

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-599 - September 7, 1993

Board of Trustees: Michael H. Holland, Chairman; Thomas F. Connors, Trustee; Marty D. Hudson, Trustee; Robert T. Wallace, Trustee.

The Trustees have reviewed the facts and circumstances of this dispute concerning the provision of benefits for inpatient hospital care under the terms of the Employer Benefit Plan.

Background Facts

On August 23, 1990, the Employee was hospitalized complaining of severe flank pain. The patient also has a history of hypertension, chest pains, kidney stones and angina. In addition, he was suffering from depression during the period of hospitalization. The Employee was treated for pain and electrolyte imbalances and evaluated for cardiac symptoms, then released on August 29, 1990.

The Employer provided benefits for hospital charges for August 23 through August 25, but denied room and board charges for August 26 through August 29, stating that services rendered during the period in question could have been safely and adequately performed on an outpatient basis.

Dispute

Is the Employer required to provide benefits for the Employee's room and board charges for the last three days of his hospitalization from August 23 through August 29, 1990?

Positions of the Parties

Position of the Employee: The Employer is required to provide benefits for the Employee's hospitalization from August 26 through August 29, 1990 because the Employee's physician stated that he required an extensive and prolonged hospital stay.

Position of the Employer: The Employer is not required to provide benefits for the room and board charges incurred by the Employee from August 26, 1990 through August 29, 1990 because the services rendered could have been safely and adequately performed in an outpatient setting and were, therefore, not medically necessary. This position is supported by the hospital's

progress notes, which indicate that after August 27, 1990 the patient's condition was stable, afebrile (without fever) and he could go "home any time from medical standpoint."

Pertinent Provisions

The Introduction to Article III of the Employer Benefit Plan states in pertinent part:

ARTICLE III BENEFITS

Covered services shall be limited to those services which are reasonable and necessary for the diagnosis or treatment of an illness or injury and which are given at the appropriate level of care, or are otherwise provided for in the Plan. The fact that a procedure or level of care is prescribed by a physician does not mean that it is medically reasonable or necessary or that it is covered under this Plan....

Article III. A. (1)(a) and (c) of the Employer Benefit Plan provides in pertinent part:

(1) Inpatient Hospital Benefits

_____ (a) Semi-private room

When a Beneficiary is admitted by a licensed physician (hereinafter "physician") for treatment as an inpatient to an Accredited Hospital (hereinafter "hospital"), benefits will be provided for semi-private room accommodations (including special diets and general nursing care) and all medically necessary services provided by the hospital as set out below for the diagnosis and treatment of the Beneficiary's condition.

Article III. A. (10)(g) 3. of the Employer Benefit Plan states:

(g) Explanation of Benefits (EOB), Cost Containment and Hold Harmless

3. The Employer and the UMWA agree that the excessive charges and escalating health costs are a joint problem requiring a mutual effort for solution. In any case in which a provider attempts to collect excessive charges or charges for services not medically necessary, as defined in the Plan, from a Beneficiary, the Plan Administrator or his agent shall, with the written consent of the Beneficiary, attempt to resolve the matter, either by negotiating a resolution or defending any legal action commenced by the provider. Whether the Plan Administrator or his agent negotiates a resolution of a matter or defends a legal action on a Beneficiary's behalf, the Beneficiary shall not be responsible for any legal fees, settlements, judgments or other expenses in connection with the case, but may be liable for any services of the provider which are not provided for under the Plan. The Plan Administrator or his agent shall have sole control over the conduct of the defense, including the determination of whether the claim should be settled or an adverse determination should be appealed.

Discussion

The Introduction to Article III of the Employer Benefit Plan states that covered services shall be limited to those services which are reasonable and necessary for the diagnosis or treatment of an illness or injury and are given at the appropriate level of care. The Introduction states that the fact that a level of care is prescribed by a physician does not mean that it is medically reasonable or necessary or that it is covered under the Plan. Article III. A. (1)(a) of the Plan states that if a Beneficiary is admitted to a hospital by a physician, benefits will be provided for room accommodations and medically necessary services provided by a hospital for the diagnosis and treatment of the Beneficiary's condition.

A Funds' medical consultant has reviewed the information submitted in this file, including detailed progress notes, admission, discharge and consultation notes, and a letter from the Employee's physician. The consultant has advised that the records indicate that by August 26, 1990 the patient's pain was controlled and his cardiac symptoms and EKG changes were evaluated and determined not to represent an acute problem requiring treatment. Further, the electrolyte imbalance was treated at admission and should have been normal within 24 hours. It is the consultant's opinion that the hospitalization was not required after August 26, 1990. Accordingly, the Trustees find that the Employer's denial of the hospital charges incurred by the Employee from August 26, 1990 through August 29, 1990 is reasonable under the terms of the Employer Benefit Plan.

Article III. A. (10)(g) 3. of the Employer Benefit Plan, the "hold harmless" provision, states that the Plan Administrator shall attempt to negotiate with, or defend a Beneficiary against, providers who seek to collect charges for services not medically necessary. It has been determined that the patient's treatment on the dates in question in this case could have been effectively and appropriately administered on an outpatient basis. Therefore, hospitalization from August 26, 1990 through August 29, 1990 was not medically reasonable and necessary, and the Employer must hold the Employee harmless.

Opinion of the Trustees

The Employer is not required to provide benefits for the Employee's room and board charges for August 26, 1990 through August 29, 1990 that were not medically necessary. The Employer should implement its hold harmless procedures as required under the provisions of Article III. A. (10)(g) 3. of the Employer Benefit Plan.