

OPINION OF TRUSTEES

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In Re

Complainant: Employee  
Respondent: Employer  
ROD Case No: 88-440 - February 6, 1992

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 benefits for court costs-and legal fees under the terms of the Employer Benefit Plan.

Background Facts

The Employer changed its claims submission procedures effective December 9, 1988. Prior to that date, claims were submitted to the Employer, who then relayed them to the insurance carrier. Under the new procedures, claims are submitted directly to the insurance carrier.

In October 1988 the Employer notified its Employees, retirees and surviving spouses by letter of the impending change in procedures. On November 30, 1988, the Employer notified the same group that the change in procedures would be effective December 9, 1988 and provided each beneficiary with a new benefits claim kit. In the same time period, the Employer also notified all medical providers who had previously submitted claims of the change in procedures. The Employer states that any claims it received after December 9, 1988 were returned to the medical provider with instructions to submit the claims directly to the insurance carrier.

The Employee's spouse was treated by a cardiologist from September 11 through 16, 1989, with charges totaling \$421.00. The cardiologist's office states that it submitted a claim to the Employer on September 29, 1989 and October 6, 1989. The provider also states that the claims submitted to the Employer were not returned. When payment was not received, the provider billed the Employee.

The Employer states that the first notice it received of the Employee's outstanding bill was on March 27, 1991, when the Employer received a small claims summons with a court date of April 23, 1991. The Employer also states that because its insurance carrier had never received a bill, the Employer advised the provider to bill the insurance carrier. The provider submitted the claim on April 4, 1991 to the insurance carrier. The bill for \$421.00 was paid on April 22, 1991.

The Employee has been notified by the collection agency, which filed the small claims complaint, that there is still a balance due of \$44.54, which includes a a \$7.50 balance due another provider, a \$27.00 filing fee due the court clerk, and \$10.04 for certified mail service. The Employee contends that the Employer should be required to pay these changes.

Dispute

Is the Employer required to pay charges incurred as a result of an unpaid medical bill?

Positions of the Parties

Position of the Employee: The Employer is required to pay the charges incurred because the Employer did not pay his medical bill in a timely manner.

Position of the Employer: The Employer is not required to pay the charges in question because the Employee was properly notified of the Employer's claims submission procedures and did not follow them nor did he contact the Employer to attempt to resolve his outstanding bills. The Employer Benefit Plan makes no provision for payment of court costs incurred as a result of an Employee's failure to submit claims in a timely manner.

Pertinent Provisions

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

(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 responsibility of the Beneficiary....

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

<u>Benefit</u>	<u>Co-Payment</u>
(a) Physician services as an out patient as set forth in section A(2) and physician visits in connection with the benefits set forth in section A(3), paragraph (c) but only for pre- and post-natal visits if the physician charges separately for such visits in addition to the charge for delivery, and paragraphs (g) through (m), paragraph (n) except inpatient surgery, paragraph (o) and section A(7) paragraph (f).	Working Group -- \$7.50 per visit up to a maximum of \$150 per 12-month period(*) per family.  Nonworking Group -- \$5 per visit up to a maximum of \$100 per 12-month period(*) per family.

(10) General Provisions

(b) Administration

The Plan Administrator is authorized to promulgate rules and regulations to implement and administer the Plan, and such rules and regulations shall be binding upon all persons dealing with the Beneficiaries claiming benefits under this Plan. The Trustees of the UMWA Health and Retirement Funds will resolve any disputes, including excessive fee disputes, to assure consistent application of the Plan provisions which are identical to the benefit provisions of the 1950 Benefit Plan and Trust.

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Discussion

The Employee contends that the Employer should be required to pay charges totaling \$44.54 because those charges were incurred as a result of the Employer's failure to pay medical claims in a timely manner. The information submitted in this case indicates that the \$44.54 total includes a \$7.50 balance due on an emergency room physician's charge and \$37.04 which represents fees paid by the collection agency in efforts to obtain payment of the Complainant's unpaid medical bills.

Article III. A. (8) of the Employer Benefit Plan provides that outpatient physician services are subject to co-payments of \$7.50 per visit for active Employees, and such co-payments are the responsibility of the Employee. Therefore, the Employee is responsible for payment of the \$7.50 charge which represents a co-payment due for outpatient physician services, provided the yearly co-payment maximum of \$150.00 had not been met.

Article III. A. (10) (b) of the Employer Benefit Plan provides for the establishment of reasonable procedures necessary to implement and administer the Plan by the Plan Administrator. If same are reasonable and effectively communicated to the Employees, the Trustees have found them to be binding. In this case, the record establishes that the Employer's change in procedures was reasonable and clearly communicated to Employees and retirees. Although the Employee argues that the Employer should be liable for the charges because it did not process his claims in a timely manner, the information submitted indicates that the Employee failed to follow the Employer's clearly established claims procedures and did not attempt to bring this matter to the Employer's attention before collection attempts were initiated.

Opinion of the Trustees

The Employer is not required to pay charges incurred as a result of the Complainant's unpaid medical bills. Also, the Employee is responsible for the co-payment charge provided the annual co-payment maximum has not been met.