

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 84-341 - July 10, 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 for an Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant performed classified work for the Respondent from September 16, 1985 through December 12, 1985, at which time he claims he became disabled as the result of a work-related injury. According to information provided to the Funds, the Complainant worked 220-1/2 hours for the Respondent during the 24-month period immediately prior to his date last worked.

The Respondent contracted with an Employer association to provide health benefits coverage to its Employees, the Complainant included, until December 31, 1985. On March 17, 1986, the Employer association filed a Petition for Relief under Chapter 11 of the Bankruptcy Code and ceased paying health benefits claims. The Respondent provided health benefits coverage for the Complainant through a different insurance carrier beginning January 1, 1986.

The Complainant's representative has submitted unpaid bills for medical services which were incurred by the Complainant and his dependents during the period from October 28, 1985 to December 18, 1985. The Complainant's representative contends that the Respondent is responsible for payment of the outstanding medical bills incurred by the Complainant and his dependents during that period.

Dispute

Whether the Respondent is responsible for payment of covered Medical charges incurred by the Complainant and his eligible dependents during the period from October 28, 1985 to December 18, 1985.

Positions of the Parties

Position of the Complainant: The Respondent is responsible for payment of Medical charges incurred the Complainant and his eligible dependents during the period from October 28, 1985 to December 18, 1985.

Position of the Respondent: The Respondent has failed to inform the Funds of its position in t is dispute.

Pertinent Provisions

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

(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.

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 (Employer's Name).
- (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.(4) 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

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

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

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:

Numbers 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

Balance of month plus 6 months

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.

Article XI Section (c) of the National Bituminous Coal Wage Agreement of 1984 provides in pertinent part:

Article XI - Sickness and Accident Benefits

(c) Commencement and Duration of Benefits

Sickness and Accident Benefits shall begin with the first day of disability resulting from an accident, and with the eighth day of disability resulting from sickness, except that if the Employee is hospitalized because of a disabling sickness requiring surgical treatment or intensive care, benefits shall begin with the first full day of hospitalization.

Benefits for disability resulting from an accident, either on or off the job, shall be payable for a maximum of 52 weeks, regardless of the length of the Employee's classified employment with the Employer at the time of the accident.

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 until December 31, 1985 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. Inasmuch as the Complainant was eligible for health benefits as an active Employee from September 16, 1985 through December 12, 1985, and thereafter as a disabled Employee pursuant to the applicable Plan provisions, the Respondent is responsible for payment of the covered medical charges incurred by the Complainant and his eligible dependents during the period from October 28, 1985 to December 18, 1985.

Opinion of Trustees

The Respondent is responsible for payment of covered medical expenses incurred by the Complainant and his eligible dependents during the period from October 28, 1985 to December 18, 1985 under the terms of the Employer Benefit Plan.