
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 84-468 - June 28, 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 level of health benefits provided for medical services under the terms of the Employer Benefit Plan.

Background Facts

The Employee, a non-insulin-dependent diabetic with a chronic leg ulcer, atherosclerosis, hypertension and heart disease, was hospitalized due to osteomyelitis (an infection of the bone) in his feet. During the course of his hospitalization of forty-four days, the hospital billed for ninety-seven laboratory tests and forty-eight venipunctures (drawing of blood from the vein).

The Employer paid the laboratory charges but denied the venipuncture charges stating that benefits for venipuncture are not specifically provided under the Employer Benefit Plan. The Employer took the position that venipuncture fees should be billed as part of the laboratory fee.

Dispute

Is the Employer responsible for payment of the charges for venipuncture services?

Positions of the Parties

Position of the Employee: The Employer is responsible for payment of the charges for venipuncture.

Position of the Employer: The Employer is not responsible for payment of the charges for venipuncture because blood drawing fees are not specifically covered services under the Plan;

furthermore, since the hospital billed for the laboratory tests, the charges for the venipunctures are redundant.

Pertinent Provisions

The Introduction to Article III of the Employer Benefit Plan states in part:

Covered services shall be limited to those services which are reasonable and necessary for the diagnosis or treatment of an illness or injury and which are given at the appropriate level of care, or are otherwise provided for in the Plan. The fact that a procedure or level of care is prescribed by a physician does not mean that it is medically reasonable or necessary or that it is covered under this Plan.

Article III. A. (1)(a) of the Employer Benefit Plan states:

(1) Inpatient Hospital Benefits

(a) Semiprivate room

When a Beneficiary is admitted by a licensed physician (hereinafter "physician") for treatment as an inpatient to an Accredited Hospital (hereinafter "hospital"), benefits will be provided for semiprivate room accommodations (including special diets and general nursing care) and all medically necessary services provided by the hospital as set out below for the diagnosis and treatment of the Beneficiary's condition.

Medically necessary services provided in a hospital include the following:

Operating, recovery, and other treatment rooms
Laboratory tests and x-rays
Diagnostic or therapy items and services
Drugs and medication (including take-home drugs which are limited to a 30-day supply)
Radiation therapy
Chemotherapy
Physical therapy
Anesthesia services
Oxygen and its administration
Intravenous injections and solutions
Administration of blood and blood plasma
Blood, if it cannot be replaced by or on behalf of the Beneficiary

Article III. A. (11)(a) 27. of the Employer Benefit Plan states:

(11) General Exclusions

(a) In addition to the specific exclusions otherwise contained in the Plan, benefits are also not provided for the following:

27. Any types of services, supplies or treatments not specifically provided by the Plan.

Discussion

The Introduction to Article III of the Employer Benefit Plan states that covered services shall be limited to those services which are reasonable and necessary for the diagnosis or treatment of an illness. Article III. A. (1)(a) of the Employer Benefit Plan states that benefits are provided for medically necessary services, including laboratory tests and diagnostic services for hospital inpatients. The medical necessity for the performance of the laboratory tests is not disputed by the Employer. However, the Employer has argued that the venipuncture charges should be considered part of the laboratory fee and has denied them as billed stating they are not covered benefits.

Funds' policy has been to provide coverage for reasonable charges for each laboratory test regardless of whether charges for venipuncture are billed separately or included in the charge for the laboratory test. The Trustees conclude that the Plan Administrator should apply a standard of reasonableness to the combined services, as both are covered under the Employer Benefit Plan.

Opinion of the Trustees

The Employer is responsible for providing health benefits coverage for the Employee's venipunctures and laboratory tests.