

OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 84-334 - April 9, 1987

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 under the terms of the Employer Benefit Plan.

Background Facts

The Complainant has worked for the Respondent in a classified position since March 1984. The Respondent contracted with an Employer association to provide health benefits coverage to its Employees until January 31, 1985. On March 17, 1986, the Employer association filed a Petition for Relief from certain bankruptcy proceedings and ceased paying health benefits claims. The Complainant has submitted an unpaid bill for medical services provided to him on January 15, 1985, while he was actively at work for the Respondent.

The Respondent has stated that since it provided health benefits coverage for the Complainant through the Employer association, the Employer association, not the Respondent, is responsible for payment of the Complainant's outstanding medical bill.

Dispute

Is the Respondent responsible for payment of the medical bill incurred by the Complainant on January 15, 1985?

Positions of the Parties

Position of the Complainant: The Respondent is responsible for payment of the medical bill incurred by the Complainant on January 15, 1985.

Position of the Respondent: The Respondent provided the Complainant with health benefits coverage through an Employer association. The Employer association, therefore, is responsible for payment of the outstanding medical bill incurred by the Complainant.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 provides, in pertinent part:

Section (c) 1974 Plans and Trusts

(3)(i) 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.

The Introduction to the Employer Benefit Plan provides in pertinent part:

The Plan provides health and vision care for Employees and Pensioners and their eligible dependents, life insurance and accidental death and dismemberment insurance for Employees and life insurance for Pensioners. The benefits are provided by (Name of Employer) through insurance carriers or professional contract administrators.

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;

* 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.

Discussion

Article XX Section (c)(3)(i) of the 1984 Wage Agreement requires Employers to provide an Employee benefit plan... "implemented through an insurance carrier(s), (for) health and other non-pension benefits..." It further requires that "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." Although the Respondent in the instant case had implemented its Employer Benefit Plan through an Employer association which subsequently filed bankruptcy, such event does not relieve the Respondent of its primary obligation to provide benefits pursuant to the Wage Agreement.

Article II A. of the Employer Benefit Plan provides health benefits coverage to active Employees working in classified jobs for a signatory Employer. Inasmuch as the Complainant was a classified Employee of the Respondent on January 15, 1985, the Respondent is responsible for payment of covered medical expenses incurred by the Complainant on that date under the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for payment of covered medical expenses incurred by the Complainant on January 15, 1985 under the terms of the Employer Benefit Plan.