OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 84-090 - June 4, 1986

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 level of health benefits coverage for a laid-off Employee under the terms of the Employer Benefit Plan.

Background Facts

While employed in a classified position for the Respondent, the Complainant suffered a broken hip in a compensable mine accident on January 13, 1984 and consequently ceased working on that day. Information supplied to the Funds indicates that the Complainant worked in excess of 2,000 hours for the Respondent in the 24 consecutive calendar month period prior to his injury. Accordingly, the Respondent provided extended health benefits coverage from January 14, 1984 through January 31, 1985. In addition, as required by West Virginia Worker's Compensation law, the Respondent extended health benefits coverage beyond January 31, 1985, for the period the Complainant received temporary total Worker's Compensation benefits.

On April 4, 1985, it was determined that the Complainant would require open heart surgery and the operation was scheduled for April 29, 1985. On April 11, 1985, the West Virginia Worker's Compensation Fund informed the Complainant that, without further medical evidence, his temporary total disability benefits would be suspended on April 18, 1985 and his claim for such benefits would be closed on June 20, 1985. The Respondent received a copy of the Worker's Compensation Fund's letter. On April 29, 1985 the Complainant underwent open heart surgery. The Respondent continued to provide benefits coverage through June 6, 1985. At that time the Complainant began to receive notices of denied claims indicating that his benefits coverage was not in effect at the time the expenses were incurred. On June 20, 1985 the Respondent informed the Complainant by letter that health benefits coverage for the Complainant and his eligible dependents was terminated as of March 28, 1985. On June 21, 1985, the Worker's Compensation Fund informed the Complainant that inasmuch as he had not submitted medical evidence showing that he was still disabled and unable to work, his

claim for temporary total disability benefits was now closed. The Respondent also received a copy of that letter.

The Respondent has stated that on August 26, 1985 the Complainant approached a company representative following a health benefits presentation and submitted several outstanding bills for services received related to his heart surgery. At that time it was explained that his health benefits would normally have been terminated after twelve months; however, under West Virginia State Worker's Compensation law, health benefits coverage could not be terminated as long as he was receiving temporary total disability benefits. When advised that the Complainant's Compensation benefits had been terminated, the Respondent's representative told him if he could not return to work his doctor should request that his temporary total disability benefits award be re-opened. He cautioned the Complainant that his claim for temporary total disability benefits could not be reopened if he petitioned for and received a permanent partial disability award. On September 9, 1985, the Respondent again informed the Complainant that his health benefits coverage had been terminated effective March 28, 1985.

The Complainant has stated that in September 1985, a meeting arranged by a UMWA District Representative was held to discuss his health benefits coverage with company representatives. He stated that he was told that nothing could be done to extend his coverage. He was, however, offered an opportunity to convert to private coverage which he declined as being too expensive.

On October 28, 1985, the Complainant was informed by the Workers' Compensation Fund that he had been awarded an 8% permanent partial disability award and that by virtue of such an award, his claim for a temporary total disability was closed.

Although the 1984 Summary Plan Descriptions were not available to employees until June 10, 1985, the Complainant has stated that he had received copies of previous Summary Plan Descriptions.

The Complainant has submitted unpaid medical invoices for services rendered in conjunction with his open heart surgery and has asked whether the Respondent is responsible for the payment of these charges. Although the Respondent has paid claims incurred through June 5, 1985, it has denied responsibility for the payment of the remaining medical charges in question, stating that it satisfied its obligation under the Employer Benefit Plan by providing continued coverage from January 14, 1984 through January 31, 1985.

Dispute

Is the Respondent responsible for the payment of the medical charges incurred as a result of the Complainant's open heart surgery performed on April 29, 1985?

Position of the Parties

Position of the Complainant: The Complainant asks whether the Respondent is responsible for the payment of medical charges incurred in conjunction with his open heart surgery performed on April 29, 1985.

Position of the Respondent: The Respondent is not responsible for the payment of the medical charges in question as it has satisfied its obligation under the Employer Benefit Plan by providing continued coverage from January 14, 1984 through January 31, 1985.

Pertinent Provisions

Article 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) and (4) of the Employer Benefit Plan provide:

Article II - Eligibility

The persons eligible to receive 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

(4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

* 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 two weeks after the effective date of the Wage Agreement.

Article III A. (10) (b) of the Employer Benefit Plan provides:

Article III - Benefits

A. Health Benefits

(10) General Provisions

(b) Administration

The Plan Administrator is authorized to promulgate rules and regulations to implement and administer the Plan, and such rules and regulations shall be binding upon all persons dealing with the Beneficiaries claiming benefits under this Plan. The Trustees of the UMWA Health and Retirement Funds will resolve any disputes, including excessive fee disputes, to assure consistent application of the Plan provisions which are identical to the benefit provisions of the 1950 Benefit Plan and Trust.

The Plan Administrator shall give written notice to each employee of the termination of extended coverage under the Benefit Plan. Such notice shall explain the conversion privileges of the Benefit Plan and the enrollment procedures to be followed. Failure to provide such notice shall not extend coverage beyond the period otherwise provided in the Benefit Plan.

Article III D. (1)(a), (b) and (d) and (3)(b) of the Employer Benefit Plan provide:

Article III - Benefits

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 the Employee's Date Last Worked	Period of Coverage Continuation from the Date Last Worked

2,000 or more hours	Balance of month plus 12 months
500 or more but less than 2,000 hours 6 months	Balance of month plus
Less than 500 hours	30 days

(b) Disability

Except as otherwise provided in Article II, section C, if an Employee ceases work because of disability, the Employee will be eligible to continue health, life and accidental death and dismemberment coverage while disabled for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period as set forth in the schedule in (a) above.

(d) Maximum Continuation of Coverage

In no event shall any combination of the provisions of (a), (b), (c), (e) or (g) above result in continuation of coverage beyond the balance of the month plus 12 months from the date last worked.

(3) Conversion Privilege

(b) Health Benefits

When health benefits coverage terminates, a Beneficiary may, upon application, convert, without medical examination, to a policy issued by the insurance carrier provided such application is made to the insurance carrier within 31 days after the date coverage terminates. The type of policy, coverage and premiums therefore are subject to the terms and conditions set forth by the insurance carrier.

Discussion

The Plan provides that an Employee who ceases work due to disability will be eligible for benefits coverage for the greater of the period of eligibility for Sickness and Accident benefits or the period of continued health benefits coverage as determined by the Plan. In this case, the Complainant's period of continued health benefits was the greater period, continuing until January 31, 1985. Inasmuch as the Respondent provided benefits from January 14, 1984 through January 31, 1985, the Respondent is not responsible under the Plan for the payment of medical charges incurred after that period.

Furthermore, the Complainant declined the Respondent's offer of the opportunity to convert to individual coverage; therefore, the Respondent has met its obligations under the provisions of Article III D. (3)(b) of the Plan.

The record shows, however, that benefits continued to be provided by the Respondent pursuant to the statutory requirements of West Virginia Workers' Compensation laws. Inasmuch as the Trustees' authority is limited to deciding issues regarding a Participant's eligibility for benefits under the Employer Benefit Plan, this opinion should not be construed as addressing any benefits which may be available to the Complainant under state Workers' Compensation law pertaining to health insurance extensions for laid-off or disabled Employees.

Opinion of the Trustees

The Respondent is not responsible under the Employer Benefit Plan for the payment of medical charges for services incurred after coverage under the group plan terminated.