

Morrie Soderberg
Blue Beacon International, Inc.
P.O. Box 856
Salina, KS 67402

Department of Health and Human Services
Office of Consumer Information and
Insurance Oversight,
Office of Oversight
ATTN: Ms. Moultrie
Room 737-F-04
200 Independence Avenue SW
Washington, D.C. 20201

December 6, 2010

RE: Waiver for 2011 for the Blue Beacon Minor Medical Plan

Dear Ms. Moultrie:

In answer to your questions:

The plan was first effective March 31, 1997 and has been active since that date with the company paying (b)(4) of the cost. The plan has an annual limit, the annual limit for single employees is a maximum of (b)(4) per year, and the annual limit for family and or single with dependents is (b)(4) per year. Since these are annual limits, there is no lifetime limits stated.

The estimated calendar year cost for 2010 is (b)(4). If the waiver is granted and we are allowed to provide this benefit for the (b)(4) employees and (b)(4) people including spouses and dependents for 2011, we estimate the cost will be (b)(4).

We do not pay a monthly premium, as the plan is self-funded. The cost to provide the benefit is the total of the administrative costs and the eligible medical bills.

I am also attaching a copy of the identification card the employees carry. You will notice that it has the covered services listed along with the life insurance benefit.

BLUE BEACON

P.O. BOX 856
SALINA, KANSAS 67402-0856
(785) 825-2221/FAX (785) 825-0801
www.BlueBeacon.com

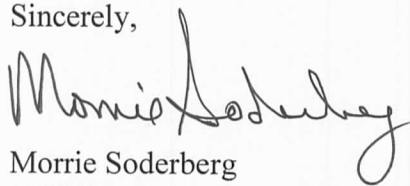
DELIVERIES TO: 500 GRAVES BOULEVARD/SALINA, KANSAS 67401



Please contact me upon receipt of this letter, as we need to know if the waiver will be granted. As we understand the law if the waiver is not granted, we would need to terminate the plan by January 1, 2011.

I may be contacted at 785-826-8216, 785-452-0061, and email at morries@bluebeacon.com

Sincerely,

A handwritten signature in black ink that reads "Morrie Soderberg". The signature is written in a cursive style with a large, looping initial "M".

Morrie Soderberg
MJS/tf

Enclosure

LIFE INSURANCE BENEFIT

Double Indemnity – Life Policy \$(b)(4)
for eligible employees who are participants in the Minor Medical Plan.

COVERED SERVICES

The plan will pay (b)(4) of the reasonable and customary charges for:

Inpatient Hospital Services	Ambulance	X-Ray & Lab
Outpatient Hospital Services	Second Surgical Opinion	Prescription Drugs
Physician Services	Maternity	Outpatient
Hospital Visits	Birthing Center	Generic
Surgery	Facility Expenses	Brand Name
Office Visits	Physician Services	Contraceptives
Emergency Care	Inpatient Well Baby Care	Immunizations
Home Health Care	Voluntary Sterilization	
	Oral Surgery on Impacted Wisdom Teeth Only	

However, Exclusions and Limitations May Apply

BENEFITS

The plan will pay (b)(4) of covered services for eligible hourly employees and their legal dependents up to a calendar year maximum of (b)(4) for employee-only or (b)(4) for a family. Family is defined as the employee and the employee's spouse and/or legal dependents. Pre-existing conditions are covered. To Verify Eligibility:

1. Have employee's name and member ID available
2. Call customer service at (800) 290-1368
Ask for verification of eligibility and benefits under Group No. BMI241

The official plan document will be used for the final determination of benefits and is available for examination at the home office of the employer.

www.medtrakservices.com

(800) 771-4648
Group # 10001149
Rx BIN # 800004



BB-235 09/09

WebMD EDI# 48611
Great Bend, KS 67530
PO Box 1090
Benefit Management, Inc.
Submit Medical Claims to:

This is not a major medical or catastrophic health care plan. This plan has limited benefits. The benefits terminate if the employee has terminated his or her employment with the company. The presentation of this card does not indicate eligibility for benefits.

NOTICE TO PROVIDERS



BLUE BEACON
MINOR MEDICAL PLAN
GROUP NO. BMI241

~~HIRAM SLICON~~
~~ID# M24104650~~
~~COF004~~

Service member may request Social Security Number at time of Service

From: Moultrie, Cam (HHS/OCIO)
Sent: Wednesday, December 08, 2010 8:36 PM
To: Morrie Soderberg
Cc: Habit, Sandra (HHS/OCIO)
Subject: RE: Waiver Blue Beacon Minor Medical Plan Additional information requested.
Thank you. I will let you know if I have any additional questions.

Cam Moultrie

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

INFORMATION NOT RELEASABLE TO THE PUBLIC UNLESS AUTHORIZED BY LAW:

This information has not been publicly disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.

From: Morrie Soderberg [mailto:MorrieS@bluebeacon.com]
Sent: Wednesday, December 08, 2010 6:15 PM
To: Moultrie, Cam (HHS/OCIO)
Subject: FW: Waiver Blue Beacon Minor Medical Plan Additional information requested.

Please confirm the receipt of this e-mail and 3 attachments.

From: Morrie Soderberg
Sent: Monday, December 06, 2010 4:41 PM
To: 'cammoultrie@hhs.gov'
Cc: 'Kovarik, Craig'; 'mminton@bmikansas.com'
Subject: Waiver Blue Beacon Minor Medical Plan Additional information requested.

Attached is the additional requested information.

BB1:000004

From: Moultrie, Cam (HHS/OCIO)
Sent: Wednesday, December 08, 2010 8:36 PM
To: Habit, Sandra (HHS/OCIO)
Subject: FW: Waiver Blue Beacon Minor Medical Plan Additional information requested.

Attachments: _20101206_16360307.jpg; _20101206_16360307-2.jpg; _20101206_16360307-3.jpg

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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Cc: 'Kovarik, Craig'; 'mminton@bmikansas.com'
Subject: Waiver Blue Beacon Minor Medical Plan Additional information requested.

Attached is the additional requested information.

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)
Blue Beacon	Plan 1	Salina	KS	1/1/2011	Morrie Soderberg	500 Graves Blvd.	Salina	KS	67401	785-826-8216	morries@bluebeacon.com	Limited Benefit	Yes
Blue Beacon	Plan 1	Salina	KS	1/1/2011	Morrie Soderberg	500 Graves Blvd.	Salina	KS	67401	785-826-8216	morries@bluebeacon.com	Limited Benefit	Yes
<p>PRA Disclosure Statement</p> <p>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.</p>													

ANNUAL LIMIT WAIVER APPLICATION - 2010

Current Essential Benefits Annual Limits (Annual Limit for Each Essential Benefit)													
Individual or Group Policy	Total Number of Individuals Covered by Policy (include all dependents covered)	Current Plan Overall Annual Limit (in dollars)	Ambulatory	Emergency	Hospitalization	Laboratory	Pediatric	Maternity/ Newborn	Mental Health/ Substance Abuse	Rehabilitative/ Devices	Preventive/ Wellness	Prescription	Plan Deductible
Group	(b)(4)												
Group													

ANNUAL LIMIT WAIVER APPLICATION - 2010

Office Visit Copays/Coinsurance		Hospital Inpatient Copay/Coinsurance		Emergency Room Copay/Coinsurance		Rx Copay/Coninsurance			Current Monthly Premium Rates or Premium Equivalent Rates (in dollars)*:			Renewal Monthly Premium Rates or Premium Equivalent Rates if Waiver Granted (in dollars)*		
Copay (if applicable)	Coinsurance (if applicable)	Copay (if applicable)	Coinsurance (if applicable)	Copay (if applicable)	Coinsurance (if applicable)	Copay (if applicable)	Coinsurance (if applicable)	Individual/ Employee Tier*	Employee contribution (if applicable)	Employer contribution (if applicable)	Total	Employee contribution (if applicable)	Employer contribution (if applicable)	Total
(b)(4)								Employee	(b)(4)			(b)(4)		
(b)(4)								Employee + Family	(b)(4)			(b)(4)		

* 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).

ANNUAL LIMIT WAIVER APPLICATION - 2010

Projected Rate Increase that would result from compliance with \$750,000 Annual Limit Restriction (in dollars) (Average Premium by Individual)*						
Employee contribution (if applicable)	Employer contribution (if applicable)	Total	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 separate file)	Plan Administrator/ CEO of Health Insurance Issuer Name	Title of Individual Providing Attestation
(b)(4)				(see letters)*	Morrie Soderberg	CFO
				(see letters)*	Morrie Soderberg	CFO
				* If we do not get a waiver and have to offer the Major Medical Plan, the Minor Medical Plan will be eliminated.		

October 21, 2010

BBI:000010

Department of Health and Human Services
Office of Consumer Information and
Insurance Oversight,
Office of Oversight
ATTN: James Mayhew,
Room 737-F-04
200 Independence Avenue SW
Washington, D.C. 20201

**Re: Waiver of the Annual Limits Requirements for the Blue Beacon International, Inc.
Minor Medical Plan**

Dear Mr. Mayhew:

In accordance with OCIO Sub-Regulatory Guidance (OCIO 2010-1), Blue Beacon International, Inc. (the "Applicant") hereby requests a waiver of the annual limits requirements of Section 2711 of the Public Health Services Act, as amended by Section 1001 of the Patent Protection and Affordable Care Act, for the Blue Beacon International, Inc. Minor Medical Plan (the "Plan"). In support of the Applicant's request please find the following explanations as required pursuant to OCIO 2010-1:

1. The terms of the Plan for which a waiver is sought.

The plan covers hourly employees age [redacted] and older who average at least [redacted] hours per week. The hourly employees covered by the plan generally make between [redacted] and [redacted] per hour. The plan provides coverage to both the employee and his or her eligible dependents. Coverage is provided for the following services: hospital, outpatient, physician, preventive care, prescription drug, and other medical benefits. The plan pays [redacted] of the covered service and the employee is responsible for the remaining [redacted]. Participants are not required to use any particular hospital or physician. There is a calendar year maximum of [redacted] for individual coverage and [redacted] for family coverage. This calendar year maximum applies to all covered benefits under the plan.

The Applicant pays the full cost of coverage under the plan. The Applicant's total annual cost is approximately [redacted].

2. The number of individuals covered by the Plan.

There are approximately [redacted] covered employees and [redacted] total individuals (employees and dependents) covered under the plan.

BLUE BEACON

P.O. BOX 856
SALINA, KANSAS 67402-0856
(785) 825-2221 / FAX (785) 825-0801
www.BlueBeacon.com

DELIVERIES TO: 500 GRAVES BOULEVARD/SALINA, KANSAS 67401



TRUCK WASHES

3. The annual limits and the rates applicable to the Plan.

	Employee Only Coverage	Family Coverage
Annual Limit on Benefits	(b)(4)	
Employee Coinsurance Percentage		
Employee Share of Monthly Premium		

4. Impact on participants

If the plan does not receive a waiver pursuant to OCIO 2010-1, the Applicant will be unable to extend this coverage to its hourly employees.

5. Attestation.

By affixing my name hereto, the below, undersigned, hereby certifies that (i) the plan was in force prior to September 23, 2010; and (ii) the application of restricted annual limits to the plan will result in a significant decrease in access to benefits for those currently covered by the plan, or a significant increase in premiums paid by those covered by the plan.

We appreciate your review of the foregoing application. If you have any questions, please do not hesitate to contact me at 785-826-8216.

Sincerely,

Morrie Soderberg

Morrie Soderberg
Blue Beacon International, Inc.
P.O. Box 856
Salina, KS 67402

BBI:000012

Department of Health and Human Services
Office of Consumer Information and
Insurance Oversight,
Office of Oversight
ATTN: Ms. Moultrie
Room 737-F-04
200 Independence Avenue SW
Washington, D.C. 20201

December 6, 2010

RE: Waiver for 2011 for the Blue Beacon Minor Medical Plan

Dear Ms. Moultrie:

In answer to your questions:

The plan was first effective March 31, 1997 and has been active since that date with the company paying ██████ of the cost. The plan has an annual limit, the annual limit for single employees is a maximum of ██████ per year, and the annual limit for family and or single with dependents is (b)(4) per year. Since these are annual limits, there is no lifetime limits stated.

The estimated calendar year cost for 2010 is (b)(4). If the waiver is granted and we are allowed to provide this benefit for the ██████ employees and ██████ people including spouses and dependents for 2011, we estimate the cost will be ██████.

We do not pay a monthly premium, as the plan is self-funded. The cost to provide the benefit is the total of the administrative costs and the eligible medical bills.

I am also attaching a copy of the identification card the employees carry. You will notice that it has the covered services listed along with the life insurance benefit.

BLUE BEACON

P.O. BOX 856
SALINA, KANSAS 67402-0856
(785) 825-2221 / FAX (785) 825-0801
www.BlueBeacon.com
DELIVERIES TO: 500 GRAVES BOULEVARD/SALINA, KANSAS 67401

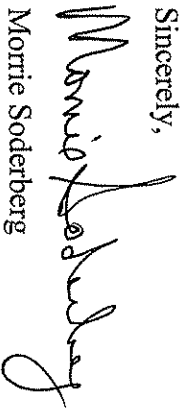


TRUCK WASHES

Please contact me upon receipt of this letter, as we need to know if the waiver will be granted. As we understand the law if the waiver is not granted, we would need to terminate the plan by January 1, 2011.

I may be contacted at 785-826-8216, 785-452-0061, and email at morries@bluebeacon.com

Sincerely,

A handwritten signature in cursive script, appearing to read "Morrie Soderberg".

Morie Soderberg
MJS/ff

Enclosure

LIFE INSURANCE BENEFIT

Double Indemnity - Life Policy

for eligible employees who are participants in the Minor Medical Plan.

COVERED SERVICES

The plan will pay [redacted] of the reasonable and customary charges for:

Inpatient Hospital Services	Ambulance	X-Ray & Lab
Outpatient Hospital Services	Second Surgical Opinion	Prescription Drugs
Physician Services	Maternity	Outpatient
Hospital Visits	Birthing Center	Genetic
Surgery	Facility Expenses	Brand Name
Office Visits	Physician Services	Contraceptives
Emergency Care	Inpatient Well Baby Care	Immunizations
Home Health Care	Voluntary Sterilization	
	Oral Surgery on Impacted Wisdom Teeth Only	

However, Exclusions and Limitations May Apply

BENEFITS

The plan will pay 80% of covered services for eligible hourly employees and their legal dependents up to a calendar year maximum of [redacted] for employee-only or [redacted] for a family. Family is defined as the employee and the employee's spouse and/or legal dependents. Pre-existing conditions are covered. To Verify Eligibility:

1. Have employee's name and member ID available
2. Call customer service at (800) 290-1368

Ask for verification of eligibility and benefits under Group No. BM1241

The official plan document will be used for the final determination of benefits and is available for examination at the home office of the employer.

www.medtrakservices.com

(800) 777-1149

Rx BIN # 800004

Group# 10001149

800/60 552-98

1191# 8811

WebMD EDI# 8811

PO Box 1090

Great Bend, KS 67530

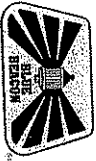
Rx Information
MEDTRAK

Submit Medical Claims to:

Benefit Management, Inc.

NOTICE TO PROVIDERS

This is not a major medical or catastrophic health care plan. **This plan has limited benefits.** The benefits terminate if the employee has terminated his or her employment with the company. The presentation of this card does not indicate eligibility for benefits.



BLUE BEACON
MINOR MEDICAL PLAN
GROUP NO. BM1241



Service member may request Social Security Number at time of Service

From: Botwinick, Alexandra (HHS/OCIIO)
Sent: Wednesday, December 29, 2010 3:18 PM
To: morries@bluebeacon.com
Subject: Blue Beacon Waiver of the Annual Limits Requirements 12-29-2010

Importance: High

Follow Up Flag: Follow up
Flag Status: Green

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 Blue Beacon. 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

BBi:000015

12/1/10

October 21, 2010

Department of Health and Human Services
Office of Consumer Information and
Insurance Oversight,
Office of Oversight
ATTN: James Mayhew,
Room 737-F-04
200 Independence Avenue SW
Washington, D.C. 20201

Re: Waiver of the Annual Limits Requirements for the Blue Beacon International, Inc. Minor Medical Plan

Dear Mr. Mayhew:

In accordance with OCIO Sub-Regulatory Guidance (OCIO 2010-1), Blue Beacon International, Inc. (the "Applicant") hereby requests a waiver of the annual limits requirements of Section 2711 of the Public Health Services Act, as amended by Section 1001 of the Patient Protection and Affordable Care Act, for the Blue Beacon International, Inc. Minor Medical Plan (the "Plan"). In support of the Applicant's request please find the following explanations as required pursuant to OCIO 2010-1:

1. The terms of the Plan for which a waiver is sought.

The plan covers hourly employees age (b)(4) and older who average at least (b)(4) hours per week. The hourly employees covered by the plan generally make between (b)(4) and (b)(4) per hour. The plan provides coverage to both the employee and his or her eligible dependents. Coverage is provided for the following services: hospital, outpatient, physician, preventive care, prescription drug, and other medical benefits. The plan pays (b)(4) of the covered service and the employee is responsible for the remaining (b)(4). Participants are not required to use any particular hospital or physician. There is a calendar year maximum of (b)(4) for individual coverage and (b)(4) for family coverage. This calendar year maximum applies to all covered benefits under the plan.

The Applicant pays the full cost of coverage under the plan. The Applicant's total annual cost is approximately (b)(4).

2. The number of individuals covered by the Plan.

There are approximately (b)(4) covered employees and (b)(4) total individuals (employees and dependents) covered under the plan.

BLUE BEACON

P.O. BOX 856
SALINA, KANSAS 67402-0856
(785) 825-2221 / FAX (785) 825-0801
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DELIVERIES TO: 500 GRAVES BOULEVARD/SALINA, KANSAS 67401



TRUCK WASHES

3. The annual limits and the rates applicable to the Plan

	Employee Only Coverage	Family Coverage
Annual Limit on Benefits	(b)(4)	
Employee Coinsurance Percentage		
Employee Share of Monthly Premium		

4. Impact on participants

If the plan does not receive a waiver pursuant to OCIO 2010-1, the Applicant will be unable to extend this coverage to its hourly employees.

5. Attestation

By affixing my name hereto, the below, undersigned, hereby certifies that (i) the plan was in force prior to September 23, 2010; and (ii) the application of restricted annual limits to the plan will result in a significant decrease in access to benefits for those currently covered by the plan, or a significant increase in premiums paid by those covered by the plan.

We appreciate your review of the foregoing application. If you have any questions, please do not hesitate to contact me at 785-826-8216.

Sincerely,



Monie Soderberg
Secretary / Treasurer

October 13, 2010

Director of Health and Family Services
Office of Economic Development
100 West 10th Street
Topeka, Kansas 66603
Phone: 785-826-8216
Fax: 785-826-8217

From: Moultrie, Cam (HHS/OCIO)
Sent: Friday, December 17, 2010 12:18 PM
To: Morrie Soderberg
Cc: Behrens, Scott; mminton@bmikansas.com; Habit, Sandra (HHS/OCIO)
Subject: RE:

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: Morrie Soderberg [mailto:MorrieS@bluebeacon.com]
Sent: Thursday, December 16, 2010 4:47 PM
To: Moultrie, Cam (HHS/OCIO)
Cc: Behrens, Scott; mminton@bmikansas.com
Subject:

This is not a Taft-Hartley plan. If the waiver is granted, the plan will be in compliance with the grandfather provisions of PPACA. The cobra rates for 2011 are \$52.00 per month and they are projected to be \$70.00 for 2012. As for the question of the \$750,000 annual limitation that is (b)(4) times higher than our family annual maximum in this plan and (b)(4) times higher than the annual maximum for a single individual on the plan. (b)(4) has never had a lifetime maximum. The only limitation on costs has been the annual (b)(4) for a single individual and (b)(4) for a family. If this plan does not get the waiver for 2011 we will have to drop this plan and the costs to the company and this group of employees would be too great. I have revised the application as I discovered I used annual premium in columns AM thru AQ. These have been converted to monthly premium equivalents and compared to monthly premium equivalents in columns AR thru AT. If you have additional questions please contact me.

BB1:000018

From: Morrie Soderberg [MorrieS@bluebeacon.com]
Sent: Wednesday, December 29, 2010 3:27 PM
To: Botwinick, Alexandra (HHS/OCIIO)
Subject: RE: Blue Beacon Waiver of the Annual Limits Requirements 12-29-2010

Follow Up Flag: Follow up
Flag Status: Red
[Thanks for your assistance.](#)

From: Botwinick, Alexandra (HHS/OCIIO) [mailto:Alexandra.Botwinick@hhs.gov]
Sent: Wednesday, December 29, 2010 2:18 PM
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Importance: High

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[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

BB1:000019

From: Moultrie, Cam (HHS/OCIO)
Sent: Monday, December 13, 2010 6:05 PM
To: Morrie Soderberg
Cc: Habit, Sandra (HHS/OCIO)
Subject: RE: Waiver Blue Beacon Minor Medical Plan Additional information requested.
Thank you for the information

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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Subject: Waiver Blue Beacon Minor Medical Plan Additional information requested.

Attached is the additional requested information.

From: Moultrie, Cam (HHS/OCIO)
Sent: Friday, December 17, 2010 12:13 PM
To: Habit, Sandra (HHS/OCIO)
Subject: FW:

Attachments: Annual Limit Waiver Application 2010 - Amended 12-16-2010.pdf

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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Cc: Behrens, Scott; mminton@bmikansas.com
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BBI:000021

From: Moultrie, Cam (HHS/OCIO)
Sent: Thursday, December 16, 2010 3:54 PM
To: Moultrie, Cam (HHS/OCIO)
Cc: Habit, Sandra (HHS/OCIO)
Subject: Blue Beacon

Spoke to attorney for Blue Beacon. He complained about the spreadsheet and being asked to provide projections. The plan does not know how annual limit would increase the rates. Complained about using the spreadsheet. Note that initial application was not complete and I played phone tag with the CFO for three weeks due to his travel schedule.

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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BB1:000022

From: Moultrie, Cam (HHS/OCIO)
Sent: Thursday, December 16, 2010 3:06 PM
To: Morrie Soderberg
Cc: Behrens, Scott; mminton@bmikansas.com; Habit, Sandra (HHS/OCIO)
Subject: RE: Attachment - Annual Limit Waiver Application 2010
Is this a Taft-Hartley plan?

Is the plan in compliance with the grandfather regulations?

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cam.moultrie@hhs.gov

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From: Morrie Soderberg [mailto:MorrieS@bluebeacon.com]
Sent: Wednesday, December 15, 2010 5:47 PM
To: Moultrie, Cam (HHS/OCIO)
Cc: Behrens, Scott; mminton@bmikansas.com
Subject: FW: Attachment - Annual Limit Waiver Application 2010
Importance: High

Submission of "annual limit waiver application-2010" as requested via your e-mail of December 13, 2010. Please contact me immediately if you need additional information or clarification. I can be contacted at this e-mail address or at 785-826-8216 or by cell telephone at 785-452-0061. Thanks for your immediate attention to this matter.

From: Tricia Friesen
Sent: Wednesday, December 15, 2010 4:36 PM
To: Morrie Soderberg
Subject: Attachment - Annual Limit Waiver Application 2010
Importance: High

Tricia Friesen
Administration Department
Blue Beacon International, Inc.
P.O. Box 856
Salina, KS 67402-0856
Phone: (785) 825-2221, Ext. 2266
Fax: (785) 822-3762

BB1:000023

From: Moultrie, Cam (HHS/OCIIO)
Sent: Monday, December 13, 2010 6:07 PM
To: Morrie Soderberg
Cc: Habit, Sandra (HHS/OCIIO)
Subject: RE: Waiver Blue Beacon Minor Medical Plan Additional information requested.
. In order to expedite your application, please provide the following information:

- I. Please complete the entire annual limits spreadsheet available at: 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.

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.

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From: Morrie Soderberg [<mailto:MorrieS@bluebeacon.com>]
Sent: Wednesday, December 08, 2010 6:15 PM
To: Moultrie, Cam (HHS/OCIIO)
Subject: FW: Waiver Blue Beacon Minor Medical Plan Additional information requested.

Please confirm the receipt of this e-mail and 3 attachments.

From: Morrie Soderberg
Sent: Monday, December 06, 2010 4:41 PM
To: 'cammoultrie@hhs.gov'
Cc: 'Kovarik, Craig'; 'mminton@bmikansas.com'
Subject: Waiver Blue Beacon Minor Medical Plan Additional information requested.

Attached is the additional requested information.

BBI:000024

From: Moultrie, Cam (HHS/OCIIO)
Sent: Thursday, December 16, 2010 3:02 PM
To: Morrie Soderberg; Habit, Sandra (HHS/OCIIO)
Cc: Behrens, Scott; mminton@bmikansas.com
Subject: RE: Attachment - Annual Limit Waiver Application 2010

Thank you for the information. If you do not know the contribution rates and projected contribution rates please send me the COBRA equivalencies for columns AS, AT, and AU.

Thank you.

Cam Moultrie

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: Morrie Soderberg [mailto:MorrieS@bluebeacon.com]
Sent: Wednesday, December 15, 2010 5:47 PM
To: Moultrie, Cam (HHS/OCIIO)
Cc: Behrens, Scott; mminton@bmikansas.com
Subject: FW: Attachment - Annual Limit Waiver Application 2010
Importance: High

Submission of "annual limit waiver application-2010" as requested via your e-mail of December 13, 2010. Please contact me immediately if you need additional information or clarification. I can be contacted at this e-mail address or at 785-826-8216 or by cell telephone at 785-452-0061. Thanks for your immediate attention to this matter.

From: Tricia Friesen
Sent: Wednesday, December 15, 2010 4:36 PM
To: Morrie Soderberg
Subject: Attachment - Annual Limit Waiver Application 2010
Importance: High

Tricia Friesen
Administration Department
Blue Beacon International, Inc.
P.O. Box 856
Salina, KS 67402-0856
Phone: (785) 825-2221, Ext. 2266
Fax: (785) 822-3762

BBI:000025

From: Moultrie, Cam (HHS/OCIIO)
Sent: Wednesday, December 08, 2010 6:03 PM
To: Habit, Sandra (HHS/OCIIO)
Subject: FW: Waiver

Cam Lynne Moultrie
Office of Consumer Information and Insurance Oversight
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cam.moultrie@hhs.gov

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From: Morrie Soderberg [mailto:MorrieS@bluebeacon.com]
Sent: Wednesday, December 08, 2010 8:47 AM
To: Moultrie, Cam (HHS/OCIIO)
Subject: Waiver

Any news yet on the results of the waiver request?

From: Moultrie, Cam (HHS/OCIIO)
Sent: Tuesday, December 28, 2010 1:35 PM
To: Habit, Sandra (HHS/OCIIO)
Subject: FW: Blue Beacon Minor Medical Plan Waiver

Cam Lynne Moultrie
Office of Consumer Information and Insurance Oversight
U.S. Department of Health and Human Services
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cam.moultrie@hhs.gov

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From: Morrie Soderberg [mailto:MorrieS@bluebeacon.com]
Sent: Tuesday, December 28, 2010 10:51 AM
To: Moultrie, Cam (HHS/OCIIO)
Cc: Behrens, Scott
Subject: Blue Beacon Minor Medical Plan Waiver

Is there any way to get an update as to the probability of this waiver being approved or not approved? We need to make some decisions regarding the continuation of this plan after December 31 2010.

BBI:000027

From: Moultrie, Cam (HHS/OCIO)

Sent: Tuesday, December 28, 2010 1:36 PM

To: Morrie Soderberg

Cc: Behrens, Scott; Habit, Sandra (HHS/OCIO)

Subject: RE: Blue Beacon Minor Medical Plan Waiver

Your application has been reviewed and processed. You should receive a decision shortly.

Cam

Cam Lynne Moultrie

Office of Consumer Information and Insurance Oversight

U.S. Department of Health and Human Services

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cam.moultrie@hhs.gov

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From: Morrie Soderberg [mailto:MorrieS@bluebeacon.com]

Sent: Tuesday, December 28, 2010 10:51 AM

To: Moultrie, Cam (HHS/OCIO)

Cc: Behrens, Scott

Subject: Blue Beacon Minor Medical Plan Waiver

Is there any way to get an update as to the probability of this waiver being approved or not approved? We need to make some decisions regarding the continuation of this plan after December 31 2010.

BBi:000028

From: Moultrie, Cam (HHS/OCIIO)
Sent: Wednesday, December 08, 2010 6:04 PM
To: Habit, Sandra (HHS/OCIIO)
Subject: FW: Waiver

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: Moultrie, Cam (HHS/OCIIO)
Sent: Wednesday, December 08, 2010 6:03 PM
To: 'Morrie Soderberg'
Subject: RE: Waiver

Hi,

I have not received the information yet. Please resent it.

Thank you.

Cam Moultrie

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: Morrie Soderberg [mailto:MorrieS@bluebeacon.com]
Sent: Wednesday, December 08, 2010 8:47 AM
To: Moultrie, Cam (HHS/OCIIO)
Subject: Waiver

BB1:000029

Any news yet on the results of the waiver request?


BB1:000030



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

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.