

From: Botwinick, Alexandra (HHS/OCIIO)
Sent: Monday, January 03, 2011 11:04 AM
To: 'Laurie.Lee@tn.gov'
Subject: Cover Tennessee Waiver of the Annual Limits Requirements 1-3-2011

Importance: High

Attachments: Cover TN Letter .pdf

Good Morning,

Thank you for submitting an application for a Waiver of the Annual Limits Requirements of the PHS Act Section 2711 for Cover Tennessee. HHS has reviewed your application and made its determination. Please see the attached letter.

Please confirm receipt of this letter by replying to this e-mail.

Please let me know if I can be of further assistance.

Sincerely,

Alexandra Botwinick

Office of Oversight

HHS/OCIIO

alexandra.botwinick@hhs.gov

COVER TN:000001



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Consumer Information and
Insurance Oversight
Washington, DC 20201

December 28, 2010

Laurie Lee
Executive Director
Benefits Administration
Department of Finance and Administration
State of Tennessee
312 Eighth Avenue North
Suite 2600 William R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243

**Re: Cover TN Application for Waiver of the Annual Limits Requirements under
PHS Act Section 2711**

Dear Ms. Lee:


The Office of Consumer Information and Insurance Oversight, Office of Insurance Oversight (the "Office of Oversight") received CoverTN's application, dated September 17, 2010, for a waiver of the annual limits restrictions on essential health benefits under section 2711 of the PHS Act.

We reviewed the application and determined that CoverTN meets criteria for a waiver of the annual limits restrictions. Therefore, the Office of Oversight is approving CoverTN's waiver request. This waiver applies to each CoverTN plan or policy that is issued or renewed beginning on March 23, 2010 through September 22, 2011, and the waiver will remain in effect for one (1) year. CoverTN must re-apply for a new waiver for each CoverTN plan or policy that is issued or renewed on or after September 23, 2011.

This waiver only applies to the annual limits requirements under section 2711 of the PHS Act and does not apply to any other requirements under the Affordable Care Act, ERISA, the IRS Code or the PHS Act. Additionally, this waiver does not apply to the compliance requirements under the Mental Health Parity Act of 1996, the Mental Health Parity and Addiction Equity Act of 2008, or the Newborns' and Mothers' Health Protection Act of 1996, to the extent these provisions apply to the plan.

If you have any questions regarding this letter, please email OCIIOversight@hhs.gov.

Very truly yours,


Steve Lassen
Director
Office of Oversight

STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
BENEFITS ADMINISTRATION

312 Eighth Avenue North
Suite 2600 William R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243
Phone (615) 741-4517 or (866)-576-0029
FAX (615) 253-8556

Dave Goetz
COMMISSIONER

Laurie Lee
EXECUTIVE DIRECTOR

Date: September 17, 2010
To: Mr. James Mayhew
From: Laurie Lee, Executive Director, Benefits Administration, Department of
Finance & Administration, State of Tennessee
Regarding: State of Tennessee Waiver Request of the Annual Limits Requirement of
PHS Section 2711

I. Introduction and Background

The State of Tennessee seeks a waiver relating to annual limits for grandfathered health insurance plans for a state sponsored limited benefit plan called CoverTN. This waiver is sought pursuant to the authority granted the Secretary of Health and Human Services in Section 2711(a)(2) and the interim final regulations published on June 28, 2010, (codified as 26 CFR §54.9815-2719T; 29 CFR § 2590.715-2719; and 45 CFR §147.126) and in accordance to the guidance provided in the memo dated September 3, 2010, by Mr. Steve Larsen, Director, Office of Oversight. The waiver for the 2011 plan year (i.e., January 1, 2011 to December 31, 2011) would also apply to all new CoverTN policies that we execute with new members (including but not limited to spouses of current enrollees and new employees of participating employers) with an effective date on or after September 1, 2010.

During the 2006 legislative session of the Tennessee General Assembly, Governor Phil Bredesen proposed and the Tennessee General Assembly passed Public Chapter 867, which created a limited benefit health insurance plan for uninsured working Tennesseans called CoverTN. Currently funded at over eighteen million dollars for the State's 2010-2011 fiscal year (July 1 to June 30), the plan serves approximately twenty thousand members.

CoverTN's mission is to provide affordable, basic health insurance for small businesses, individuals, the self-employed and the recently unemployed that covers the most frequently used services. The eligibility criteria for the program varies slightly by enrollment category, but is generally open to individuals who do not qualify for Medicaid

yet earn less than two-hundred and fifty percent of the federal poverty level and who are between the ages of 19 and 64. Other key features of CoverTN include shared responsibility, first dollar coverage (no deductible), and portability. The premium costs are shared between the state, the employer and the employee—with the state paying one-third. BlueCross BlueShield of Tennessee, selected through a competitive bidding process, offers the fully-insured program for the state.

CoverTN has been a remarkable success with enrollment climbing steadily since its inception. The plan is affordable. Monthly premiums average less than ^{(b)(4)} a month for an enrollee with the employer and the state covering the remaining two-thirds in most instances. The plan is efficient, with a medical loss ratio for 2010 projected at ^{(b)(4)}. Retained enrollment has averaged ^{(b)(4)}. Most importantly, the plan has provided most of the coverage that most of the enrollees need, with enrollees hitting the annual benefit limits in strikingly low percentages.

Based on President Obama's commitment to permit individuals to keep their health insurance coverage if they are satisfied with it, it is our desire to continue to offer CoverTN through December 31, 2013. The program would then cease with the introduction of products and funding through the state insurance exchange.

We have carefully reviewed the *Patient Protection and Affordable Care Act, the Interim Final Rules for Group Health Plans and Health Insurance Coverage Relating to Status as a Grandfathered Health Plan, and the Interim Final Rules on Preexisting Condition Exclusions, Lifetime and Annual Limits, Rescissions, and Patient Protections*. We have determined that, working with BlueCross BlueShield of Tennessee, we can meet all of the requirements of the law and subsequent regulations with the exception of the annual limits.

In Par. 5. Section 54.9815-2711T (d)(3) of the *Interim Final Rules on Preexisting Condition Exclusions, Lifetime and Annual Limits, Rescissions, and Patient Protections*, a waiver authority is provided to the Secretary of Health and Human Services relating to annual limits "...for a group health plan or health insurance coverage that has an annual dollar limit on benefits below the restricted annual limits provided under paragraph (d)(1) of this section if compliance with paragraph (d)(1) of this section would result in a significant decrease in access to benefits under the plan or health insurance coverage or would significantly increase premiums for the plan or health insurance coverage."

We believe CoverTN meets both of these criteria. The following section presents the information required for a waiver in your office's memorandum dated September 3, 2010, titled Insurance Standards Bulletin Series—INFORMATION on the subject OCIO Sub-Regulatory Guidance (OCIO 2010 – 1): Process for Obtaining Waivers of the Annual Limits Requirements of PHS Act Section 2711.

Required Information

1. *The terms of the plan or policy form(s) for which a waiver is sought.*

Basic eligibility and benefits information follows. Member handbooks for the 2011 plan year are attached. More detailed information can be accessed at:
<http://www.bcbst.com/health-plans/cover-tennessee/covertn/>

a. CoverTN Eligibility

CoverTN is designed for uninsured Tennesseans, at least 19-years-old, who work for qualifying small businesses, are self-employed or work but do not have health insurance. In addition, those who have recently become unemployed or had work hours reduced may also be eligible. The spouse of a CoverTN member may also be eligible for coverage under CoverTN.

Employers

- Located in Tennessee
- 50 or fewer full-time equivalent employees
- 50% of employees earn \$55,000 or less per year
- Business offers plan to all employees
- Business must pay at least one-third share of premium
- Business has not offered employer-sponsored insurance in the previous six months or, if offered, employer has not paid 50% or more of the employee's premiums*

Employees at Participating Employers

- A U.S. citizen or qualified legal alien
- 19-years-old or older
- Works an average of at least 20 hours per week
- Has not had health insurance in the previous six months (individual or group coverage)*
- Must agree to pay one-third of the premium

Employees at Non-Participating Employers

- Tennessee resident for six months
- A U.S. citizen or qualified legal alien
- 19-years-old or older
- Works an average of 20 hours per week
- Earns \$55,000 or less per year
- Has not had health insurance in the previous six months (individual or group coverage)*
- Must agree to pay two-thirds of the premium

Self-Employed Eligibility

Self-employed individuals are eligible to apply for CoverTN. Self-employed means that you are in business for yourself or are an independent contractor and your business does not have any employees. Self-employed applicants, to be eligible for CoverTN, must be

able to show income from the business equal to at least 20 hours per week at minimum wage, or about \$6,800 per year.

- Tennessee resident for six months
- A U.S. citizen or qualified legal alien
- 19-years-old or older
- Works an average of 20 hours per week
- Earns \$55,000 or less per year in adjusted gross income
- Has not had health insurance in the previous six months (individual or group coverage)*
- Must agree to pay two-thirds of the premium

Tennesseans Between Jobs

- Worked at least one 20-hour week in the previous six months or had work hours reduced to less than 20 hours per week
- Unemployed in the previous six months
- Earned \$55,000 or less per year
- Tennessee resident for six months
- A U.S. citizen or qualified legal alien
- 19-years-old or older
- Must agree to pay two-thirds share of the premium
- Does not currently have health insurance

Coverage for Spouses

Spouses of CoverTN participants may be eligible for coverage if they meet the following eligibility requirements. An employer is not obligated to contribute to the spouse's premium and employees must pay whatever portion of the spouse's premium the employer does not cover. An employee must enroll in CoverTN in order for the spouse to be eligible.

- Tennessee resident for six months (exceptions apply)
- A U.S. citizen or qualified legal alien
- 19-years-old or older
- Has not had health insurance in the previous six months
- Must agree to pay two-thirds share of the premium

Coverage for Children

Children of CoverTN participants are not eligible for coverage under this program but may be eligible for coverage through CoverKids, the state's SCHIP program.

* Exception to the go-bare requirement may apply

b. Benefits

CoverTN is a limited-benefit health plan designed to cover the medical, pharmacy and behavioral health services needed by most people.

Offered by BlueCross BlueShield of Tennessee, CoverTN allows individuals to choose from two different plans — Plan A and Plan B. CoverTN is designed to provide coverage

for the most needed services and the plans have no deductible. Members pay low co-pays for medical services.

CoverTN has a 12-month pre-existing condition waiting period. No benefits will be paid for conditions that are present during the immediate six months prior to enrolling in CoverTN for the first 12 months of the policy. After the member has been enrolled in CoverTN for 12 months, CoverTN will begin covering these conditions.

CoverTN benefits include coverage for doctor visits, emergency treatment, inpatient and outpatient care, as well as pharmacy coverage. The chart below shows both plan options, including co-pays.

CoverTN members who become pregnant will remain enrolled in CoverTN but will receive maternity benefits and pregnancy-related services through CoverKids HealthyTNBabies or TennCare, the State's Medicaid program.

Benefit	Plan A	Plan B
Primary Care Doctor Visits *	Ex. 4	
Preventive Care		
Preventive Mammogram		
Specialist Visits		
Inpatient		
Emergency		
Outpatient Surgery		
Outpatient Diagnostic		
Durable Medical Equipment (prosthetics, medical supplies)		
Prescription Drugs		
Insulin and Diabetic Test Strips		
Diabetic Supplies (needles, syringes, lancets, alcohol swabs)		

* Must see a primary care physician (PCP) - A PCP includes Internal Medicine, OB/GYN, Family Practice, General Practice and Nurse Practitioner.

Both plans have a maximum annual benefit limit of \$25,000 per year. Individuals who reach the annual benefit maximum during the year are responsible for all expenses exceeding \$25,000 until the next plan year begins. Members exceeding the \$25,000 annual benefit maximum will continue to receive network discounts on their medical services and prescription drugs when they use network providers and pharmacies.

2. *The number of individuals covered by the plan or policy form(s) submitted.*

CoverTN had 20,205 enrollees covered and 20,373 approved for coverage as of August 31, 2010.

3. *The annual limit(s) and rates applicable to the plan or policy form(s) submitted.*

CoverTN, as a limited benefit plan, has a maximum annual benefit limit of \$25,000 per year. Individuals who reach the annual benefit maximum during the year are responsible for all expenses exceeding \$25,000 until the next plan year begins. Members exceeding the \$25,000 annual benefit maximum continue to receive network discounts on their medical services and prescription drugs when they use network providers and pharmacies.

CoverTN's monthly premiums range from \$112.59 to \$327.09 with an average monthly premium of \$176, the cost of which is shared between the State of Tennessee, the employer, and the enrollees, with the State paying one-third. Premiums are based on age, weight, and tobacco use with discounts provided in the latter two categories if the enrollee does not use tobacco and their weight is below a BMI of 30.

4. *A brief description of why compliance with the interim final regulations would result in a significant decrease in access to benefits for those currently covered by the plans or policies, or significant increase in premiums paid by those covered by such plans or policies, along with any supporting documentation.*

Given the current level of funding in the State's budget, absent a waiver CoverTN will have to disenroll some 20,000 Tennesseans at midnight on December 31, 2010, who were not served by the commercial market in Tennessee prior to their enrollment. It seems likely that the majority of these individuals would become uninsured. If CoverTN were to change its benefit structure to meet the annual limits specified in the interim final rules, we estimate that the monthly premiums would increase 86%. As this group of the insured market is highly price-sensitive, this level of increase would result in thousands of current members dropping coverage. Disenrollment of twenty thousand individuals before the state insurance exchange is in place or a huge percentage increase in costs is clearly undesirable. We seek to avoid this outcome with this waiver request.

5. *An attestation, signed by the plan administrator or Chief Executive Officer of the issuer of the coverage, certifying 1) that the plan was in force prior to September 23, 2010; and 2) that the application of restricted annual limits to such plans or policies would result in a significant decrease in access to benefits for those currently covered by such plans or policies, or a significant increase in premiums paid by those covered by such plans or policies.*

Please see enclosed attestation.

Thank you very much for your attention to this matter. Please do not hesitate to contact me at (615) 253-2861 or laurie.lee@tn.gov should you require any addition information.

STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
BENEFITS ADMINISTRATION

312 Eighth Avenue North
Suite 2600 William R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243
Phone (615) 741-4517 or (866)-576-0029
FAX (615) 253-8556

Dave Goetz
COMMISSIONER

Laurie Lee
EXECUTIVE DIRECTOR

Date: September 17, 2010

To: Mr. James Mayhew

From: Laurie Lee, Executive Director, Benefits Administration, Department of Finance & Administration, State of Tennessee

Re: State of Tennessee Waiver Request of the Annual Limits Requirement of PHS Section 2711, Attestation in Response to Requirement Number 5.

1. This is to certify that CoverTN was in existence with policies in force prior to September 23, 2010.
2. This is to certify that the application of the restricted annual limits specified in the *Interim Final Rules on Preexisting Condition Exclusions, Lifetime and Annual Limits, Rescissions, and Patient Protections* to CoverTN would result in a significant decrease in access to benefits for those currently covered by CoverTN.
3. This is to certify that a significant increase in premiums would be required for those covered by CoverTN without the granting of the requested waiver.

Signed: _____

Laurie Lee

Laurie Lee
Executive Director

Date: _____

9/17/2010

Pages 11 through 250 redacted for the following reasons:

Exemption 4

CoverTN Enrollment January 1, 2010 through October 31, 2010.

	C
January	(b)(4)
February	(b)(4)
March	(b)(4)
April	(b)(4)
May	(b)(4)
June	(b)(4)
July	(b)(4)
August	(b)(4)
September	(b)(4)
October	(b)(4)
Average	(b)(4)

CoverTN Budgeted Appropriations Since Start-Up.

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Budget	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)
Expenditures	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)
Carry-Forward	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)
Enrollment at June 30th	(b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)

NOTE: The State of Tennessee's fiscal year is from July 1 to June 30.

From: Gerald Reed [Gerald.Reed@tn.gov]
Sent: Friday, October 08, 2010 10:06 AM
To: Pham, Erica (HHS/OC110)
Cc: Laurie Lee
Subject: CoverTN info
Erica,

The cost represented by the estimated (b)(4) increase noted in our waiver request is (b)(4) per member per month. It is important to note that this increase would benefit very few people (the small percentage that exceed our current limit), but would price many out of the product.

Please don't hesitate to contact either Laurie Lee or myself if you have any additional questions.

Thank you.

Gerald

Gerald G. Reed, Ph.D.
Director, CoverTN & CoverRx
Tennessee Department of Finance & Administration
Benefits Administration Division
26th Floor, William R. Snodgrass Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243-1102

(615) 253-8575

COVER TN:000013

From: Keels, Lisa (HHS/OCIIO)
Sent: Monday, December 13, 2010 4:34 PM
To: Habit, Sandra (HHS/OCIIO)
Subject: FW: last week's invoice

Another email that I was mistakenly CC-ed on (relating to the CoverTN person's email). Hopefully they will remove me soon - otherwise, I'll email them back!

Thanks, Sandy!

-----Original Message-----

From: Moore, Scott A. (STL) [mailto:SAMoore@express-scripts.com]
Sent: Monday, December 13, 2010 4:31 PM
To: Gerald Reed
Cc: Wolf, Susan J. (BLM); Keels, Lisa (HHS/OCIIO); Therasia.H Carney
Subject: RE: last week's invoice

Sure I will set it up today.

sm

-----Original Message-----

From: Gerald Reed [mailto:Gerald.Reed@tn.gov]
Sent: Monday, December 13, 2010 3:18 PM
To: Moore, Scott A. (STL)
Cc: Wolf, Susan J. (BLM); Lisa.Keels@hhs.gov; Therasia.H Carney
Subject: RE: last week's invoice

Hi Scott,

No problem. I signed it today. I was also wondering if it would be possible to have the invoice sent to me as an email attachment as you did this time. It would actually be easier for me and, since our fax machine is shared, I'm never sure in an instance like this what happened. Besides, faxes are so 80's any way...

Gerald

>>> "Moore, Scott A. (STL)" <SAMoore@express-scripts.com> 12/13/10 12:55

>>> PM >>>

I assume it was but I don't know for sure because the confirmation copy was not saved. The notes on your account state to fax the invoice coversheet so the process is noted.

Scott

From: Gerald Reed [mailto:Gerald.Reed@tn.gov]
Sent: Monday, December 13, 2010 11:32 AM
To: Moore, Scott A. (STL)
Subject: RE: last week's invoice

Thanks, Scott. Was this faxed last week and somehow got lost on our end?

G

COVER TN:000014

Gerald G. Reed, Ph.D.
Director, CoverTN & CoverRx
Tennessee Department of Finance & Administration Benefits Administration Division 26th Floor, William R.
Snodgrass Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243-1102

(615) 253-8575

COVER TN:000015

From: Keels, Lisa (HHS/OCIIO)
Sent: Tuesday, December 14, 2010 10:07 AM
To: Habit, Sandra (HHS/OCIIO)
Subject: FW: last week's invoice

Hopefully the last of the CoverTN emails I've been cc-ed on. Thanks, Sandy!

-----Original Message-----

From: Moore, Scott A. (STL) [mailto:SAMoore@express-scripts.com]
Sent: Tuesday, December 14, 2010 8:27 AM
To: Gerald Reed
Cc: Wolf, Susan J. (BLM); Keels, Lisa (HHS/OCIIO); Therasia.H Carney
Subject: RE: last week's invoice

Okay she has been added.

sm

-----Original Message-----

From: Gerald Reed [mailto:Gerald.Reed@tn.gov]
Sent: Tuesday, December 14, 2010 6:47 AM
To: Moore, Scott A. (STL)
Cc: Wolf, Susan J. (BLM); Lisa.Keels@hhs.gov; Therasia.H Carney
Subject: RE: last week's invoice

That's great, thanks! Please copy Therasia when you send them and have Invoice in the subject line. That should do it.

G

>>> "Moore, Scott A. (STL)" <SAMoore@express-scripts.com> 12/13/10 3:31

>>> PM >>>

Sure I will set it up today.

sm

-----Original Message-----

From: Gerald Reed [mailto:Gerald.Reed@tn.gov]
Sent: Monday, December 13, 2010 3:18 PM
To: Moore, Scott A. (STL)
Cc: Wolf, Susan J. (BLM); Lisa.Keels@hhs.gov; Therasia.H Carney
Subject: RE: last week's invoice

Hi Scott,

No problem. I signed it today. I was also wondering if it would be possible to have the invoice sent to me as an email attachment as you did this time. It would actually be easier for me and, since our fax machine is shared, I'm never sure in an instance like this what happened. Besides, faxes are so 80's any way...

Gerald

COVER TN:000016

>>> "Moore, Scott A. (STL)" <SAMoore@express-scripts.com> 12/13/10 12:55

>>> PM >>>

I assume it was but I don't know for sure because the confirmation copy was not saved. The notes on your account state to fax the invoice coversheet so the process is noted.

Scott

From: Gerald Reed [mailto:Gerald.Reed@tn.gov]

Sent: Monday, December 13, 2010 11:32 AM

To: Moore, Scott A. (STL)

Subject: RE: last week's invoice

Thanks, Scott. Was this faxed last week and somehow got lost on our end?

G

Gerald G. Reed, Ph.D.

Director, CoverTN & CoverRx

Tennessee Department of Finance & Administration Benefits Administration Division 26th Floor, William R.

Snodgrass Tower

312 Rosa L. Parks Avenue

Nashville, TN 37243-1102

(615) 253-8575

COVER TN:000017

From: Andrews, Jane (HHS/OCIIO)
Sent: Thursday, October 21, 2010 5:32 PM
To: Botwinick, Alexandra (HHS/OCIIO)
Cc: Pham, Erica (HHS/OCIIO)
Subject: FW: Waiver

Importance: High

Can you please add this to the coverTenn folder? Thanks!

Jane W. Andrews
OCIIO
7501 Wisconsin Ave
Bethesda, MD 20814
301-492-4122 (desk)
202-536-6779 (Blackberry)

INFORMATION NOT RELEASABLE TO THE PUBLIC UNLESS AUTHORIZED BY LAW:

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-----Original Message-----

From: OCIIO Oversight
Sent: Thursday, October 21, 2010 3:45 PM
To: Mayhew, James A. (CMS/CPC); Andrews, Jane (HHS/OCIIO)
Subject: FW: Waiver
Importance: High

Please see below.

Lapreea

-----Original Message-----

From: Laurie Lee [mailto:Laurie.Lee@tn.gov]
Sent: Wednesday, October 20, 2010 10:53 AM
To: HHS HealthInsurance (HHS)
Cc: Gerald Reed
Subject: Waiver

Re: CoverTN Waiver Request

Mr. Mayhew and Ms. Andrew:

Thank you for your call yesterday to explain the status of the CoverTN waiver request that the State of Tennessee submitted. You stated that the State would have to request a waiver pursuant to guidelines for states that sponsor a limited benefit health insurance program. You also stated that the guidelines are expected "any day" but are not yet published.

COVER TN:000018

As we discussed yesterday, we contacted BlueCross BlueShield of Tennessee (BCBST) to request that they submit the waiver on behalf of the state's CoverTN program, as they are they are the carrier that offers the fully-insured product CoverTN product. It is BCBST's position that the state is the sponsor of the program (we contract with BCBST to offer the product and fund 1/3 of each premium) and, that we should pursue the state waiver.

We agree with this position and, therefore, will re-apply when you issue the state guidelines. Of course we will watch for public notice about the state waiver but would greatly appreciate your communication to us directly when the state waiver guidelines are released.

Sincerely,

Laurie

Laurie S. Lee
Executive Director
Division of Benefits Administration
Tennessee Department of Finance and Administration
312 Rosa L. Parks Avenue
Suite 2600
Nashville, TN 37243
laurie.lee@tn.gov
(615) 253-2861 - Direct
(615) 253-8556 - Fax

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COVER TN:000019

From: Kottenmeier, Erika (HHS/OCIIO)
Sent: Thursday, January 13, 2011 12:14 PM
To: 'laurie.lee@tn.gov'; 'gerald.reed@tn.gov'
Cc: Combs, Darrell (HHS/OCIIO); Royes, Joy (HHS/OCIIO)
Subject: Modification of Notice Language for State Waiver Recipients
Dear Ms. Lee and Mr. Reed,

Pursuant to a question from another State waiver grantee, OCIIO has determined that the model language posted in the December 9, 2010 Supplemental Guidance may be modified slightly for carriers who receive waivers of annual limits for State-mandated policies. The notice language may be amended in the third paragraph to read "The State, on behalf of your health plan, requested a waiver..." instead of "your health plan requested a waiver..." However, this is the only change HHS will permit. The notice language must be displayed on all materials without any other changes or it will not be in compliance with the Bulletin.

Kind Regards,

Erika M. Kottenmeier
Division of Enforcement
Office of Oversight
HHS/OCIIO
(301) 492-4170
erika.kottenmeier@hhs.gov

INFORMATION NOT RELEASABLE TO THE PUBLIC UNLESS AUTHORIZED BY LAW:

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COVER TN:000020

From: Keels, Lisa (HHS/OCIO)
Sent: Tuesday, December 14, 2010 3:37 PM
To: Gerald Reed
Cc: Habit, Sandra (HHS/OCIO)
Subject: RE: last week's invoice

Hi Gerald,

No problem at all. I am not sure about the timeline for the formal waiver approval letter, but I will keep you posted if I hear anything.

I thought it was cold in DC today, but it definitely was not 5 degrees! I hope you're staying warm.

Lisa

From: Gerald Reed [mailto:Gerald.Reed@tn.gov]
Sent: Tuesday, December 14, 2010 10:27 AM
To: Keels, Lisa (HHS/OCIO)
Subject: RE: last week's invoice

Hi Lisa,

It was my bad. Thanks for letting me know. I also run a pharmacy benefit program called CoverRx and the new account manager is also named Lisa. When I was populating the copy field, I must have inadvertently picked up your address. I'll be more careful from now on!

FYI, I've already been in touch with Blue Cross Blue Shield of Tennessee regarding the notice required for limited benefit plans under the Dec. 9th guidance. It won't be a problem for us.

Any sense of when we might receive the formal waiver approval letter?

It's freezing here in Music City-- 5 degrees this morning!
Gerald

Gerald G. Reed, Ph.D.
Director, CoverTN & CoverRx
Tennessee Department of Finance & Administration
Benefits Administration Division
26th Floor, William R. Snodgrass Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243-1102

(615) 253-8575

COVER TN:000021

From: Keels, Lisa (HHS/OCIO)
Sent: Tuesday, December 14, 2010 10:02 AM
To: Gerald Reed
Cc: Habit, Sandra (HHS/OCIO)
Subject: RE: last week's invoice

Hi Gerald,

I hope you're doing well. I believe I am being unintentionally CC-ed on these emails, but if not, please let me know.

Thanks,
Lisa

-----Original Message-----

From: Gerald Reed [mailto:Gerald.Reed@tn.gov]
Sent: Tuesday, December 14, 2010 7:47 AM
To: SAMoore@express-scripts.com
Cc: sue.wolf@express-scripts.com; Keels, Lisa (HHS/OCIO); Therasia.H Carney
Subject: RE: last week's invoice

That's great, thanks! Please copy Therasia when you send them and have Invoice in the subject line. That should do it.

G

>>> "Moore, Scott A. (STL)" <SAMoore@express-scripts.com> 12/13/10 3:31
>>> PM >>>
Sure I will set it up today.

sm

-----Original Message-----

From: Gerald Reed [mailto:Gerald.Reed@tn.gov]
Sent: Monday, December 13, 2010 3:18 PM
To: Moore, Scott A. (STL)
Cc: Wolf, Susan J. (BLM); Lisa.Keels@hhs.gov; Therasia.H Carney
Subject: RE: last week's invoice

Hi Scott,

No problem. I signed it today. I was also wondering if it would be possible to have the invoice sent to me as an email attachment as you did this time. It would actually be easier for me and, since our fax machine is shared, I'm never sure in an instance like this what happened. Besides, faxes are so 80's any way...

Gerald

>>> "Moore, Scott A. (STL)" <SAMoore@express-scripts.com> 12/13/10 12:55
>>> PM >>>

I assume it was but I don't know for sure because the confirmation copy was not saved. The notes on your account state to fax the invoice coversheet so the process is noted.

COVER TN:000022

Scott

From: Gerald Reed [mailto:Gerald.Reed@tn.gov]
Sent: Monday, December 13, 2010 11:32 AM
To: Moore, Scott A. (STL)
Subject: RE: last week's invoice

Thanks, Scott. Was this faxed last week and somehow got lost on our end?

G

Gerald G. Reed, Ph.D.
Director, CoverTN & CoverRx
Tennessee Department of Finance & Administration Benefits Administration Division 26th Floor, William R.
Snodgrass Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243-1102

(615) 253-8575

COVER TN:000023

From: Pham, Erica (HHS/OCIIO)

Sent: Wednesday, November 10, 2010 1:27 PM

To: 'Gerald.Reed@tn.gov'

Cc: Andrews, Jane (HHS/OCIIO); Habit, Sandra (HHS/OCIIO); Keels, Lisa (HHS/OCIIO); 'Laurie.lee@tn.gov'

Subject: Cover TN Enrollment Information

Hi Gerald:

Thanks for speaking to us the other day regarding Cover TN. Do you have any additional information regarding the change of enrollees for CoverTN over the past 6 months to a year?

Many thanks,

Erica Pham
Division of Enforcement
Office of Oversight
OCIIO/HHS
301-492-4108
erica.pham@hhs.gov

COVER TN:000024

From: Gerald Reed [Gerald.Reed@tn.gov]
Sent: Wednesday, November 10, 2010 5:11 PM
To: Pham, Erica (HHS/OCIIIO)
Cc: Andrews, Jane (HHS/OCIIIO); Keels, Lisa (HHS/OCIIIO); Habit, Sandra (HHS/OCIIIO); Laurie Lee
Subject: Re: Cover TN Enrollment Information

Attachments: CoverTN Enrollment YTD.XLS

Hi Erica,

I've attached a sheet showing both the "Covered" and "Approved" enrollment since the beginning of this year. Overall, we've averaged over (b)(4) in both categories during this time period.

I also thought you might like to see the appropriations since CoverTN's start-up. The program started with an initial recurring revenue source moved from another program with the understanding that the budget office would "right-size" the funding as we determined a reasonable enrollment projection based on the program's experience.

Given the State's revenue shortfalls due to the recession the last couple of fiscal years, like virtually every other program we've had a decline in funding. However, given turnover and our waiting list, we will continue to enroll to the level our funding can support.

Best,
Gerald

Gerald G. Reed, Ph.D.
Director, CoverTN & CoverRx
Tennessee Department of Finance & Administration
Benefits Administration Division
26th Floor, William R. Snodgrass Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243-1102

(615) 253-8575

>>> "Pham, Erica (HHS/OCIIIO)" <Erica.Pham@hhs.gov> 11/10/2010 12:27 PM >>>

Hi Gerald:

Thanks for speaking to us the other day regarding Cover TN. Do you have any additional information regarding the change of enrollees for CoverTN over the past 6 months to a year?

Many thanks,

Erica Pham

Division of Enforcement
Office of Oversight
OCIIIO/HHS

301-492-4108

erica.pham@hhs.gov

COVER TN:000025

STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
BENEFITS ADMINISTRATION

312 Eighth Avenue North
Suite 2600 William R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243
Phone (615) 741-4517 or (866)-576-0029
FAX (615) 253-8556

Dave Goetz
COMMISSIONER

Laurie Lee
EXECUTIVE DIRECTOR

Date: September 17, 2010

To: Mr. James Mayhew

From: Laurie Lee, Executive Director, Benefits Administration, Department of Finance & Administration, State of Tennessee

Re: State of Tennessee Waiver Request of the Annual Limits Requirement of PHS Section 2711, Attestation in Response to Requirement Number 5.

1. This is to certify that CoverTN was in existence with policies in force prior to September 23, 2010.
2. This is to certify that the application of the restricted annual limits specified in the *Interim Final Rules on Preexisting Condition Exclusions, Lifetime and Annual Limits, Rescissions, and Patient Protections* to CoverTN would result in a significant decrease in access to benefits for those currently covered by CoverTN.
3. This is to certify that a significant increase in premiums would be required for those covered by CoverTN without the granting of the requested waiver.

Signed: Laurie Lee
Laurie Lee
Executive Director

Date: 9/17/2010

From: Laurie Lee [Laurie.Lee@tn.gov]
Sent: Friday, September 17, 2010 12:08 PM
To: HHS HealthInsurance (HHS)
Cc: Gerald Reed
Subject: Waiver

Follow Up Flag: Follow up
Flag Status: Red

Attachments: CoverTN Member Handbook Plan A.PDF; Waiver Request and Attestation.PDF; CoverTN Member Handbook Plan B.PDF

Mr. Mayhew,

Please find attached the Waiver request and attestation relating to annual limits for grandfathered health insurance plans for Tennessee's CoverTN program. Also attached are Member handbooks for the two benefit options offered through CoverTN.

I will also mail original documents to your attention.

Thank you for your consideration of this request.

Sincerely,

Laurie S. Lee
Executive Director
Division of Benefits Administration
Tennessee Department of Finance and Administration
312 Rosa L. Parks Avenue
Suite 2600
Nashville, TN 37243
laurie.lee@tn.gov
(615) 253-2861 - Direct
(615) 253-8556 - Fax

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COVER TN:000028