
OPINION OF TRUSTEES

In Re

Complainant: Laid-off Employee
Respondent: Employer
ROD Case No: 88-346 - January 22, 1991

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 laid-off Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant worked in a classified position for the Respondent until he was laid off on February 12, 1990. Funds' records indicate that the Complainant worked more than 2,000 hours for the Respondent during the 24-month period prior to February 12, 1990. The Complainant accepted employment with another employer on May 13, 1990.

The Complainant has submitted copies of unpaid medical bills incurred between February 12, 1990 and May 13, 1990, along with a notice from a collection agency for payment due. The Complainant contends that the Respondent is responsible for payment of the covered medical expenses incurred by him and his eligible dependents during his period of eligibility for continued coverage as a laid-off Employee.

Dispute

Is the Respondent responsible for payment of the Complainant's unpaid medical bills?

Positions of the Parties

Position of the Complainant: The Complainant asks whether the Respondent is responsible for payment of his unpaid medical bills.

Position of the Respondent: The Respondent has not responded 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 meaning 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) and D. (1) of the Employer Benefit Plan provide:

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.
- 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 C of this Article II:

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

Article III D. (1) (a) and (f) of the Employer Benefit Plan provide in pertinent part:

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 the Employee's Date Last Worked	Period of Coverage Continuation from the Date Last Worked
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

(f) Other Employment

Notwithstanding the foregoing, in the event an Employee accepts employment during a period of continued coverage under paragraph (a), health, life and accidental death and dismemberment insurance coverage will terminate as of the date of such employment....

Discussion

Article III D. (13(a) of the Employer Benefit Plan provides continued benefits coverage for a laid-off Employee based on the number of hours worked for the Employer during the 24-month period immediately prior to the date last worked. Article III 0. (13(f) stipulates that, in the event

a laid-off Employee accepts employment during a period of continued coverage, such coverage will terminate as of the date of such employment.

The Complainant worked over 2,000 hours for the Respondent during the 24-month period immediately prior to his date last worked, February 12, 1990. Accordingly, under Article III 0. (13(a) of the Plan, the Complainant was eligible for continued benefits coverage during the balance of February plus 12 months, or through February 1991. Inasmuch as the Complainant accepted other employment on May 13, 1990, his period of eligibility for continued benefits coverage ended as of that date. Therefore, the Respondent is responsible for payment of the covered medical expenses incurred by the Complainant his eligible dependents during his period of eligibility for continued benefits coverage from February 12, 1990 until May 13, 1990.

Opinion of the Trustees

The Respondent is responsible for payment of the covered medical expenses incurred by the Complainant and his eligible dependents during the period from February 12, 1990 until May 13, 1990.