
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-132 - August 22, 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's spouse under the terms of the Employer Benefit Plan.

Background Facts

The Complainant's spouse's employer has a group health plan for employees such as the Complainant's spouse. Her employer changed insurance carriers in November 1988. The complainant's spouse states that she elected not to enroll in the new plan offered by her employer because the new plan did not provide the same level of coverage as the previous plan and because she is covered as a dependent under the health benefits plan established by her husband's employer, the Respondent. The Complainant has submitted a letter from his spouse's employer stating that his spouse signed a waiver and does not have health insurance through her employer.

The Respondent has refused to pay the medical expenses incurred by the Complainant's wife since December 1988. Explanation of Benefits (EOB) forms from the Respondent's insurance carrier indicate that payment was disallowed pending receipt of other insurance payment information.

Dispute

Is the Respondent required to provide full benefits for the covered medical expenses incurred by the Complainant's spouse under the terms of the Employer Benefit Plan?

Positions of the Parties

Position of the Complainant: The Complainant's spouse is not enrolled in the group medical plan offered by her employer; therefore, the Respondent is responsible for payment of her covered medical expenses.

Position of the Respondent: Because the Complainant's wife is employed and medical coverage is available as part of her employer's benefits package, her employer's plan should be the primary plan for payment of her medical expenses and the Respondent's plan should be secondary.

Pertinent Provisions

Article I (1), (2), (4) and (7) of the Employer Benefit Plan 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 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.
- (7) "Dependent" shall mean any person described in Section D of Article II hereof.

Article II D. (1) of the Employer Benefit Plan provides:

Article II - Eligibility

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

D. Eligible Dependents

Health benefits under Article III shall be provided to the following members of the family of any Employee, Pensioner, or disabled Employee receiving health benefits pursuant to paragraphs A, B, or of this Article II:

- (1) A spouse who is living with or being supported by an eligible Employee or Pensioner;

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

(10) General Provisions

(f) Non-Duplication

The health benefits provided under this Plan are subject to a non-duplication provision as follows:

1. Benefits will be reduced by benefits provided under any other group plan, including a plan of another Employer signatory to the Wage Agreement, if the other plan:
 - (i) does not include a coordination of benefits or non-duplication provision, or
 - (ii) includes a coordination of benefits or non-duplication provision and is the primary plan as compared to this Plan.

Discussion

Article II D. (1) of the Employer Benefit Plan states that health benefits coverage under Article III shall be provided to an Employee's spouse who is living with or being supported by an eligible Employee. The Respondent does not dispute that the Complainant's spouse is eligible for health benefits coverage. However, the Respondent contends that the group medical plan offered by the Complainant's spouse's employer should be her primary insurer and the Respondent's plan should be secondary.

Article III. A. (10)(f) of the Plan provides for non-duplication of benefits by an Employer Benefit Plan and another group plan in situations where a beneficiary is covered by both plans. This non-duplication provision precludes duplicate payments for services and limits payments to the total allowable charges for covered services. Article III. A. (10) (f) also states the criteria to be applied in determining whether the Employer Benefit Plan or another group plan is primary. One of the criteria stipulates that the plan covering the patient other than as a dependent will be the primary plan. The Complainant's spouse in this instance has waived enrollment in a group medical plan offered by her employer. Consequently, she is not covered by any other group plan and the non-duplication of benefits provision does not apply in this situation.

Opinion of Trustees
Resolution of Dispute
Case No. 88-132
Page 4

Opinion of the Trustees

The Respondent is required to pay the covered medical expenses incurred by the Complainant's spouse under the terms of the Employer Benefit Plan.