
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-262 - June 8, 1990

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 was employed in a classified job by the Respondent from the summer of 1988 until April 3, 1989, when he quit to accept employment with another signatory Employer. The Respondent provided health benefits coverage for the Complainant through Blue Cross and Blue Shield until March 1, 1989, when his coverage was terminated. The Complainant has submitted copies of unpaid bills for medical services rendered in March 1989; The Complainant's representative contends that the Respondent is responsible for payment of these medical bills that were incurred during the Complainant's employment with the Respondent. The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988.

Dispute

Is the Respondent responsible for payment of the Complainant's unpaid medical bills incurred during March 1989?

Positions of the Parties

Position of the Complainant: The Respondent is responsible for payment of the Complainant's medical bills incurred during his employment with the Respondent.

Position of the Respondent: The Respondent has not replied' to repeated correspondence from Funds' staff requesting its position in this dispute.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1988 provides in pertinent part:

(3)(i) Each signatory Employer shall establish and maintain an Employee benefit plan to provide, implemented through an insurance carrier(s), health and other non-pension benefits for its Employees covered by this Agreement as well as pensioners, under the 1974 Pension Plan and Trust, whose last signatory classified employment was with such Employer. The benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plans.

Article I (1), (2) and (4) 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.

Article II A. (4) of the Employer Benefit Plan provides:

Article II - Eligibility

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

A. Active Employees

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

Article III D. (1)(e) of the Employer Benefit Plan provides in pertinent part:

D. General Provisions

(1) Continuation of Coverage

(e) Quit or Discharge

If an Employee quits (for any reason) or is discharged, health, life and accidental death and dismemberment insurance coverage will terminate as of the date last worked.

Discussion

Article XX Section (c)(3)(i) of the 1988 Wage Agreement requires a signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for its Employees. The Wage Agreement stipulates that benefits provided by the Employer pursuant to such Plan shall be guaranteed during the term of the Agreement by that Employer at levels set forth in such Plan.

Article II A. of the Employer Benefit Plan provides health benefits coverage for active Employees working in classified jobs for a signatory Employer. Article III D. (1)(e) states that, if an Employee quits for any reason, health, life and accidental death and dismemberment coverage will terminate as of the date last worked. Information provided in this case indicates that the Respondent terminated the Complainant's health benefits coverage on March 1, 1989. The Complainant, however, was actively employed in a classified position by the Respondent from the summer of 1988 until April 3, 1989, when he quit to accept other employment. Accordingly, the Respondent is responsible for payment of the covered medical expenses incurred by the Complainant and his eligible dependents during March 1989.

Opinion of the Trustees

The Respondent is required to pay the covered medical expenses incurred by the Complainant and his eligible dependents during his employment with the Respondent in March 1989, consistent with the terms of the Employer Benefit Plan.