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OPINION OF TRUSTEES

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In Re

Complainant: Employee  
Respondent: Employer  
ROD Case No: 88-024 - September 14 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 benefits for chiropractic service under the terms of the Employer Benefit Plan.

Background Facts

The Employer notified its Employees on May 16, 1988 that services rendered by a chiropractor after June 30, 1988 would not be covered by the Employer. The Employees state that the Employer had provided benefits for chiropractor services since its Benefit Plan was established in 1978. The Employees claim that the termination of benefits for chiropractic services is a cost-cutting measure which constitutes a reduction of plan coverage, contrary to Article III. A. (10)(g) of the Employer Benefit Plan.

The Employer states that Article III. A. (3)(p) of the Employer Benefit Plan specifies that services rendered by a chiropractor are not covered. The Employer contends that it gave the Employees adequate notice of the change in their coverage and that such change does not constitute a reduction of Plan benefits since chiropractic services have never been covered under the Employer Benefit Plan.

Dispute

Is the Employer responsible for providing coverage for chiropractic services to its Employees?

Positions of the Parties

Position of the Employees: The Employer's termination of coverage for chiropractic services constitutes a reduction of coverage, contrary to Article III. A. (10)(g) of the Employer Benefit Plan.

Position of the Employer: The Employer contends that although it extended coverage for chiropractic services to its Employees in the past, it is not required to provide such coverage under the terms of the Employer Benefit Plan.

Pertinent Provisions

Article III. A. (3)(p) 1. of the Employer Benefit Plan states:

(3) Physicians' Services and Other Primary Care

(p) Services Not Covered

1. Services rendered by a chiropractor or naturopathic services.

Article III. A. (10)(g)2.(i), (ii) and (v) of the Employer Benefit Plan states in pertinent part:

(10) General Provisions

(g) Explanation of Benefits (EOB), Cost-Containment and Hold Harmless

2. (i) Regarding health care cost containment, designed to control health care costs and to improve the quality of care without any reduction of plan coverage or benefits, the Trustees of the UMWA Health and Retirement Funds are authorized to establish programs of optional in-patient hospital pre-admission and length of stay review, optional second surgical opinions, and case management and quality care programs, and are to establish industry-wide reasonable and customary schedules for reimbursement of medical services at the 85th percentile (except when actual charges are less), and other cost containment programs that result in no loss or reduction of benefits to participants...

(ii) The Trustees shall make available to the Plan Administrator any special cost containment arrangements that they make with outside vendors and/or providers. Further, the Plan Administrator may "piggyback" the cost containment programs adopted by the Trustees.

(v) Consistent with Article XX (12) of the 1984 and 1988 Wage Agreements, this section in no way authorizes or implies a reduction of benefits or additional costs for covered services provided or relieves the Employer of any obligation set forth in Article XX of the Wage Agreement.

Discussion

Article III. A. (3)(p) 1. of the Employer Benefit Plan states that services rendered by a chiropractor are specifically excluded from coverage.

The Employees in this case contend that because the Employer previously provided coverage for chiropractic services, termination of such coverage constitutes a reduction of benefits, contrary to the cost containment provisions of Article III. A. (10)(g) 2. The cost containment provisions of Article III. A. (10)(g) 2. apply to covered services under the Employer Benefit Plan. The fact that the Employer previously provided coverage for chiropractic services does not make such services covered benefits under the Plan. Inasmuch as the Employer is not obligated to provide coverage for chiropractic services under the Employer Benefit Plan established pursuant to Article XX of the Wage Agreement, termination of such coverage is not a reduction of benefits as contemplated in Article III. A. (10)(g) 2.

Opinion of the Trustees

The Employer is not responsible for providing coverage for chiropractic services rendered to its Employees.