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## OPINION OF TRUSTEES

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### In Re

Complainant: Employees  
Respondent: Employer  
ROD Case No: 84-030 - August 27, 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 Employees under the terms of the Employer Benefit Plan. They hereby render their opinion on this matter.

### Background Facts

The Complainants are classified Employees of the Respondent who maintain that the Respondent is currently utilizing an 80/20 health coverage plan which obligates Employees to pay 20% of the incurred medical charges to the provider at the time of the service. The Complainants believe that this is in violation of the 1984 Coal Wage Agreement, which sets forth specific co-payments (\$7.50) for rendered medical services.

The Respondent maintains that it is complying with the 1984 Coal Wage Agreement. It states that although it does utilize an 80/20 health coverage plan which helps cut costs, the Employees are reimbursed by the Respondent for any expenses they pay to the provider over the \$7.50 co-payment. Medical bills and receipts must be submitted to the Plan Administrator for this reimbursement.

In support of its position, the Respondent has cited the portion of Article XX (10) "Explanatory Note on Employer Provided Health Plans" which states that, ..."In some instances, when the Employee pays for services or drugs, the bills should be obtained and submitted with the claim form according to the instructions on the claim form."

### Dispute

Is the provision of an 80/20 health coverage plan by the Respondent in violation of the 1984 Coal Wage Agreement?

### Position of the Parties

Position of the Complainants: The Respondent is in violation of the 1984 Coal Wage Agreement by its use of an 80/20 health coverage plan.

Position of the Respondent: The Respondent is in compliance with the 1984 Coal Wage Agreement because the Employee ultimately is only responsible for payment of the specified deductible and co-payments.

Pertinent Provisions

Article XX (10) of the 1984 Coal Wage Agreement provides in pertinent part:

Article XX - Health and Retirement Benefits

(10) Health Care

- (g) Benefits for office visits to physicians, house calls by physicians, in-hospital medical care, visits to a clinic or the out-patient department of a hospital will be subject to a \$7.50 per visit co-payment in the case of working miners and their dependents up to an annual maximum of \$150 per family and will be subject to a \$5.00 per visit co-payment in the case of retired miners (and surviving spouses) and their dependents up to an annual maximum of \$100 per family.

Explanatory Note on Employer Provided Health Plans

Active miners and their surviving spouses and dependents, and pensioners, their dependents, and surviving spouses receiving pensions from the 1974 Pension Plan, will receive health care provided by their Employer through insurance carriers. A health services card identifying the Participant's eligibility for benefits under the health plan shall be provided by the Employer.

The Trustees of the UMWA Health and Retirement Funds shall resolve any disputes to assure consistent application of the health plan provisions which are identical to the benefit provisions of the 1950 Benefit Plan and Trust.

The following co-payments are required under the plan:

	<u>Working Miners</u>	<u>Non- Working</u>
Prescription Drugs	\$5.00 per prescription	\$5.00 per prescription
Physician Charges	\$7.50 per visit	\$5.00 per visit

No family will have to pay more than the following co-payments in any year:

	<u>Working Miners</u>	<u>Non- Working</u>
Prescription Drugs	\$ 50.00	\$ 50.00
Physician Charges	<u>\$150.00</u>	<u>\$100.00</u>
Total	\$200.00	\$150.00

Claim forms will be available at most hospitals, clinics, and physician offices. Generally, nothing more is required than signing the forms authorizing the hospital, clinic, or physician to bill the insurance carrier for the services rendered. The insurance carrier will keep individual records for each Participant and dependent and will notify the Participant of the co-payments credited to his account. The hospital, clinic, or physician will bill the Participant for the co-payment amount until the maximum is reached. In some instances, when the Employee pays for services or drugs, the bills should be obtained and submitted with the claim form according to the instructions on the form. If the annual co-payment maximum has been reached, the carrier will remit to the Participant the full payment for covered benefits.

Covered drug prescriptions may be filled at drugstores, clinics and hospital prescription offices.

Each Participant will receive a "Summary Plan Description" booklet. Each year a financial report of the Plan will be provided to each Participant.

Articles I (1), (2) and (4) of the 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 1984, 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) of the Employer Benefit Plan provides:

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; or...

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 to effectively administer these co-payments, or such Beneficiaries or 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 and C(3) and their eligible dependents. The non-working group shall be deemed to be Beneficiaries who are described in Article II B, C(1), C(2) and E and their eligible dependents.

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\*"Actively at work" includes an Employee of the Employer who was actively at work on September 30, 1984, and who returns to active work with the Employer within two weeks after the effective date of the Wage Agreement.

Article III A. (8) of the Employer Benefit Plan provides:

Co-payments for Health Benefits are established as follows:

Benefit	Co-Payment
(a) Physician services as an out-patient 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 insulin as set forth in Section A(4) and take-home drugs following a hospital confinement as set forth in Section A(1)(a). If an employee is covered under an employee 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.	\$5 per prescription or refill up to a \$50 maximum per 12-month period* per family. For purposes of this co-payment provision, a prescription or refill shall be deemed to be each 30 days (or fraction thereof) supply.

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\*The 12-month periods shall begin on the following dates: March 27, 1984; March 27, 1985; March 27, 1986 and March 27, 1987.

Under Article XX (10) of the 1984 Coal Wage Agreement, health care benefits are guaranteed during the term of the Agreement, subject to terms of the Agreement at the level of benefits provided in the 1950 Benefit Plan, 1974 Benefit Plan and the Employer Benefit Plan.

Article XX (10) (g) of the Agreement and Article III A (8) of the Employer Benefit Plan, specify that the beneficiary will be subject only to a co-payment of \$5.00 or \$7.50 per office visit, house call, in-hospital medical admission and clinic or out-patient-department visit.

The claims payment procedures and the obligations of Plan Participants are further defined under Article XX (10) of the Wage Agreement. In addition to stipulating the co-payment per visit and the annual co-payment maximum, this provision describes the usual procedure for filing claims as one in which the Participant is expected to authorize direct payment for the provider care and pay the co-payment charge until the maximum is reached. The language cited by the Respondent in the Explanatory Note to Article XX (10), providing for circumstances when the Employee pays for the services or drugs, clearly is provided as an alternative method for recovery of payments made under circumstances in which payment in the usual manner is not feasible.

Levels of benefits to be provided to Employees, Pensioners and their dependents and survivors which are established through collective bargaining may not be unilaterally changed. The Trustees conclude that the Respondent's use of an 80/20 health coverage plan is inconsistent with the provisions of the Wage Agreement and the Employer Benefit Plan.

#### Opinion of the Trustees

The Respondent's use of an 80/20 health coverage plan is inconsistent with the express provisions of the 1984 Coal Wage Agreement.