
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 84-542 - March 22, 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 for a Pensioner who failed to enroll in Medicare Part B.

Background Facts

The Pensioner is the recipient of a 1974 Pension Plan Age 62 retirement pension. He attained age 65 on May 16, 1986, and was therefore eligible to enroll in Medicare Parts A and B, effective May 1, 1986. He enrolled in Medicare Part A (hospital insurance), but refused enrollment in Medicare Part B (supplementary medical insurance) at that time.

During a period from August 17, 1986 through December 24, 1986, the Pensioner incurred several medical bills for both inpatient and outpatient services. The Pensioner alleges that according to Article III. A. (10)(d) of the Employer Benefit Plan his failure to enroll in Medicare Part B should result in his loss of benefits associated with Part B only; the Employer should not cease to provide payment of all benefits under the Employer Benefit Plan.

The Employer states that it provided the Pensioner with a copy of the Employer Benefit Plan which advises a Beneficiary of his obligation to enroll in all parts of Medicare for which he is eligible. The Employer claims that benefits provided under the Plan are not payable to a Beneficiary unless he is enrolled for each part of Medicare for which he is eligible, as stated under Article III. A. (10)(d) 1. of the Employer Benefit Plan. The Employer states that since the Pensioner did not satisfy his obligation to enroll in each part of Medicare for which he was eligible, the Employer is not responsible for payment of any of the Pensioner's outstanding medical charges.

Dispute

Is the Employer responsible for providing health benefits under the Employer Benefit Plan when the Pensioner failed to enroll in Medicare Part B?

Positions of the Parties

Position of the Pensioner: The Pensioner claims that he failed to enroll in Medicare Part B but that this does not make him ineligible for health benefits provided under the Employer Benefit Plan.

Position of the Employer: The Employer maintains that since the Pensioner failed to enroll in Medicare Part B, he is ineligible for health benefits provided under the Employer Benefit Plan, in accordance with Article III. A.(10)(d) 1. of the Plan.

Pertinent Provisions

Article III. A. (10)(d) of the Employer Benefit Plan states 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 ... 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 states that the benefits provided under the Plan will not be provided 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 in May 1986. At that time the Pensioner enrolled in Medicare Part A and refused enrollment in Part B.

The Pensioner contends that as a result of his failure to enroll in Medicare Part B, the only benefits for which he is ineligible are those associated with Medicare Part B. He claims that the Employer is responsible for providing any benefits that would not otherwise be provided under Part B of Medicare. The Pensioner cites Resolution of Dispute 84-271 in support of his position. In that case, a Beneficiary had failed to enroll in Medicare Part B; however, the Employer paid 20% of the charges in question and denied benefits for the 80% that would have been covered under Medicare Part B. The opinion of the Trustees was limited to a decision that the Employer was not responsible for payment of that portion (80%) of the charges that would have been paid under Medicare Part B if the Beneficiary had been enrolled. Although the Employer in that case agreed to provide benefits for the remaining portion (20%) of the charges in dispute, it clearly had no obligation to do so under the terms of Article III. A. (10)(d) of the Employer Benefit Plan. Thus, the decision in ROD 84-271 does not support the Pensioner's claim here that the Employer must pay that portion of charges not otherwise covered by Medicare Part B.

The issue of an Employer's responsibility to provide benefits for a Beneficiary who is not enrolled in each part of Medicare for which he is eligible has been previously addressed in Resolutions of Dispute 84-103, 84-491, 84-497 and 84-516 (copies enclosed herein). The Trustees concluded in those respective opinions that an Employer is not responsible for providing health benefits for a Beneficiary during any period that such Beneficiary was not enrolled in each part of Medicare for which he was eligible. Inasmuch as the Pensioner was eligible for Medicare Part B in May 1986, but has not enrolled, the Employer is not responsible for providing health benefits for the Pensioner until such time as the Pensioner is enrolled in each part of Medicare for which he is eligible.

Opinion of the Trustees

The Employer is not responsible for providing health benefits coverage for the Pensioner during the period the Pensioner was eligible for, but did not enroll in, Medicare Part B.