
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-496 - April 27, 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 coverage for an Employee's spouse under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is a classified Employee of the Respondent, a signatory Employer. The Complainant's spouse's employer has a group health plan through which the Complainant's spouse received health benefits coverage at no cost to her until May 1991, when her employer began deducting a health insurance premium from her biweekly paycheck. In November 1991, her premium payments increased. The Complainant contends that the Respondent should provide full health benefits coverage for his spouse because she can no longer afford her premium payments and because she is covered as his dependent under the Employer Benefit Plan. The Complainant states that his spouse has not terminated her coverage under her employer's group plan because the Respondent has denied the Complainant's request that it provide health benefits coverage for his spouse as the primary provider.

The Respondent claims that because the Complainant's spouse is enrolled in her employer's group plan, her employer's plan is responsible for providing her primary coverage and that the Respondent is responsible for providing her secondary coverage. The Respondent states that it was not the intent of the parties to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988 to require a coal company to be the primary plan insurer for a working spouse who is able to obtain her own health benefits coverage through her employer's group plan.

Dispute

Is the Respondent required to provide health benefits coverage for the Complainant's spouse as the primary insurer if she is not covered by any other plan?

Positions of the Parties

Position of the Employee: The Respondent is required to provide health benefits coverage for the Complainant's spouse as the primary provider upon termination of her coverage under her employer's group plan.

Position of the Employer: Because the Complainant's spouse receives medical coverage as part of her employer's benefits package, the Complainant's spouse is obligated to remain enrolled in her employer's group plan. The Complainant's spouse's employer's group plan should remain her primary insurer for health benefits coverage.

Pertinent Provisions

Article I (1), (2), (4) and (7) 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.
- (7) "Dependent" shall mean any person described in Section D of Article II hereof.

Article II D. (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:

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. A. (10)(f) of the Employer Benefit Plan states in pertinent part:

(10) General Provisions

(f) Non-Duplication

The health benefits provided under this Plan are subject to a non-duplication provision as follows:

1. Benefits will be reduced by benefits provided under any other group plan, including a plan or another Employer signatory to the Wage Agreement, if the other plan;
 - (i) does not include a coordination of benefits or non-duplication provision, or
 - (ii) includes a coordination of benefits or non-duplication provision and is the primary plan as compared to this Plan.

Discussion

Article II D. (1) of the Employer Benefit Plan states that health benefits coverage under Article III shall be provided to an Employee's spouse who is living with or being supported by an eligible Employee. Article III A. (10)(f) of the Plan provides for non-duplication of benefits by an Employer Benefit Plan and another plan in situations where a beneficiary is covered by both plans. Article III A. (10)(f) also states the criteria to be applied in determining whether the Employer Benefit Plan or another group plan is primary. One of the criteria stipulates that the plan covering the patient other than as a dependent will be the primary plan.

The issue of whether an Employer is required to provide primary insurance coverage for the spouse of an Employee who waived enrollment in a group medical plan offered by the spouse's employer has been previously addressed by the Trustees in ROD 88-132 (copy enclosed herein). In that decision, the Trustees concluded that the Employer was required to provide health benefits coverage to the Employee's spouse as the primary insurer because the spouse was not covered by any other group plan; therefore, the non-duplication of benefits provision did not apply. Accordingly, if the Complainant's spouse is not covered by any other group plan, then the non-duplication of benefits provision is no longer applicable and the Respondent would be required to provide health benefits coverage for the Complainant's spouse as the primary insurer.

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The Respondent is required to provide health benefits coverage as the primary insurer for the Complainant's spouse if she is not covered by any other group plan.