

From: Botwinick, Alexandra (HHS/OCIIO)

Sent: Friday, September 24, 2010 4:48 PM

To: 'MurgoJ@AETNA.com'

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

Attachments: OCIIO_Waiver_Acceptance_Letter.pdf

Dear Applicant,

Thank you for submitting an application for a Waiver of the Annual Limits Requirements of the PHS Act Section 2711. 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 with a copy to OCIIOoversight@hhs.gov.

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

Sincerely,

Alexandra Botwinick

Office of Oversight

HHS/OCIIO

alexandra.botwinick@hhs.gov

AETNA:000001



Joseph L. Murgio
Senior Vice President
and General Manager

BY EMAIL TO healthinsurance@hhs.gov

September 16, 2010

Mr. James Mayhew
Department of Health & Human Services
Office of Consumer Information and Insurance Oversight
Room 737-F-04
200 Independence Avenue, S.W.
Washington, DC 20201

RE: Waiver Application of Aetna Life Insurance Company for "Aetna Affordable Health Choices®" Limited Benefit Insurance Policies

Dear Mr. Mayhew:

We write to request a waiver from the Patient Protection and Affordable Care Act's restricted annual limits for Aetna Life Insurance Company's limited benefit products for policy years beginning on or after September 23, 2010 but before September 23, 2011, pursuant to the requirements outlined in your September 3, 2010 Bulletin (ICIIO 2010-1). These are group, PPO-based plans insured by Aetna Life Insurance Company ("Aetna"). They are issued on the GR-29 and GR-29N policy forms and GR-9 and GR-9N certificate forms. All of these policy forms are currently filed and in force in the various States. We understand that, if a waiver is granted for these policies, existing plan sponsors who have offered coverage under these policies prior to September 23, 2010 will be allowed to continue coverage for current and new enrollees throughout the waiver period.

We further understand that new plan sponsors will also be allowed to offer coverage to their employees under these same in-force policies throughout the waiver period. If, however, such new plan sponsor sales are not allowed, we request that this application be evaluated without consideration of such new sales.

The information required for the waiver application is set forth below. Because 65 of our plan sponsors (and the approximately (b)(4) covered employees and dependents associated with them) have renewal policy effective dates between September 26, 2010 and October 1, 2010 and are anxiously awaiting confirmation that their coverage will continue, we request your prompt review of this application in accordance with the expedited timeline outlined in the Bulletin.

Policy Terms, Covered Lives, Annual Limits and Premium Rates

We have categorized the information about our limited benefit plans by plan design in order to reflect the variations in benefit levels and premiums, although all of these plan designs are limited benefit products issued on the same policy and certificate forms. To be clear, we are requesting a single waiver for these policies, which are issued on the existing GR-29 and GR-29N and GR-9 and GR-9N policy forms and which include the plan designs described below.

BasicNet

Policy terms: Filed in most States as group, PPO-based major medical plan with deductibles, coinsurance and specified annual benefit limits; filed as "limited benefit" plans in some States depending on applicable State law; offered to commercial (non-Medicare/Medicaid) groups only.

Annual Limits (range): (b)(4) overall annual dollar maximum. Specified annual benefit limits for inpatient services (usually (b)(4)), other hospital services (usually (b)(4)), doctors' office visits (usually (b)(4)), diagnostic, surgical, and other outpatient services (usually (b)(4)), emergency room services (usually (b)(4)), preventive care (usually (b)(4)). Administered by Strategic Resource Company.

Weekly Premium (range): Employee premium (b)(4)

Covered Lives: (b)(4)

NetPremier

Policy terms: Filed in most States as group, PPO-based major medical plan with deductibles, coinsurance and specified annual benefit limits; filed as “limited benefit” plans in some States depending on applicable State law; offered to commercial (non-Medicare/Medicaid) groups only.

Annual Limits (range): Overall annual dollar maximum usually (b)(4). Specified annual benefit limits for outpatient services (usually (b)(4)) and hospital services other than room and board (usually (b)(4)). Administered by Strategic Resource Company.

Weekly Premium (range): Employee premium (b)(4)

Covered Lives: (b)(4)

Custom and Legacy Plan Designs

Policy terms: Filed in most States as group, PPO-based major medical plan with deductibles, coinsurance and specified annual benefit limits; filed as “limited benefit” plans in some States depending on applicable State law; offered to commercial (non-Medicare/Medicaid) groups only. These are custom-tailored plan designs or older plan designs that are no longer actively marketed. Administered by Strategic Resource Company.

Annual Limits (range): Benefit designs may include overall annual maximums from (b)(4) to (b)(4) and/or (b)(4) benefit limits for specific services.

Weekly Premium (range): Employee premium (b)(4)

Covered Lives: (b)(4)

NPP

Policy terms: Filed as group, PPO-based major medical plan with deductibles, coinsurance and specified annual benefit limits; offered only to employers working on government contracts subject to local, state or federal wage and benefit laws such as the Davis-Bacon Act and the Service Contractors Act. Three classes of benefit levels based on hours worked per month. Certain administrative services handled by Boon Administrative Services, Inc.

Annual Limits (range): Overall annual limits from (b)(4) specified annual benefit limits for outpatient services (usually (b)(4)), additional inpatient expenses (usually (b)(4)), wellness (usually (b)(6)).

Weekly Premium (range): Family premium (b)(4)

Covered Lives: (b)(4)

MedPlus

Policy terms: Filed as group, PPO-based major medical plan with deductibles, coinsurance and specified annual benefit limits; offered only to employers working on government contracts subject to local, state or federal wage and benefit laws such as the Davis-Bacon Act and the Service Contract Act. Three classes of benefit levels based on hours worked per month. Certain administrative services handled by Boon Administrative Services, Inc.

Annual Limits (range): (b)(4) overall annual benefit limits. Specified per-occurrence or per-day limits for inpatient and outpatient hospital, surgical facility and emergency room benefits (usually (b)(4)). Specified annual benefit limits for physician office visits (usually (b)(4)), surgery (usually (b)(4)), anesthesia (usually (b)(4)), x-ray and lab (usually (b)(4)), and wellness (usually (b)(4)).

Weekly Premium (range): Family premium (b)(4)

Covered Lives: (b)(4)

Description of Effect of Compliance on Premiums

Aetna has modeled how much rates for these limited benefit plans would increase if current annual limits were raised to comply with the \$750,000 restricted annual limit for plan years beginning on or after September 23, 2010 and ending before September 23, 2011. Our study included all claims incurred in 2009 eligible for payment on a net basis (i.e., charges minus the applicable provider contractual discounts), for the plan designs administered by Strategic Resources Company.

If annual limits were increased from current limits to \$750,000, the results for our limited benefit plans as a whole indicate that claims costs would increase by an estimated (b)(4)% and premium rates would increase by an estimated (b)(4)%. Such increases would be unaffordable for many of the typical lower wage workers who enroll in these policies. The typical enrollee in a limited benefit plan has an annual before-tax income of between (b)(4). If forced to offer a \$750,000 annual limit, we project that the premiums for a typical enrollee would increase from an average of (b)(4)% of annual after-tax net income to an average of almost (b)(4)% of annual after-tax net income, which is an effective (b)(4) increase in healthcare premium cost.

Attached to this application is a more detailed summary of our modeling, which supports the conclusion that compliance with the \$750,000 restricted annual limit would result in a significant increase in premiums paid by those covered in the plans described above. (See file "ALIC Waiver Backup.") The increased premiums would also, based on our discussions with brokers and plan sponsors, cause many plan sponsors to cease offering this coverage altogether, resulting in the complete elimination of access to benefits for many people currently covered in such plans.

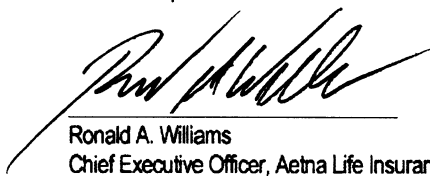
Attestation

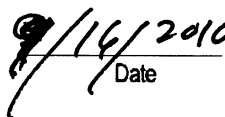
In support of this application for a waiver for the Aetna Affordable Health Choices® limited benefit medical plans, which are issued on the GR-29 and GR-29N and GR-9 and GR-9N policy forms and which include the plan designs described above, we provide the following attestation by the Chief Executive Officer of Aetna Life Insurance Company:

I, Ronald A. Williams, hereby attest and certify as follows:

(1) The limited benefit medical plans for which Aetna Life Insurance Company is seeking a waiver were in force prior to September 23, 2010; and

(2) Applying the \$750,000 restricted annual limit of the Affordable Care Act applicable to policy years beginning on or after September 23, 2010 but before September 23, 2011 would result in a significant increase in premiums paid by those covered under such policies.


Ronald A. Williams
Chief Executive Officer, Aetna Life Insurance Company


Date

We appreciate your timely consideration of this request. We reserve the right to submit additional waiver applications for other current product lines or policy forms offered by Aetna Life Insurance Company or affiliated companies.

Sincerely,


Joseph L. Murgo

Enclosure

Cc: Steve Larsen, Director of Office of Consumer Information and Insurance Oversight

ALIC Waiver Backup

Product Family Name	Current Data Points			Projected Overall Impact of Moving to \$750k Annual Limit	
	Weekly Premium Range	Average Weekly Premium	Covered Lives	Projected Claims Increase Percentage: Current vs. \$750k	Projected Premium Increase Percentage: Current vs. \$750k
BasicNet	EE Only: (b)(4) EE+1: (b)(4) EE+2+: (b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)
NetPremier	EE Only: (b)(4) EE+1: (b)(4) EE+2+: (b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)
Custom & Legacy	EE Only: (b)(4) EE+1: (b)(4) EE+2+: (b)(4)	(b)(4)	(b)(4)	(b)(4)	(b)(4)
NPP	Full Family: (b)(4) per Hour (b)(4) per average Week	(b)(4)	(b)(4)	(b)(4)	(b)(4)
MedPlus Plan	Full Family: (b)(4) per Hour (b)(4) per average Week	(b)(4)	(b)(4)	(b)(4)	(b)(4)
Weighted Averages					

Projected Percentage Cost Increase for a Typical Enrollee Moving From Current Annual Maximums to \$750k		
Typical Enrollee Average Annual Net Take-Home Pay	% SRC Plan of Take Home Pay - Current Annual Maximums	Projected Percentage Cost Increase
(b)(4)	(b)(4)	(b)(4)

From: Murgo, Joseph L [MurgoJ@AETNA.com]
Sent: Friday, September 24, 2010 6:02 PM
To: Botwinick, Alexandra (HHS/OCIIO)
Cc: Topodas, Jonathan
Subject: RE: Waiver of the Annual Limits Requirements of the PHS Act Section 2711
Dear Ms. Botwinick:

On behalf of Aetna/SRC's 1200+ plan sponsor customers, and the hundreds of thousands of enrollees who use our group limited benefits medical plans, I want to sincerely thank the Department of Health & Human Services and your team for working so hard to process and approve our waiver application.

This is extremely positive news for those who depend on both offering and electing this valuable coverage.

Sincerely,

Joseph L. Murgo
Sr. Vice President and General Manager
SRC, an Aetna Company
221 Dawson Road
Columbia, SC 29223
Aetna Voluntary Plans and Consumer Services Segment
P: 803-333-1001
F: 803-333-1017 / 803-333-1407
M: 803-414-9286

From: Botwinick, Alexandra (HHS/OCIIO) [mailto:Alexandra.Botwinick@hhs.gov]
Sent: Friday, September 24, 2010 4:48 PM
To: Murgo, Joseph L
Subject: Waiver of the Annual Limits Requirements of the PHS Act Section 2711

Dear Applicant,

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

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

Sincerely,

Alexandra Botwinick

Office of Oversight
HHS/OCIIO
alexandra.botwinick@hhs.gov

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AETNA:000006

From: Murgo, Joseph L [MurgoJ@AETNA.com]
Sent: Saturday, September 25, 2010 8:20 AM
To: Botwinick, Alexandra (HHS/OCIIO)
Cc: Topodas, Jonathan; OCIIO Oversight
Subject: RE: Waiver of the Annual Limits Requirements of the PHS Act Section 2711
[Dear Ms. Botwinick:](#)

[We officially confirm receipt of your e-mail.](#)

[On behalf of Aetna/SRC's 1200+ plan sponsor customers, and the hundreds of thousands of enrollees who use our group limited benefits medical plans, I want to sincerely thank the Department of Health & Human Services and your team for working so hard to process and approve our waiver application.](#)

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Sincerely,

Alexandra Botwinick

Office of Oversight
HHS/OCIIO
alexandra.botwinick@hhs.gov

AETNA:000007

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AETNA:000008

Lancey, Brandon (CMS/OSORA)

From: Ahlstrom, Alexis (HHS/OCIO)
Sent: Thursday, September 16, 2010 4:32 PM
To: Andrews, Jane (HHS/OCIO); Botwinick, Alexandra (HHS/OCIO); Gary, Lapreea (HHS/OCIO)
Subject: FW: SRC waiver application
Attachments: ALIC_SRC_WaiverApp_091610.pdf

Aetna's application

Alexis Ahlstrom
OCIO
301.492.4123

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From: Murgo, Joseph L [<mailto:MurgoJ@AETNA.com>]
Sent: Thursday, September 16, 2010 4:24 PM
To: HHS HealthInsurance (HHS)
Cc: Larsen, Steven (HHS/OCIO); Ahlstrom, Alexis (HHS/OCIO); Topodas, Jonathan
Subject: SRC waiver application

Dear Mr. Mayhew-

Attached please find Aetna Life Insurance Company's Waiver Application from the restricted annual limits for "Aetna Affordable Health Choices" limited benefit insurance policies.

Please let us know if you need any additional information from us or wish to discuss any aspects of this application. We look forward to your response.

Sincerely,

Joseph L. Murgo
Sr. Vice President and General Manager
SRC, an Aetna Company
221 Dawson Road
Columbia, SC 29223
Aetna Voluntary Plans and Consumer Services Segment
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Subject: FW: SRC waiver application

Follow Up Flag: Follow up
Flag Status: Red

Attachments: ALIC_SRC_WaiverApp_091610.pdf
[Aetna's application](#)

Alexis Ahlstrom
OCIO
301.492.4123

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Joseph L. Murgo
Sr. Vice President and General Manager
SRC, an Aetna Company
221 Dawson Road
Columbia, SC 29223
Aetna Voluntary Plans and Consumer Services Segment
P: 803-333-1001
F: 803-333-1017 / 803-333-1407
M: 803-414-9286

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AETNA:000010

Lancey, Brandon (CMS/OSORA)

From: Topodas, Jonathan [Jonathan.Topodas@aetna.com]
Sent: Tuesday, September 21, 2010 1:56 PM
To: Andrews, Jane (HHS/OCIO); Pentek, Laszlo (HHS/OCIO); Pham, Erica (HHS/OCIO)
Cc: Ahlstrom, Alexis (HHS/OCIO)
Subject: FW: Here's what we need from Aetna for their annual limits waiver request application

In response to your question below, here is the collective input from the same actuarial team that provided the original submission and figures.

To estimate the impact on premiums of raising our limited benefit plans to meet PPACA's 2010-2011 restricted annual limit, we assumed a single, simplified [redacted] or medical plan with the following characteristics: \$750,000 per-individual Annual Limit; \$ [redacted] per-individual Annual Deductible; [redacted] % [redacted] in- and out-of-network; and \$ [redacted] per-individual Annual Maximum Annual Coinsurance. The [redacted] per-member-per-week premium [redacted] in the column labeled "\$750,000 Annual Limit Plan Average Premium" is our actuarial estimate of what such a hypothetical plan would cost to sell on a Voluntary (no employer contribution) basis to our current population of predominately part-time, seasonal and temporary workers and full-time workers in a waiting period. Because we modeled a single hypothetical plan, the premium does not vary.

From: Andrews, Jane (HHS/OCIO) <Jane.Andrews@hhs.gov>
To: Topodas, Jonathan; Ahlstrom, Alexis (HHS/OCIO) <Alexis.Ahlstrom@hhs.gov>
Cc: Pham, Erica (HHS/OCIO) <Erica.Pham@hhs.gov>; Pentek, Laszlo (HHS/OCIO) <Laszlo.Pentek@hhs.gov>
Sent: Tue Sep 21 12:02:34 2010
Subject: RE: Here's what we need from Aetna for their annual limits waiver request application

Hi Jonathan. I do have a follow up question, and I am cc'ing my colleagues Erica Pham and Lazlo Pentek.

[redacted] in your response that the \$750,000.00 Annual Limit Plan Average Premiums – Per Member per Week is always [redacted], irrespective of the current annual limit or the low or high benefit package. Is the average premium across all [redacted]? It seemed to us for [redacted] le, to [redacted] nt there is a low benefit premium of [redacted] and a [redacted] annual limit and a high benefit premium of [redacted] and [redacted] annual limit, that the premium to get [redacted] e \$750,000.00 annual limit would also be different between the low and [redacted] gh benefit package.

If you could explain how the [redacted] is determined, and if you could let us know why it wouldn't vary for differences in benefit packages, we'd appreciate it.

Thanks very much.

Jane W. Andrews
OCIO
7501 Wisconsin Ave
Bethesda, MD 20814
301-492-4122 (desk)
[redacted] (Blackberry)

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From: Topodas, Jonathan [mailto:Jonathan.Topodas@aetna.com]
Sent: Monday, September 20, 2010 5:52 PM
To: Andrews, Jane (HHS/OCIIO); Ahlstrom, Alexis (HHS/OCIIO)
Subject: Fw: Here's what we need from Aetna for their annual limits waiver request application

Here are the data you requested. As the note provides, we are happy to discuss further.

Clearly we are anxious to be part of the first wave of approvals.

Thanks so much.

From: Laurento, Wendy S
To: Topodas, Jonathan
Cc: Murgo, Joseph L; Reid, James; Saeger, Jeff; Murphy, Connie; Hoskins, Walter H; Dean, Gavin B
Sent: Mon Sep 20 17:36:56 2010
Subject: FW: Here's what we need from Aetna for their annual limits waiver request application

Jonathan - here is the data to send to HHS, as well as possible content for your email. Dean Fiscus has just signed off on the data. My cell is (b)(6) if you need me off-hours, and Walt's work# is 803-333-1074.

The additional detail you requested in considering Aetna's application for a waiver for our limited benefit plans is attached. If you have any questions about this information, we would gladly arrange for you to speak with the people involved in putting the information together. We greatly appreciate that you have been considering our application so expeditiously, as we have plan sponsors renewing as early as September 26th.

From: Andrews, Jane (HHS/OCIIO)
Sent: Friday, September 17, 2010 4:21 PM
To: Ahlstrom, Alexis (HHS/OCIIO)
Cc: Pham, Erica (HHS/OCIIO)
Subject: Here's what we need from Aetna for their annual limits waiver request application

For the six mini-med products they offer and for which they made an application for a waiver from annual limits, Aetna provided us with rolled up ranges for all of the plans with differing annual limits and provided only a rolled up percent increase in premiums.

What we would like is for them to show us for each annual limit level within each product, what the lowest premium is and what the highest premium is. In other words, disaggregate the annual limits in accordance with their associated premiums and with the premium. BasicNet plan has (b)(4) annual limit to \$750,000.00. We understand that the (b)(4) so we would want to see what the lowest and the highest premium p

Here's an example of how we'd want to see the additional data:

<u>Product name</u>	<u>Current annual limit</u>	<u>Current premium</u>	<u>Expected premium if Annual limit=\$750,000</u>	<u>Percent increase of current premium to expected premium</u>
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If under each product name they could list out the lowest and the highest premium plans and what the lowest and highest premiums' plans associated annual limits are what is the percent increase for those lowest and highest premium plans. I think this would result in two rows for 5 products or 10 rows of data.

Because this has an October 1 plan year, we need to complete our review of a complete application in the next few days. It would be great if we could have this information here at OCIO on Monday COB.

Thanks.

Jane W. Andrews
OCIO
7501 Wisconsin Ave
Bethesda, MD 20814
301-492-4122 (desk)
(b)(6) (Blackberry)

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ALIC Waiver Backup - Supplemental Data

				\$750,000 Annual		
				Current Average	Limit Plan Average	Projected Premium
				Premium - Per	Premium - Per	Increase - Current to
				Member Per Week	Member Per Week	\$750,000
	Product Family	Current Annual Limit	Current Weekly Premium			
	Product Name					
			EE Only: (b)(4)			
			EE+1: (b)(4)			
			EE+2+: (b)(4)			
	BasicNet		EE Only: (b)(4)			
			EE+1: (b)(4)			
			EE+2+: (b)(4)			
Low	BasicNet	(b)(4)	EE Only: (b)(4)			
			EE+1: (b)(4)			
			EE+2+: (b)(4)			
High	BasicNet	(b)(4)	EE Only: (b)(4)			
			EE+1: (b)(4)			
			EE+2+: (b)(4)			
	NetPremier		EE Only: (b)(4)			
			EE+1: (b)(4)			
			EE+2+: (b)(4)			
Low	NetPremier	(b)(4)	EE Only: (b)(4)			
			EE+1: (b)(4)			
			EE+2+: (b)(4)			
High	NetPremier	(b)(4)	EE Only: (b)(4)			
			EE+1: (b)(4)			
			EE+2+: (b)(4)			
	Custom & Legacy		EE Only: (b)(4)			
			EE+1: (b)(4)			
			EE+2+: (b)(4)			
Low	Core / Choice / Primary	(b)(4)	EE Only: (b)(4)			
			EE+1: (b)(4)			
			EE+2: (b)(4)			
High	Custom NP	(b)(4)	EE Only: (b)(4)		(b)(4)	
			EE+1: (b)(4)			
			EE+2+: (b)(4)			
	NPP		Full Family: (b)(4) per Hour			
			(b)(4) per average Week			
Low	NPP Class I	(b)(4)	Full Family: (b)(4) per Hour			
			(b)(4) per average Week			
High	NPP Class III	(b)(4)	Family: (b)(4) per Hour			
			(b)(4) per average Week			
	MedPlus Plan		(b)(4) per Hour			
			(b)(4) per average Week			
Low	MPP Class I	(b)(4)	(b)(4) per Hour			
			(b)(4) per average Week			
High	MPP Class	(b)(4)	Full Family: (b)(4) per Hour			
			(b)(4) per average Week			
Weighted Averages						

Lancey, Brandon (CMS/OSORA)

From: Topodas, Jonathan [Jonathan.Topodas@aetna.com]
Sent: Friday, September 24, 2010 2:19 PM
To: Andrews, Jane (HHS/OCIO); Pentek, Laszlo (HHS/OCIO); Pham, Erica (HHS/OCIO)
Cc: Ahlstrom, Alexis (HHS/OCIO)
Subject: RE: Here's what we need from Aetna for their annual limits waiver request application

the number to call at 4:00 is 866 692 3580. the Passcode is 733 766.

my cell is

(b)(6)

From: Topodas, Jonathan
Sent: Friday, September 24, 2010 1:32 PM
To: 'jane.andrews@hhs.gov'; 'Laszlo.Pentek@hhs.gov'; 'Erica.Pham@hhs.gov'
Cc: 'Alexis.Ahlstrom@hhs.gov'
Subject: Re: Here's what we need from Aetna for their annual limits waiver request application

And if you prefer I can supply a meet-me number.

From: Topodas, Jonathan
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Sent: Fri Sep 24 12:59:58 2010
Subject: RE: Here's what we need from Aetna for their annual limits waiver request application

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Subject: RE: Here's what we need from Aetna for their annual limits waiver request application

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OCIIO
7501 Wisconsin Ave
Bethesda, MD 20814
(desk)
[redacted] (Blackberry)

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To: Andrews, Jane (HHS/OCIIO); Ahlstrom, Alexis (HHS/OCIIO)
Subject: Fw: Here's what we need from Aetna for their annual limits waiver request application

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To: Topodas, Jonathan
Cc: Murgo, Joseph L; Reid, James; Saeger, Jeff; Murphy, Connie; Hoskins, Walter H; Dean, Gavin B
Sent: Mon Sep 20 17:36:56 2010
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Cc: Ahlstrom, Alexis (HHS/OCIIO)
Subject: RE: Here's what we need from Aetna for their annual limits waiver request application

Thanks.

(If all my numbers are in and all your questions answered, I only have prayer left.....so I will continue to look to the East toward Bethesda.)

From: Andrews, Jane (HHS/OCIIO) [mailto:Jane.Andrews@hhs.gov]
Sent: Thursday, September 23, 2010 10:02 AM
To: Topodas, Jonathan; Pentek, Laszlo (HHS/OCIIO); Pham, Erica (HHS/OCIIO)
Cc: Ahlstrom, Alexis (HHS/OCIIO)
Subject: RE: Here's what we need from Aetna for their annual limits waiver request application

Not sure we will have smoke, but we have every expectation of meeting our 9/26 deadline to get a waiver decision out to applicants.

Stay tuned and thanks for your patience.

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Cc: Pham, Erica (HHS/OCIIO)
Subject: Here's what we need from Aetna for their annual limits waiver request application

For the six mini-med products they offer and for which they made an application for a waiver from annual limits, Aetna provided us with rolled up ranges for all of the plans with differing annual limits and provided only a rolled up percent increase in premiums.

What we would like is for them to show us for each annual limit level within each product, what the lowest premium is and what the highest premium is. In other words, disaggregate the annual limits in accordance with their associated premiums and with the premium that would result from going to the current annual limit to \$750,000.00. We understand that the BasicNet plan has (b)(4) so we would want to see what the lowest and the highest premium plans are for that product.

Here's an example of how we'd want to see the additional data:

Product name Current annual limit Current premium Expected premium if Annual limit=\$750,000 Percent increase of current premium to expected premium

If under each product name they could list out the lowest and the highest premium plans and what the lowest and highest premiums' plans associated annual limits are what is the percent increase for those lowest and highest premium plans. I think this would result in two rows for 5 products or 10 rows of data.

Because this has an October 1 plan year, we need to complete our review of a complete application in the next few days. It would be great if we could have this information here at OCIO on Monday COB.

Thanks.

Jane W. Andrews
OCIO
7501 Wisconsin Ave
Bethesda, MD 20814
301-492-4122 (desk)
(b)(6) (Blackberry)

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This e-mail may contain confidential or privileged information. If you think you have received this e-mail in error, please advise the sender by reply e-mail and then delete this e-mail immediately. Thank you. Aetna

Lancey, Brandon (CMS/OSORA)

From: Topodas, Jonathan [Jonathan.Topodas@aetna.com]
Sent: Monday, September 20, 2010 4:17 PM
To: Ahlstrom, Alexis (HHS/OCIIO)
Cc: Andrews, Jane (HHS/OCIIO)
Subject: RE: Here's what we need from Aetna for their annual limits waiver request application

I just finished an actuarial call where we Aetna went over the data we have put together to respond to your inquiry.
I hope to ship it off to you later this afternoon.

Can I (should I) send it to both of you?

If there are further questions after this submission we'd be happy to get on the phone to explain what the numbers represent.
I hope to get this to you later as we all want to be part of the first wave of approvals (and we believe our application meets all your tests).

From: Topodas, Jonathan
Sent: Monday, September 20, 2010 10:29 AM
To: Ahlstrom, Alexis (HHS/OCIIO)
Subject: RE: Here's what we need from Aetna for their annual limits waiver request application

THANKS for the head's up.

We are formatting the our data to be more disaggregated.

From: Ahlstrom, Alexis (HHS/OCIIO) [<mailto:Alexis.Ahlstrom@hhs.gov>]
Sent: Friday, September 17, 2010 4:39 PM
To: Topodas, Jonathan
Subject: FW: Here's what we need from Aetna for their annual limits waiver request application

Jonathan,

We have done a preliminary review of your application and we would like your information a bit more disaggregated.
Can you review the request below and get back to me please?

Alexis Ahlstrom
OCIIO
301.492.4123

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From: Andrews, Jane (HHS/OCIIO)
Sent: Friday, September 17, 2010 4:21 PM
To: Ahlstrom, Alexis (HHS/OCIIO)
Cc: Pham, Erica (HHS/OCIIO)
Subject: Here's what we need from Aetna for their annual limits waiver request application

For the six mini-med products they offer and for which they made an application for a waiver from annual limits, Aetna provided us with rolled up ranges for all of the plans with differing annual limits and provided only a rolled up percent increase in premiums.

What we would like is for them to show us for each annual limit level within each product, what the lowest premium is and what the highest premium is. In other words, disaggregate the annual limits in accordance with their associated premiums and with the premium that would result from going to the current annual limit to \$750,000.00. We understand that the BasicNet plan has [redacted (b)(4)] so we would want to see what the lowest and the highest premium pl

Here's an example of how we'd want to see the additional data:

<u>Product name</u>	<u>Current annual limit</u>	<u>Current premium</u>	<u>Expected premium if Annual limit=\$750,000</u>	<u>Percent increase of current premium to expected premium</u>
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If under each product name they could list out the lowest and the highest premium plans and what the lowest and highest premiums' plans associated annual limits are what is the percent increase for those lowest and highest premium plans. I think this would result in two rows for 5 products or 10 rows of data.

Because this has an October 1 plan year, we need to complete our review of a complete application in the next few days. It would be great if we could have this information here at OCIIO on Monday COB.

Thanks.

Jane W. Andrews
OCIIO
7501 Wisconsin Ave
Bethesda, MD 20814
301-492-4122 (desk)
[redacted (b)(6)] (Blackberry)

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This e-mail may contain confidential or privileged information. If you think you have received this e-mail in error, please advise the sender by reply e-mail and then delete this e-mail immediately. Thank you. Aetna