

**From:** Jessica Hernandez [JHernandez@trans-western.com]

**Sent:** Saturday, January 01, 2011 8:27 PM

**To:** Habit, Sandra (HHS/OCIIO)

**Subject:** RE: GC Harvesting, Inc. Approval Letter for a Waiver of the Annual Limits Requirements 12-30-2010  
Hi Sandra,

Please accept this e-mail as confirmation of receipt. Thank you

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**From:** Habit, Sandra (HHS/OCIIO) [mailto:Sandra.Habit@hhs.gov]

**Sent:** Thursday, December 30, 2010 2:04 PM

**To:** Jessica Hernandez

**Subject:** GC Harvesting, Inc. Approval Letter for a Waiver of the Annual Limits Requirements 12-30-2010

**Importance:** High

Good Afternoon,

Thank you for submitting an application for a Waiver of the Annual Limits Requirements of the PHS Act Section 2711 for **GC Harvesting, Inc.** 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,

Sandy Habit

Department of Health and Human Services

Office of Consumer Information and Insurance Oversight

301-492-4175

[Sandra.Habit@hhs.gov](mailto:Sandra.Habit@hhs.gov)

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GC HARVEST:000001

Page 2 redacted for the following reason:

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(b)(4)

**From:** Moultrie, Cam (HHS/OCIIO)

**Sent:** Tuesday, December 28, 2010 10:32 AM

**To:** Jessica Hernandez

**Cc:** Habit, Sandra (HHS/OCIIO)

**Subject:** RE: Waiver Application for GC Harvesting

Thank you for your information. Your application is now complete and you will receive a determination of your application within 30 days.

Thank you.

Cam Lynne Moultrie

Office of Consumer Information and Insurance Oversight

U.S. Department of Health and Human Services

(301) 492-4174

cam.moultrie@hhs.gov

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---

**From:** Jessica Hernandez [mailto:JHernandez@trans-western.com]

**Sent:** Monday, December 20, 2010 2:44 PM

**To:** Moultrie, Cam (HHS/OCIIO)

**Cc:** Habit, Sandra (HHS/OCIIO)

**Subject:** RE: Waiver Application for GC Harvesting

Hello,

Please see attached spreadsheet for GC Harvesting.

1. This plan was in existence prior to March 23, 2010
2. Lifetime limits will be eliminated
3. This is not a Taft Hartley plan

Please let me know if you have any questions. Thank you.

---

**From:** Moultrie, Cam (HHS/OCIIO) [mailto:Cam.Moultrie@hhs.gov]

**Sent:** Friday, December 17, 2010 7:43 AM

**To:** Jessica Hernandez

**Cc:** Habit, Sandra (HHS/OCIIO)

**Subject:** Waiver Application for GC Harvesting

Dear Ms. Hernandez,

Thank you for your application for the Waiver of the Annual Limits Requirements of the Public Health Service Act (PHS Act) Section 2711. In order to expedite your application, please provide the following information:

- I. Please complete the entire annual limits spreadsheet and available at:  
[http://www.hhs.gov/ociio/regulations/annual\\_limit\\_waivers.html](http://www.hhs.gov/ociio/regulations/annual_limit_waivers.html). Please return the completed spreadsheet to this email address as an attachment. We will only be able to process spreadsheets that are fully complete

GC HARVEST:000003

(i.e., every cell should contain the information requested). If a cell on the spreadsheet does not pertain to your plan, please write "None," and/or provide an explanation regarding why you are unable to complete that particular cell in a separate document.

II. In addition, please provide the following information:

- Confirm whether the plan was in existence prior to March 23, 2010. If so, is the plan in compliance with grandfathering provisions, pursuant to 45 CFR 147.140?
- Confirm whether your plan provides any lifetime limits.
- Confirm whether the plan was created pursuant to the Taft-Hartley Act and, if applicable, the effective and expiration dates of the collective bargaining agreement.

In order to complete your application, please provide this information by 5:00 pm, December 21, 2010. Once this information is received and the application is complete, it will be processed by the Department of Health and Human Services (HHS). As stated in our September 3, 2010 Sub-Regulatory Guidance, HHS will issue a decision within 30 days of receiving a complete application. You will receive an e-mail from HHS notifying you of the waiver decision.

Thank you.

Cam Lynne Moultrie  
Office of Consumer Information and Insurance Oversight  
U.S. Department of Health and Human Services  
(301) 492-4174  
cam.moultrie@hhs.gov

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**Attestation**

**GC Harvesting-- Request for Waiver from Health Care Reform Changes**

GC Harvesting's current health plan is completely self-funded with no reinsurance carrier in place. The health plan has been in force since January 1, 2009. The imposition of the \$750,000 limit would result in a significant increase in premiums paid by the covered employees and the employer.

The term of the plan or policy year is January – December, and the plan currently has a (b)(4) annual maximum and a (b)(4) lifetime maximum in place. .

There are currently (b)(4) covered employees and (b)(4) covered dependents on the plan.

The monthly fixed rates are currently (b)(4) for a single employee, with or without family. In addition to the fixed premium, the employer is responsible for funding the claims per member up to (b)(4) annually. In an effort to conform to the new Health Care Reform legislation, and adjust the annual maximum to \$750,000, the monthly premium will increase substantially, to (b)(4) for a single employee, with or without family.

This increase will cause an extreme hardship not only on the plan itself, but on the employees and dependents who contribute to the plan, as well. The employer could also not be able to afford to continue this health plan.

In an effort to maintain the current health plan and ensure the employees and family members of GC Harvesting are able to continue their current coverage, we are requesting a waiver of the Health Care Reform's new annual limit of \$750,000.

Please feel free to contact us directly with any questions or concerns. Thank you.

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Group Health Plan

11-30-10  
\_\_\_\_\_  
Date

**From:** Habit, Sandra (HHS/OCIIO)

**Sent:** Thursday, December 30, 2010 5:04 PM

**To:** 'jhernandez@trans-western.com'

**Subject:** GC Harvesting, Inc. Approval Letter for a Waiver of the Annual Limits Requirements 12-30-2010

**Importance:** High

**Attachments:** Updated Jan 1 Approval Letter .pdf

Good Afternoon,

Thank you for submitting an application for a Waiver of the Annual Limits Requirements of the PHS Act Section 2711 for **GC Harvesting, Inc.**. 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,

Sandy Habit

Department of Health and Human Services

Office of Consumer Information and Insurance Oversight

301-492-4175

[Sandra.Habit@hhs.gov](mailto:Sandra.Habit@hhs.gov)

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GC HARVEST:000006

**ANNUAL LIMIT WAIVER APPLICATION 2010**

Annual Limit Waiver Request Applicant Name	Policy Name (use a new row for each policy application)	Applicant (Plan/ Policy Situs) City	Applicant (Plan/ Policy Situs) State	Plan/ Policy Effective Date (mm/dd/yyyy)	Contact Name	Street Address	City	State	Zip Code	Phone Number (including area code)	Email Address	Type of Coverage (e.g., Limited Benefit, HRA, Rx only, Other)	Self-Insured (Yes/No)	Individual or Group Policy	Total Number of Individuals Covered by Policy (include all dependents covered)	Current Plan Overall Annual Limit (in dollars)
GC Harvesting, Inc.	Plan 1	Yuma	AZ	01/01/2011	Sara Alonzo	PO Box 5344	Yuma	AZ	85366	928-783-6300	<a href="#">None</a>	Limited Benefit	Yes	Group	(b)(4)	

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1105. The time required to complete this information collection is estimated to average ( 8 hours) or ( 240 minutes) per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

**ANNUAL LIMIT WAIVER APPLICATION 2010**

Current Essential Benefits Annual Limits (Annual Limit for Each Essential Benefit)										Office Visit Copays/Coinsurance	Hospital Inpatient Copay/Coinsurance	Emergency Room Copay/Coinsurance	Rx Copay/Coninsurance					
Ambulatory	Emergency	Hospitalization	Laboratory	Pediatric	Maternity/ Newborn	Mental Health/ Substance Abuse	Rehabilitative/ Devices	Preventive/ Wellness	Prescription	Plan Deductible	Copay (if applicabl e)	Coinsuranc e (if applicabl e)	Copay (if applicabl e)	Coinsura nce (if applicabl e)	Copay (if applicabl e)	Coinsura nce (if applicabl e)	Copay (if applicabl e)	Coinsuran ce (if applicabl e)
(b)(4)										(b)(4)								



**ANNUAL LIMIT WAIVER APPLICATION 2010**

Individual/ Employee Tier*	Current Monthly Premium Rates or Premium Equivalent Rates (in dollars)*:		Renewal Monthly Premium Rates or Premium Equivalent Rates if Waiver Granted (in dollars)*		Projected Rate Increase that would result from compliance with \$750,000 Annual Limit Restriction (in dollars) (Average Premium by Individual)*		Projected Rate Increase that would result from compliance with \$750,000 Annual Limit Restriction (in dollars)(Average Premium by Individual) (Difference of Column AT and AQ divided by Column AQ)	Decrease in Access to Benefits that would result from compliance with \$750,000 Annual Limit Restriction (describe briefly in cell or in a	Plan Administrator/ CEO of Health Insurance Issuer Name	Title of Individual Providing Attestation		
	Employee contribution (if applicable)	Employer contribution (if applicable)	Total	Employee contribution (if applicable)	Employer contribution (if applicable)	Total					Employee contribution (if applicable)	Employer contribution (if applicable)
			\$0.00	\$0.00	\$26.50	\$26.50	\$0.00	\$419.50	\$419.50	1483.02%		
				(b)(4)					Would have to make plan contributory. Employees are seasonal employees and cannot afford to contribute to the plan. Could possibly have to eliminate the plan.	Sara Alonzo	Plan Administrator	

\* When completing the columns requesting premium rate information, please express the premium rates as a composite rate (if premiums are a range based on years of service or age) and by tier (Employee, Employee + Spouse, Employee + Child, Family, etc.) as applicable. If you are an issuer, please provide the premium amount in the column titled, "Total" (Column AN, AQ and AT).

**From:** [Jessica Hernandez](#)  
**To:** [HHS HealthInsurance \(HHS\)](#)  
**Cc:** [Harjit Boparai](#); [Irene Viscarra](#)  
**Subject:** GC Harvesting  
**Date:** Friday, December 03, 2010 3:00:29 PM  
**Attachments:** [GC Harvesting -- Attestation.pdf](#)  
[benefits.pdf](#)

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Hello,

Attached is the information for GC Harvesting, requesting a waiver on the annual maximum. Please feel free to contact me with any questions or concerns. Thank you.

Jessica Hernandez  
General Manager  
Transwestern Insurance Administrators  
955 N Street, Fresno, CA. 93721  
Phone: (559) 499-2000 ext. 112  
Fax: (559) 499-2025  
E-mail: [jhernandez@trans-western.com](mailto:jhernandez@trans-western.com)

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**From:** Moultrie, Cam (HHS/OCIIO)  
**Sent:** Friday, December 17, 2010 10:43 AM  
**To:** Jessica Hernandez  
**Cc:** Habit, Sandra (HHS/OCIIO)  
**Subject:** Waiver Application for GC Harvesting  
Dear Ms. Hernandez,

Thank you for your application for the Waiver of the Annual Limits Requirements of the Public Health Service Act (PHS Act) Section 2711. In order to expedite your application, please provide the following information:

- I. Please complete the entire annual limits spreadsheet and available at: [http://www.hhs.gov/ociio/regulations/annual\\_limit\\_waivers.html](http://www.hhs.gov/ociio/regulations/annual_limit_waivers.html). Please return the completed spreadsheet to this email address as an attachment. We will only be able to process spreadsheets that are fully complete (i.e., every cell should contain the information requested). If a cell on the spreadsheet does not pertain to your plan, please write "None," and/or provide an explanation regarding why you are unable to complete that particular cell in a separate document.
- II. In addition, please provide the following information:
  - Confirm whether the plan was in existence prior to March 23, 2010. If so, is the plan in compliance with grandfathering provisions, pursuant to 45 CFR 147.140?
  - Confirm whether your plan provides any lifetime limits.
  - Confirm whether the plan was created pursuant to the Taft-Hartley Act and, if applicable, the effective and expiration dates of the collective bargaining agreement.

In order to complete your application, please provide this information by 5:00 pm, December 21, 2010. Once this information is received and the application is complete, it will be processed by the Department of Health and Human Services (HHS). As stated in our September 3, 2010 Sub-Regulatory Guidance, HHS will issue a decision within 30 days of receiving a complete application. You will receive an e-mail from HHS notifying you of the waiver decision.

Thank you.

Cam Lynne Moultrie  
Office of Consumer Information and Insurance Oversight  
U.S. Department of Health and Human Services  
(301) 492-4174  
[cam.moultrie@hhs.gov](mailto:cam.moultrie@hhs.gov)

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GC HARVEST:000011

**From:** Jessica Hernandez [JHernandez@trans-western.com]  
**Sent:** Monday, December 20, 2010 2:44 PM  
**To:** Moultrie, Cam (HHS/OCIO)  
**Cc:** Habit, Sandra (HHS/OCIO)  
**Subject:** RE: Waiver Application for GC Harvesting

**Attachments:** Waiver Application Form (2).xlsx

Hello,  
Please see attached spreadsheet for GC Harvesting.

1. This plan was in existence prior to March 23, 2010
2. Lifetime limits will be eliminated
3. This is not a Taft Hartley plan

Please let me know if you have any questions. Thank you.

---

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**Sent:** Friday, December 17, 2010 7:43 AM  
**To:** Jessica Hernandez  
**Cc:** Habit, Sandra (HHS/OCIO)  
**Subject:** Waiver Application for GC Harvesting

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- I. Please complete the entire annual limits spreadsheet and available at: [http://www.hhs.gov/ociio/regulations/annual\\_limit\\_waivers.html](http://www.hhs.gov/ociio/regulations/annual_limit_waivers.html). Please return the completed spreadsheet to this email address as an attachment. We will only be able to process spreadsheets that are fully complete (i.e., every cell should contain the information requested). If a cell on the spreadsheet does not pertain to your plan, please write "None," and/or provide an explanation regarding why you are unable to complete that particular cell in a separate document.
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Thank you.

Cam Lynne Moultrie

GC HARVEST:000012

Office of Consumer Information and Insurance Oversight  
U.S. Department of Health and Human Services  
(301) 492-4174  
cam.moultrie@hhs.gov

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DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Consumer Information and  
Insurance Oversight  
Washington, DC 20201

**Date:** October 2010

**From:** Steve Larsen, Director, Office of Oversight 

**Subject:** Application for Waiver of the Annual Limits Requirements of PHS Act Section 2711

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Dear Waiver Applicant:

Section 2711(a)(2) of the Public Health Service Act (PHS Act), as added by the Patient Protection and Affordable Care Act (Affordable Care Act), requires the Secretary to impose restrictions on the imposition of annual limits on the dollar value of essential health benefits (as defined in section 1302(b) of the Affordable Care Act) for any participant or beneficiary in a new or existing group health plan or a new policy in the individual market for plan or policy years beginning on or after September 23, 2010 and prior to January 1, 2014. Specifically, the Secretary is granted the authority to determine what constitutes a "restricted annual limit" that can still be imposed under such plans or policies prior to January 1, 2014.

The interim final regulations published on June 28, 2010 (codified at 26 CFR § 54.9815-2719T; 29 CFR § 2590.715-2719; and 45 CFR § 147.126) established such restricted annual limits. The regulations also provided that these restricted annual limits may be waived by the Secretary of Health and Human Services (HHS) if compliance with the interim final regulations would result in a significant decrease in access to benefits or a significant increase in premiums. Pursuant to the regulation, HHS issued guidance on September 3 regarding the scope and process for applying for a waiver.

The Office of Consumer Information and Insurance Oversight, Office of Insurance Oversight received and processed your application for the plan(s) or policy(ies) year beginning January 1, 2011. We have determined that your application has met the criteria to obtain a waiver of the restricted annual limits requirements because compliance with the interim final regulations 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. To the extent you make any change to your benefit package after March 23, 2010, you must determine whether the change(s) will trigger loss of grandfathering status pursuant to 45 CFR § 147.140(g)(1).

An approval of your request for waiver of the restricted annual limits requirements granted under this process applies only to the annual limit(s) provided in your application for the plan or policy year beginning between September 23, 2010 and September 23, 2011. This waiver only applies to the annual limits requirements in Section 2711 of the ACA and does not apply to any other requirement of the Affordable Care Act, ERISA, the IRS Code or the PHS Act. Further, a group

health plan or health insurance issuer must reapply for any subsequent plan or policy year prior to January 1, 2014 when this waiver expires in accordance with future guidance from HHS. HHS may modify this waiver approval process memorandum and other relevant information.

If you have any questions regarding this letter, please email [OCIIOOversight@hhs.gov](mailto:OCIIOOversight@hhs.gov).