

OPINION OF TRUSTEES

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In Re

Complainant: Pensioner  
Respondent: Employer  
ROD Case No: 88-307 - November 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 a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is a Pensioner whose last signatory classified employment in the coal industry was with the Respondent from April 22, 1988 until June 24, 1988. The Complainant was awarded a UMWA 1974 Pension Plan Age 55 pension, effective December 1, 1988.

The Respondent provided health benefits coverage for the Complainant through Connecticut General Insurance until June 1989. The representative for the Respondent states that the Respondent was unable to pay the premiums for insurance coverage for its employees and retirees during the latter half of 1989 due to picketing activity and the work stoppage that occurred during that period. The representative states that although group insurance coverage was not provided, all employees and retirees were advised to submit medical bills incurred during this period to the Respondent for payment. The Complainant's medical bills incurred during this period have been paid by the Respondent. Effective December 1, 1989, the Respondent began providing coverage through Blue Cross and Blue Shield.

The Complainant contends that the Respondent has failed to provide continuous health benefits coverage for the Complainant as required by the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988 because the Respondent has failed to pay insurance premiums to Blue Cross and Blue Shield in a timely manner. The Complainant has submitted copies of unpaid medical bills incurred between February 1990 and August 1990, along with notices from Blue Cross and Blue Shield indicating that, at least on two occasions, claims filed for the Complainant and his dependents have been suspended due to the Respondent's failure to pay the insurance premiums. The most recent notice dated August 13, 1990 states that the Complainant's

claims for services provided on or after May 1, 1990, have been temporarily suspended, although the Complainant's membership with Blue Cross and Blue Shield has not been terminated. The Respondent maintains it has paid the Complainant's medical bills incurred prior to December 1989 and that it has provided the Complainant with continuous health benefits coverage through Blue Cross and Blue Shield since December 1989, as required by the Employer Benefit Plan. The Respondent has submitted a copy of its group enrollment agreement with Blue Cross and Blue Shield as evidence of the coverage in effect.

### Dispute

Whether the Respondent has fulfilled its obligation to provide health benefits coverage to the Complainant.

### Positions of the Parties

Position of the Complainant: The Respondent has failed to provide continuous health benefits coverage for the Complainant. The Respondent's failure to pay insurance premiums has, at various times, resulted in the suspension of the Complainant's coverage.

Position of the Respondent: The Respondent has fulfilled its obligation to the Complainant by providing continuous health benefits coverage since December 1989, and by payment of the Complainant's medical bills incurred prior to that time.

### 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 (5) 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.
- (5) "Pensioner" shall mean any person who is receiving a pension, other than (i) a deferred vested pension based on less than 20 years of credited service, or (ii) a pension based in whole or in part on years of service credited under the terms of Article II G of the 1974 Pension Plan, or any corresponding paragraph of any successor thereto, under the 1974 Pension Plan (or any successor thereto), whose last classified signatory employment was with the Employer, subject to the provisions of Article II B of this Plan.

Article II B. (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:

#### B. Pensioners

Health benefits and life insurance under Article III hereof shall be provided to Pensioners as follows:

- (1) Any Pensioner who is not again employed in classified signatory employment subsequent to
  - (a) such Pensioner's initial date of retirement under the 1974 Pension Plan, and
  - (b) February 1, 1988, shall be eligible for coverage as a Pensioner under, and subject to all other provisions of this Plan. Notwithstanding (i) and (ii) of the definition of Pensioner in Article I(S) of this Plan, any such Pensioner who was eligible for benefits under the 1974 Benefit Plan as a Pensioner on December 5, 1977, shall be eligible for such benefits, subject to all other provisions of this Plan.

#### Discussion

Article XX Section (c)(3)(i) of the 1988 Wage Agreement requires a signatory Employer to establish and maintain an Employer Benefit Plan, implemented through an insurance carrier(s), to provide health and other non-pension benefits for its Employees and for its Pensioners whose

last signatory classified employment was with such Employer. The Wage Agreement stipulates that benefits provided 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 B. of the Employer Benefit Plan establishes that individuals who are eligible for pension benefits under the UMWA 1974 Pension Plan are eligible for health benefits coverage under the Employer Benefit Plan. Inasmuch as the Complainant is a Pensioner whose last signatory classified employment was with the Respondent, the Respondent is required to provide health benefits coverage for the Complainant and his eligible dependents, consistent with the terms of the Wage Agreement and the Employer Benefit Plan.

The issue in this case is whether the Respondent has fulfilled its obligation to provide coverage to the Complainant. The Complainant has been notified on at least two occasions that the processing of his medical claims was suspended because the insurance carrier had not received the premium ("dues") payment from the Respondent. The Respondent's group enrollment agreement with Blue Cross and Blue Shield states that membership dues for all enrolled employees are to be remitted on or before the due date each month. The agreement further states that "[i]n the event the Group does not remit its membership dues in full by, on or before its scheduled due date, the Plan shall immediately suspend payment of any claims incurred on or after the due date" until the membership dues are paid in full or the agreement is terminated.

The most recent notice the Complainant received from Blue Cross and Blue Shield indicates that payment of the Complainant's claims incurred on or after May 1, 1990 was suspended. The Respondent's failure to pay its health insurance premiums in a timely manner, resulting in the suspension of payment of the Complainant's claims, is contrary to the Employer's obligation under Article XX Section (c)(3)(i) of the Wage Agreement to establish and maintain the Employer Benefit Plan and to ensure that health benefits are provided.

#### Opinion of the Trustees

The Respondent's failure to pay insurance premiums in a timely manner, resulting in the suspension of payment of the Complainant's claims, is in violation of the Respondent's fundamental obligation under Article XX Section (c)(3)(i) of the Wage Agreement to provide health benefits to its Employees and Pensioners.