
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 84-125 - April 7, 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 provision of health benefits coverage for an Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant, a classified Employee of the Respondent, maintains that the Respondent is currently utilizing a health coverage plan which obligates the Employee to pay 20% of the incurred medical charges to the provider at the time of the service. The Complainant has submitted unpaid bills for medical services rendered between August 2, 1985 and October 28, 1985. The Complainant has also submitted a statement from the current insurance carrier which indicates that the Complainant is subject to a deductible and coinsurance. The Complainant maintains that vision care coverage was canceled in June 1981. The Complainant asks whether the current level of health benefits coverage is in violation of the 1984 Coal Wage Agreement which sets forth specific co-payments (\$7.50) for rendered medical services and includes coverage for vision care.

The Respondent agrees that the current level of health benefits coverage differs from that set forth in the 1984 Coal Wage Agreement but claims that all Employees fully understood and approved the plan.

Dispute

Is the provision of a non-conforming health coverage plan by the Respondent in violation of the 1984 Coal Wage Agreement?

Position of the Parties

Position of the Complainant: The Respondent is in violation of the 1984 Coal Wage Agreement by its use of a substandard health coverage plan and its failure to provide vision care.

Position of the Respondent: The Respondent has not violated the 1984 Coal Wage Agreement because the Employees approved the health coverage plan in effect.

Pertinent Provisions

Article XX (c) (3) (i) and (10) of the 1984 Coal Wage Agreement provides in pertinent part:

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 as well as pensioners, under the 1974 Pension Plan and Trust, whose last signatory classified employment was with such Employer. 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... The plans established pursuant to this subsection are incorporated by reference and made a part of this Agreement, and the terms and conditions under which the health and other non-pension benefits will be provided under such plans are as to be set forth in such plans.

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

Health care benefits are guaranteed during the term of this Agreement subject to the terms of this Agreement at the level of benefits provided in the 1950 Benefit Plan, 1974 Benefit Plan, and the Employer Benefit Plan.

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) 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 A (8) of the Employer Benefit Plan provides in pertinent part:

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.

* * *

Co-payments for Health Benefits are established as follows:

<u>Benefit</u>	<u>Co-Payment</u>
(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 (e) but only for pre- and post-natal visits 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 periods(*) per family.

* "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.

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

(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).	\$5 per prescription or refill up to a \$50 maximum per family. Note: For purposes of this co-payment provision, if an employee is covered under an established prescription employee Plan 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.
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Discussion

Article III A (9) of the Employer Benefit Plan describes the Vision Care Program required under the Plan.

Under Article XX (c) (3) (i) and paragraph (10) of the 1984 Coal Wage Agreement, health care benefits are guaranteed during the term of the Agreement, subject to the terms of the Agreement, at the level of benefits provided in the 1950 Benefit Plan, 1974 Benefit Plan, and the Employer Benefit Plan.

Article III A(8) of the Employer Benefit Plan specifies 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. Article III A(9) of the Employer Benefit Plan specifies the vision care services to be covered under an Employer Plan.

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 by an Employer. The Respondent's use of a non-conforming health coverage plan and its failure to provide vision care coverage is inconsistent with the provisions of the 1984 Wage Agreement and the Employer Benefit Plan,

Opinion of the Trustees

The Respondent's use of a substandard health coverage plan is inconsistent with the express provisions of the 1984 Coal Wage Agreement. The Respondent is responsible for providing benefits coverage for its Employees, Pensioners and their dependents and survivors at the level specified in the Employer Benefit Plan incorporated by reference into the 1984 Coal Wage Agreement.