
OPINION OF TRUSTEES

In Re

Complainant: Laid-off Employee
Respondent: Employer
ROD Case No: 84-452 - January 5, 1988

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 was employed in a classified job for the Respondent from September 16, 1986 until December 15, 1986, when he was laid off and the mine was closed. Hours of service reported to the Funds by the Respondent indicate that the Complainant worked 527 hours for the Respondent during the 24-month period prior to his layoff. The Complainant has stated that the Respondent terminated his health benefits coverage sometime in January 1987. He has stated that he accepted other employment on May 28, 1987. The Complainant asks whether the Respondent is responsible for payment of his unpaid medical bills incurred during his period of eligibility for continued benefits coverage as a laid-off Employee.

Dispute

Is the Respondent responsible for payment of the Complainant's unpaid medical bills?

Positions of the Parties

Position of the Complainant: The Complainant asks whether the Respondent is responsible for payment of his unpaid medical bills.

Position of the Respondent: The Respondent has not responded to repeated correspondence from Funds' staff requesting its position in this 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. (I) (a) and (f) 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:

<u>Number of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to the Employee's Date Last Worked</u>	<u>Period of Coverage Continuation from the Date Last Worked</u>
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

(f) Other Employment

Notwithstanding the foregoing, in the event an Employee accepts employment during a period of continued coverage under paragraph (a), health, life and accidental death and dismemberment insurance coverage will terminate as of the date of such employment. If, however, such employment subsequently terminates prior to the date the Employee's coverage under paragraph (a) otherwise terminates, such Employee's health, life and accidental death and dismemberment insurance coverage will be reinstated following the later of (i) termination of such employment or (ii) any continued health coverage resulting therefrom, and will continue to the date such coverage under paragraph (a) would have otherwise terminated. It is the obligation of the Employee to notify the Employer within 10 days by certified mail of both the acceptance and termination of such employment; failure to provide such notice will result in permanent termination of coverage. Nothing in this paragraph shall extend coverage beyond the date determined pursuant to paragraph (a).

Discussion

Article III D. (1)(a) of the Employer Benefit Plan provides continued benefits coverage for a laid-off Employee based on the number of hours worked for the Employer during the 24-month period immediately prior to the date last worked. Article III D. (I)(f) stipulates that, in the event a laid-off Employee accepts employment during a period of continued coverage, such coverage will terminate as of the date of such employment.

The Complainant worked 527 hours for the Respondent during the 24-month period immediately prior to the date last worked. Accordingly, under Article III D. (1)(a) of the Plan, the Complainant was eligible for continued benefits coverage during the balance of December plus 6 months, or through June 1987. Inasmuch as the Complainant accepted other employment on May 28, 1987, his period of eligibility for continued benefits coverage ended as of that date.

Therefore, the Respondent is responsible for payment of the Complainant's unpaid bills for covered medical services rendered during his period of eligibility for continued benefits coverage from December 15, 1986 until May 28, 1987.

Opinion of the Trustees

The Respondent is responsible for payment of the Complainant's unpaid bills for covered medical services rendered during the period from December 15, 1986 until May 28, 1987.