00 represents unpaid co-payments. Article III A (8) of the Employer Benefit Plan specifies that certain benefits provided in the Plan are subject to co-payments to be paid by the Beneficiary; these charges are the responsibility of the Complainant. The remaining charges in question are for \$42.50 on August 10, 1981, \$140.00 on August 17-20, 1981, as well as a finance charge of \$29.10.

The Respondent maintains that its insurance carrier states it has never received the billings of August 10 and August 17-20, 1981. The Trustees conclude, however, that because the Respondent is responsible for providing health benefits coverage at the level specified in the Wage Agreement, it is responsible for payment of those charges which are within the scope of coverage under the Plan (excluding applicable co-payments) upon proper submission of itemized claims information.

In reference to the finance charge, Article III A (11) (a) 18 of the Employer Benefit Plan specifically excludes from coverage finance charges in connection with medical services.

Opinion of the Trustees

The Respondent is responsible for payment of those medical charges, excluding co-payments, attributable to services covered under the Employer Benefit Plan which were incurred by the Complainant during the period of his employment from July 7, 1981, through January 4, 1982, upon proper submission of itemized claims information.