

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-058 - October 11, 1989

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee; Thomas H. Saggau, 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 for an Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant states that he began working in a classified position for the Respondent in January 1988. According to the pay stubs submitted by the Complainant, his last pay period in January ended January 16, 1988 after which he was laid off.

The Complainant was recalled to a classified position with the Respondent on March 8, 1988. On July 16, 1988 he sustained a work-related injury. As a result of his injury, the Complainant was unable to return to work and was awarded workers' compensation benefits. Funds' records indicate that the Complainant worked more than 500 but less than 2,000 hours during the 24 months prior to July 16, 1988. The Complainant has submitted copies of medical bills incurred during the period March 4, 1988 through October 27, 1988. The Complainant contends that the Respondent has refused to pay these medical bills. The Complainant states that he received a health benefits identification card effective March 1, 1988, but he contends that the Respondent failed to pay the insurance premiums.

The Respondent states that its records do not indicate that the Complainant was an employee when the bills were incurred. The Complainant has submitted copies of his pay stubs which show earnings from the Respondent for periods in January, March, April, May, June and July 1988. The Respondent is signatory to the National Bituminous Coal Wage Agreements of 1984 and 1988.

Dispute

Is the Respondent responsible for payment of the medical expenses incurred by the Complainant between March 4, 1988 and October 27, 1988?

Positions of the Parties

Position of the Complainant: The Complainant asks whether the Respondent or the 1974 Benefit Plan and Trust is responsible for payment of his covered medical expenses incurred between March 4, 1988 and October 27, 1988.

Position of the Respondent: The Respondent's records do not indicate that the Complainant was an Employee at the time the medical bills were incurred.

Pertinent Provisions

Article I (1), (2) and (4) of the 1984 and 1988 Employer Benefit Plans 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 [1988], 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. (1), (2), (3), and (4) of the 1984 and 1988 Employer Benefit Plans provide:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

A. Active Employees

Benefits under Article III shall be provided to any Employee who:

- (1) is actively at work* for the Employer on the effective date of the Wage Agreement; or

* Actively at work includes an Employee of the Employer who was actively at work on September 30, 1984 [January 31, 1988], and who returns to active work with the Employer two weeks after the effective date of the Wage Agreement.

- (2) is on layoff or disabled from the Employer and had continuing eligibility as of the effective date of the Wage Agreement for coverage under the 1981 [1984] Employer's Benefit Plan ("prior Plan") as a laid-off or disabled employee. Coverage for such laid-off or disabled Employees shall not continue beyond the date when they would no longer have been eligible for such coverage under the provisions of the prior Plan.
- (3) Except as provided in paragraph (2) above, any Employee of the Employer who is not actively at work* for the Employer on the effective date of the Wage Agreement will not be eligible for coverage under the Plan until he returns to active employment with the Employer.

Any Employee of the Employer who as of September 30, 1984 [January 31, 1988], was eligible for benefits under the prior Plan who is not scheduled to work within two weeks after the effective date of the Wage Agreement because of lack of work, such an Employee will, for purposes of this Plan, be considered eligible for coverage under this Plan as of the effective date of the Wage Agreement but as an Employee on layoff as of such date.

- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

Article III. D. (1) (a) and (b) of the 1984 and 1988 Employer Benefit Plans 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:

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

(b) Disability

Except as otherwise provided in Article II, section C, if an Employee ceases work because of disability, the Employee will be eligible to continue health, life and accidental death and dismemberment coverage while disabled for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period as set forth in the schedule in (a) above.

Discussion

Under Article II. A of the 1984 Employer Benefit Plan, an active Employee is entitled to health benefits coverage from the first day worked with a signatory Employer. Under Article III. D. (1)(a), a laid-off Employee is entitled to the continuation of benefits coverage for a defined period based upon the number of hours worked for the Employer during the 24-month period immediately prior to the date last worked. Pay stubs submitted by the Complainant indicate that he was employed by the Respondent from January 5, 1988 until about January 16, 1988, when he was laid off. Funds' records indicate that he worked less than 500 hours for the Respondent during the 24-month period prior to January 16, 1988. Accordingly, the Respondent is responsible for providing health benefits coverage for the Complainant from January 5, 1988 through January 16, 1988, and for continuing such coverage for 30 days thereafter, consistent with the provisions of the 1984 Employer Benefit Plan.

Under Article II. A. of the 1988 Employer Benefit Plan, an Employee on layoff as of February 1, 1988 is not entitled to continued benefits coverage beyond the date such coverage would have ceased under the provisions of the 1984 Plan; however, coverage shall be reinstated when the Employee returns to active employment with the Employer. The Complainant was on layoff on

February 1, 1988. His period of eligibility under the provisions of the 1984 Plan ended on February 15, 1988, and he did not return to active employment with the Respondent until March 8, 1988. Accordingly, the Complainant is not entitled to coverage during the period from February 15, 1988 until March 8, 1988.

The Complainant was actively employed by the Respondent from March 8, 1988 until July 16, 1988, when he was injured at work. Article III. D. (1)(b) of the Employer Benefit Plan provides continued benefits coverage for a disabled Employee for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period of eligibility determined pursuant to Article III. D. (1)(a). Under Article XI of the 1988 Wage Agreement, the Complainant's period of eligibility for Sickness and Accident benefits is a maximum of 52 weeks. His period of eligibility under Article III. D. (1)(a) is 6 months. Accordingly, the Respondent is responsible for providing health benefits coverage for the Complainant from March 8, 1988 through July 16, 1988, and for continuing such coverage for a maximum period of 52 weeks beyond July 16, 1988.

The Complainant has asked in the alternative whether benefits might be provided by the 1974 Benefit Plan and Trust. Under that Plan, a beneficiary may be entitled to coverage if his last signatory employer is "no longer in business." However, a "no longer in business" determination is made according to established procedures separate from the ROD process.

Opinion of the Trustees

The Respondent is responsible for payment of the covered medical expenses incurred by the Complainant during the periods from January 5, 1988 through February 15, 1988 and from March 8, 1988 through July 16, 1988, with a continuation of coverage for up to 52 weeks beyond July 16, 1988, consistent with the terms of the Wage Agreement and the Employer Benefit Plan.