

OPINION OF TRUSTEES

In Re

Complainant: Laid-off Employee
Respondent: Employer
ROD Case No: 88-733 - December 10, 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 deductible for prescription drug expenses under the terms of the Employer Benefit Plan.

Background Facts

The Employee states that his family prescription co-payment maximum was reached on charges submitted to his prior Employer, but that his Employer applied additional co-payments on prescriptions for both himself and his spouse for charges during the Plan year March 27, 1992 through March 26, 1993. The Complainant states that his prior employer was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988.

Additionally, the Complainant states that he, along with others, was laid off on January 7, 1993. The issue raised in that matter, concerning continuation of coverage, has been addressed in ROD 88-687.

Dispute

Is the Respondent required to credit prescription deductibles taken by a prior employer towards the satisfaction of prescription deductibles under its health benefit plan?

Positions of the Parties

Position of the Complainant: The Employer is required to accept deductibles applied by a prior employer in the same plan year as credit towards the deductible under its health benefit plan.

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

Pertinent Provisions

Article III.A. (8) states 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 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 ³ per family. <u>Note:</u> 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.

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. Therefore, to the extent that the family prescription co-payment maximum had been reached under the prior employer's Employer Benefit Plan, the Trustees conclude that any prescription drugs prescribed for the Complainant or his family during the remainder of his period of eligibility are not subject to any additional co-payments or deductible amounts.

Opinion of the Trustees

Consistent with the provisions of Article III. A. (8) of the Employer Benefit Plan, the Respondent Employer is required to provide benefits for prescription drugs purchased by the Employee and his dependents during the period of his eligibility, including the proper application of co-payments assessed by any prior Employers in the same Plan Year.