
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 84-491 - February 8, 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 by the Employer under the terms of the Employer Benefit Plan for a Pensioner who has not enrolled in Medicare.

Background Facts

The Complainant, who was born on August 5, 1929, was employed in a classified position by the Respondent until March 7, 1981, when he ceased work due to illness. The Complainant applied for and was awarded Social Security Disability Insurance ("SSDI") benefits on July 11, 1982, effective June 1982.

On November 30, 1983, the Complainant applied for pension benefits under the UMWA 1974 Pension Plan. The Complainant was awarded a UMWA 1974 Pension Plan Deferred Vested-Special pension, effective September 1, 1984, based upon the fact that he had 31 3/4 years of classified signatory service, he had ceased working in a classified position after his 50th birthday but before his 55th birthday, and his employment was involuntarily terminated due to illness.

In May 1987, the Respondent's insurance carrier denied the Complainant's request for payment of medical services rendered in March 1987. In the Complainant's Explanation of Benefits (EOB), dated May 26, 1987, the insurance carrier indicated that payment was denied because the Complainant was not enrolled in Medicare Part B at the time services were rendered. The Respondent has indicated that the Complainant was provided a copy of the Employer's Benefit Plan booklet which contains adequate notification of his responsibility to enroll in each part of Medicare for which he is eligible. The Respondent contends that the Complainant is not eligible for health benefits coverage until he is enrolled in Medicare Part B. The Respondent has stated that it erroneously provided benefits for the Complainant after June 1, 1984, when the Complainant was eligible for, but not enrolled in, Medicare Part B. The

Respondent will not seek reimbursement from the Complainant for such benefits. However, the Respondent has discontinued the Complainant's health benefits coverage until he is enrolled in each part of Medicare for which he is eligible.

The Complainant states that he received a card in the mail for Hospital Insurance coverage (Part A) under Medicare which was effective June 1, 1984. The Complainant contends that he did not receive any notification at the time that he was also eligible for Medical Insurance coverage (Part B) under Medicare. The Complainant also claims that he did not receive a copy of the 1984 Benefit Plan; however, he does acknowledge that he received copies of previous Plans which were in effect during his employment with the Respondent.

The Complainant states that when he received the EOB of May 26, 1987, he took it to the Respondent for an explanation. The Complainant contends that the Respondent's representatives advised him that he did not have to enroll in Medicare Part B until he attained age 65 (August 5, 1994). The Complainant contends that the Respondent's representative wrote this on the EOB form and returned it to the insurance carrier.

Dispute

Is the Respondent responsible for providing health benefits coverage for the Complainant during the period that the Complainant was eligible for, but failed to enroll in, Medicare Part B?

Positions of the Parties

Position of the Complainant: The Complainant did not enroll in Medicare Part B when he became eligible in June 1984 because he did not know such coverage was available. The Complainant did not subsequently enroll in Medicare Part B because he was advised by the Respondent's representatives that such enrollment was not required until he attained age 65 (August 5, 1994). Therefore, the Respondent should be held liable for the Complainant's medical bills which were denied by the insurance carrier for failure to enroll in Medicare Part B and the Complainant's health benefits coverage should be reinstated.

Position of the Respondent: The Complainant was provided a copy of the Employer's Benefit Plan booklet which contains notification of a beneficiary's responsibility to enroll in each part of Medicare for which he is eligible. Inasmuch as the Complainant did not enroll in Medicare Part B when he became eligible on June 1, 1984, the Respondent is not responsible for providing health benefits coverage until he is enrolled in each part of Medicare for which he is eligible.

Pertinent Provisions

Article III. A. (10)(d) of the Employer Benefit Plan provides in pertinent part:

(d) Medicare

1. For Employees age 70 and over, Pensioners, and surviving spouses, the benefits provided under the Plan will not be paid to a Beneficiary otherwise eligible if such Beneficiary is eligible for hospital Insurance coverage (Part A) of Medicare where a premium is not required and/or Medical Insurance coverage (Part B) of Medicare unless such Beneficiary is enrolled for each part of Medicare for which such Beneficiary is eligible. Any such Beneficiary who is enrolled in a Medicare program shall receive the benefits provided under the Plan only to the extent such benefits are not provided for under Medicare. The Plan Administrator shall give written notification of the obligation to enroll with respect to 1. above and of the options to enroll with respect to 2. above. For active Employees such notice shall be given prior to their 65th birthdays, but subsequent to their 64th birthdays. Said notice shall explain the limited annual enrollment period and the effect of failing to enroll if retirement should occur prior to the next enrollment period. Failure to provide such notification shall not remove any obligation to enroll.

Discussion

Article III. A. (10)(d) of the Employer Benefit Plan stipulates that the benefits provided under the Plan will not be paid to a beneficiary unless such beneficiary is enrolled in each part of Medicare for which he is eligible. The Pensioner was eligible to enroll in Medicare, Parts A and B, upon receiving his 25th SSDI benefit payment in June 1984. The Pensioner was enrolled in Medicare Part A, effective June 1, 1984; however, he has indicated that he did not enroll in Medicare Part B at that time because he was not aware that such coverage was available. Funds' staff have been advised by the Health Care Financing Administration that any individual who is enrolled in Medicare Part A is automatically enrolled in Medicare Part B. Any individual who does not want Part B coverage, which is optional and requires the payment of a monthly premium, must refuse enrollment by returning a Part B refusal form to the Social Security Administration. In light of these procedures and under the facts presented, it is reasonable to conclude that the Complainant refused enrollment in Medicare Part B at the time he was enrolled in Part A.

The Pensioner has further alleged that he did not enroll in Medicare Part B after benefits were denied by the Respondent's insurance carrier in May 1987 because he was advised by the Respondent's representatives that such enrollment was not required until he attained age 65. The Complainant is unable to locate a copy of the EOB form upon which he claims this alleged advice was written. Absent evidence to support the Complainant's allegation, the Trustees are unable to conclude that the Complainant was misled regarding the Plan requirements for Medicare enrollment. Furthermore, such allegation would not explain the Complainant's failure to enroll in Medicare Part B when he first became eligible in June 1984. The Complainant has acknowledged that he received copies of the Employer Benefit Plans which were in effect during his employment with the Employer. Moreover, the Trustees note that while the Employer Benefit Plan contains a requirement that the Employer provide written notification of a beneficiary's obligation to enroll in Medicare, the Plan clearly stipulates that failure to provide such

notification does not remove the Beneficiary's obligation to enroll. Inasmuch as the Complainant was eligible for Medicare Part B on June 1, 1984, but has not enrolled, the Employer is not responsible for the provision of health benefits for the Pensioner until such time as the Pensioner is enrolled in each part of Medicare for which he is eligible. The fact that the Employer erroneously provided benefits for some period beyond June 1, 1984 does not require the Employer to provide additional benefits during the period that the Complainant was eligible for, but not enrolled in, Medicare Part B.

Opinion of the Trustees

The Respondent is not responsible for providing health benefits coverage for the Complainant during the period the Complainant was eligible for, but did not enroll in, Medicare Part B, consistent with the terms of the Employer Benefit Plan.