

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-354 - March 12, 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 prescription drugs under the terms of the Employer Benefit Plan.

Background Facts

The Complainant began working in a classified position for the Respondent, a signatory employer, on September 11, 1990. The Complainant has submitted copies of notices from the Respondent's insurance carrier which indicate that benefits for prescription drugs purchased on September 25, 1990 were not paid because the Complainant had not met the required yearly deductible. The Complainant contends that he is not responsible for any additional co-payments for prescription drugs during the current plan year because he reached his co-payment maximum in April 1990 while employed by another signatory employer. The Complainant has submitted documentation which indicates that he paid the maximum annual co-payment of \$50 in April 1990.

Dispute

Is the Complainant, who paid the maximum co-payment amount for prescription drugs while previously employed by another signatory employer, required to pay additional co-payments or deductibles for prescription drugs purchased during the same plan year under the Respondent's benefit plan?

Positions of the Parties

Position of the Complainant: The Complainant is not required to make additional co-payments for prescription drugs under the Respondent's benefit plan because he paid the maximum co-payment amount for the plan year while employed with another signatory employer.

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

Pertinent Provisions

Article III. A. (8) of the Employer Benefit Plan provides, in pertinent part:

Article III - Benefits

A. Health Benefits

(8) Co-Payments

Certain benefits provided in this Plan shall be subject to the co-payments set forth below and such co-payments shall be the responsibility of the Beneficiary....

Co-Payments for covered Health Benefits are established as follows:

<u>Benefit</u>	<u>Co-Payment</u>
...	...
(b) Prescription drugs and insulin, as set forth in Section A(4) and take-home drugs following hospital confinement as set forth in Section A(1)(a).	\$5 per prescription or refill up to \$50 maximum per 12-month period(*) per family. Note: For purposes of this co-payment provision, a prescription or refill shall be deemed to be each 30 days (or fraction thereof) supply.

If an employee is covered under an employer Plan (established pursuant to the NBCWA of 1978) by more than one signatory employer during a 12-month period(*), the total co-payments made by the employee during such period shall be counted toward the 12-month (*) maximum.

* The 12-month periods shall begin on the following dates: March 27, 1988; March 27, 1989; March 27, 1990; March 27, 1991 and March 27, 1992.

Discussion

Article III. A. (8) of the Employer Benefit Plan provides that benefits for prescription drugs are subject to a \$5 co-payment per prescription or refill up to a maximum of \$50 per 12-month period per family. Article III: A. (8) further stipulates that if an employee is covered under an Employer Benefit Plan by more than one signatory employer during a 12-month period, the total co-payments made by the employee during such period shall be counted toward the 12-month maximum.

In this case, the statements the Complainant received from the Respondent's insurance carrier indicate that benefits for the Complainant's prescription drugs purchased on September 25, 1990 were not paid because the Complainant had not met a required yearly deductible of \$100. This deductible amount is inconsistent with the benefit plan booklet submitted by the Complainant which indicates that benefits for prescription drugs under the Respondent's plan are subject to a \$5 deductible up to a maximum of \$50 per year per family. Irrespective of this discrepancy, additional information presented in this case shows that the Complainant met the maximum co-payment for prescription drugs for the 12-month period from March 27, 1990 to March 26, 1991, in April 1990, while employed by a previous signatory Employer. Therefore, as explicitly provided under Article III. A. (8), benefits provided by the Respondent for the Complainant's prescription drugs during the same 12-month period are not subject to any additional co-payments or deductible amounts.

Opinion of the Trustees

Under the terms of the Employer Benefit Plan, benefits provided by the Respondent for the Complainant's prescription drugs during the period from September 11, 1990 until March 26, 1991, the end of the current co-pay year, are not subject to co-payments or deductibles.