



SICK BENEFIT FUND
AMALGAMATED, INDUSTRIAL AND TOY & NOVELTY
WORKERS OF AMERICA
LOCAL 223 — AFL-CIO

147 East 26th Street • New York, NY 10010 • 212-889-8180 • FAX 212-683-6217

October 21, 2010

Department of Health and Human Services
Office of Consumer Information and Insurance Oversight
Office of Oversight
200 Independence Avenue, SW
Washington, DC 20201

Attention: James Mayhew, Room 737-F-04

Re: Application for Waiver of Annual Limits Requirements of Public Health
Service Act Section 2711

Dear Mr. Mayhew:

The Amalgamated, Industrial and Toy & Novelty Workers of America, Local 223 Sick Benefit Fund (the "Fund") is a Taft-Hartley self-insured multi-employer Welfare Fund governed by the Employee Retirement Income Security Act of 1974, as amended and qualified under Section 501(c)(9) of the Internal Revenue Code, as amended. The Fund provides a program of health benefits (the "Plan") covering employees of employers who have collective bargaining agreements with the Amalgamated, Industrial and Toy & Novelty Workers of America Local 223.

1. The Plan is funded by Employer Contributions, which are paid into a Trust Fund. Employer contribution rates are set forth in the applicable collective bargaining agreements.
2. There are approximately (b)(4) individuals currently covered by the Plan (b)(4) employees and (b)(4) dependents).
3. The Plan is applying for a waiver of the annual limits requirements of PHS Act Section 2711. The Plan currently has an overall calendar year limit of (b)(4) on medical benefits for benefit Plan B and a (b)(4) annual limit on benefit Plan C and the following annual limits on specific medical benefits for both plans:

- (a) (b)(4) on Private Duty Nursing benefits
- (b) (b)(4) per individual and (b)(4) per family on Prescription Drug benefits

For the last Plan Year ending December 31, 2009 the Fund received (b)(4) in contributions and paid out (b)(4) in benefits and expenses. Removing the annual limits on specific benefits and the overall annual limits described above will undoubtedly increase expenses. In addition, without even taking into consideration these changes, the projected annual trend increase for medical plans is (b)(4). Further, complying with the other requirements of the Act (i.e. Age 26 dependent coverage) is projected to increase the plan's cost by up to (b)(4). Therefore, compliance with these rules would result in a significant increase in the contribution amount needed to properly Fund the Plan. The following charts set forth the current and projected required contribution amounts:

PLAN B

Level of Coverage	2010 January Premium (current level of Contributions)	2011 January Premium (if annual limits remain in place)	2011 January Premium (if annual limits are removed)
Employee Family	(b)(4)		

PLAN C

Level of Coverage	2010 January Premium (current level of Contributions)	2011 January Premium (if annual limits remain in place)	2011 January Premium (if annual limits are removed)
Employee Family	(b)(4)		

As the contributions amounts are set forth in collective bargaining agreements, and based on the current economy, it is not likely that the Employers will agree to increase their required contributions.

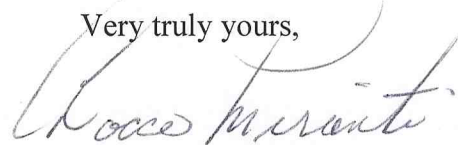
Accordingly, the Trustees would have no alternative but to give up the Plan's grandfathered status and eliminate or reduce benefits currently being provided to equalize the Plan's expenses with the contributions received. Therefore, compliance with these rules would result in significant decreases in access to benefits for those currently covered by the Plan as the Plan would have to be amended to provide lesser benefits to those currently covered by the Plan.

Mr. James Mayhew
OCIIO

October 21, 2010
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I do hereby attest that I am the Plan Administrator and that the above plan was in force prior to September 23, 2010 and that based upon the above information, the application of restricted annual limits to the Plan would result in a significant increase in the premium needed to cover the cost of the plan without the plan's current annual limits.

Very truly yours,

A handwritten signature in cursive script, appearing to read "K. M. ...", written over a horizontal line.

Plan Administrator

November 16, 2010

Dear Applicant:

RE: Amalgamated, Industrial and Toy & Novelty Workers of America

Thank you for your application for the Waiver of the Annual Limits Requirements of the PHS Act Section 2711. In order to complete your application, please provide the following information about the Amalgamated, Industrial and Toy & Novelty Workers of America:

1. Effective date of policy.
2. Provide the number of individuals covered by the plan to include dependents.
3. Indicate if there are essential benefit limits and the amount for the following categories :

<input type="checkbox"/> Ambulatory: \$	<input type="checkbox"/> Maternity: \$
<input type="checkbox"/> Emergency (ER): \$	<input type="checkbox"/> Mental Health/Substance Abuse: \$
<input type="checkbox"/> Hospitalization: \$	<input type="checkbox"/> Rehabilitative: \$
<input type="checkbox"/> Laboratory: \$	<input type="checkbox"/> Preventive: \$
<input type="checkbox"/> Pediatric: \$	<input type="checkbox"/> Prescription (RX): \$

4. Indicate if there are any deductibles for the plan and the amount.
5. Indicate if there are any copay/coinsurance for the plan for the following categories and the amount for the following:

<input type="checkbox"/> Office Visit	<input type="checkbox"/> Inpatient	<input type="checkbox"/> ER	<input type="checkbox"/> Prescription
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6. Indicate if the policy is Group or Individual

7. Type of Plan:

<input type="checkbox"/> Limited Benefit	<input type="checkbox"/> Prescription	<input type="checkbox"/> HRA
<input type="checkbox"/> Comprehensive	<input type="checkbox"/> Other	

8. Indicate if this plan has Grandfather Status.

Please provide this information by 5:00 pm Thursday November 18, 2010. We look forward to receiving your completed application. Thank you.

Sincerely,

Kathleen M. Scelzo, RN, MSN
Rules Compliance Division
Office of Insurance Oversight
Office of Consumer Information and Insurance Oversight (OCIIO)
Department of Health and Human Services
301-492-4121

From: Botwinick, Alexandra (HHS/OCIIO)

Sent: Tuesday, January 18, 2011 3:09 PM

To: 'jmiranti@local223.com'

Cc: Habit, Sandra (HHS/OCIIO); Scelzo, Kathleen (HHS/OCIIO)

Subject: Amalgamated, Industrial and Toy & Novelty Workers of America, Local 223 Sick Benefit Fund Approval Letter

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 Amalgamated, Industrial and Toy & Novelty Workers of America, Local 223 Sick Benefit Fund. 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

AMALG IND:000006

From: Botwinick, Alexandra (HHS/OCIO)
Sent: Tuesday, December 14, 2010 12:03 PM
To: 'rmiranti@local223.com'
Subject: Waiver of the Annual Limits Requirements of PHS Act Section 2711

Importance: High

Follow Up Flag: Follow up
Flag Status: Red

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 **Amalgamated, Industrial and Toy & Novelty Workers of America, Local 223 Sick Benefit Fund**. 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/OCIO
alexandra.botwinick@hhs.gov

AMALG IND:000007

From: Johnnie Miranti [jmiranti@local223.com]
Sent: Tuesday, November 16, 2010 3:00 PM
To: HHS HealthInsurance (HHS)
Subject: FW: Undeliverable: FW: Waiver Letter

Attachments: details.txt; FW: Waiver Letter

From: postmaster@ees.hhs.gov [mailto:postmaster@ees.hhs.gov]
Sent: Monday, November 15, 2010 3:41 PM
To: jmiranti@local223.com
Subject: Undeliverable: FW: Waiver Letter

Delivery has failed to these recipients or distribution lists:

healthinsurance@hhs.gov

The recipient's mailbox is full and can't accept messages now. Microsoft Exchange will not try to redeliver this message for you. Please try resending this message later, or contact the recipient directly.

Sent by Microsoft Exchange Server 2007

Diagnostic information for administrators:

Generating server: ees.hhs.gov

healthinsurance@hhs.gov

#550 5.2.2 STOREDRV.Deliver: mailbox full. The following information should help identify the cause:

"MapiExceptionShutoffQuotaExceeded:16.18969:AC000000, 17.27161:000000094000000000000000F000000000000000, 255.23226:00000000, 255.27962:FE000000, 255.17082:DD040000, 0.26937:08000000, 4.21921:DD040000, 255.27962:FA000000, 255.1494:00000000, 255.26426:FE000000, 4.7588:0F010480, 4.6564:0F010480, 4.4740:05000780, 4.6276:05000780, 4.5721:DD040000, 4.6489:DD040000, 4.2199:DD040000, 4.17097:DD040000, 4.8620:DD040000, 255.1750:71040000, 0.26849:00000000, 255.21817:DD040000, 0.26297:34000000, 4.16585:DD040000, 0.32441:00000000, 4.1706:DD040000, 0.24761:2F400000, 4.20665:DD040000, 0.25785:2F000000, 4.29881:DD040000". ##

Original message headers:

Received: from smtp02.ees.hhs.gov (158.72.136.2) by mail3.hhs.gov (158.72.137.55) with Microsoft SMTP Server id 8.2.254.0; Mon, 15 Nov 2010 15:41:18 -0500

X-IronPort-AV: E=Sophos;i="4.59,201,1288551600"; d="pdf'?scan'208,217";a="8884818"

Received: from dazzler.dsl.net ([65.84.81.15]) by smtp02.ees.hhs.gov with ESMTP; 16 Nov 2010 01:41:17 +0500

Received: from Johnnie (216-175-198-158.client.dsl.net [216.175.198.158]) by dazzler.dsl.net (Postfix) with ESMTP id 6BCE9F7859 for <healthinsurance@hhs.gov>; Mon, 15 Nov 2010 15:40:29 -0500 (EST)

Return-Receipt-To: Johnnie Miranti <jmiranti@local223.com>

From: Johnnie Miranti <jmiranti@local223.com>

To: <healthinsurance@hhs.gov>

Subject: FW: Waiver Letter

Date: Mon, 15 Nov 2010 15:37:14 -0500

Message-ID:

<!&!AAAAAAAAAAAAAYAAAAAAAAAAIpXMGtao2pGrgbfRmXB+tnCgAAAEAAAAHXIZ7aIDhBAmG/Ix6BpOaIBAAAAAA==@local223.com>

MIME-Version: 1.0

Content-Type: multipart/mixed;

boundary="-----_NextPart_000_0000_01CB84DA.FBDD6A80"

X-Mailer: Microsoft Office Outlook 12.0

Thread-Index: Actx8hgRChcOILofT66jT+Klqg3HCQTEfHBg

Content-Language: en-us

AMALG IND:000009

Disposition-Notification-To: Johnnie Miranti <jmiranti@local223.com>
Return-Path: jmiranti@local223.com
Received-SPF: None (PL-EMSCAS05.ees.hhs.gov: jmiranti@local223.com does not
designate permitted sender hosts)

AMALG IND:000010

From: Kottenmeier, Erika (HHS/OCIIO)
Sent: Wednesday, December 29, 2010 1:39 PM
To: Johnnie Miranti
Cc: Habit, Sandra (HHS/OCIIO)
Subject: RE: Local 223 Waiver

Dear Ms. Miranti,

Thank you for your inquiry. Per the September 3, 2010 Guidance, you actually receive your response 30 days after a completed waiver application is received. As such, the 30 days begins to run after all follow-up with the reviewer is finished and the reviewer has all the information he or she needs. I am afraid I cannot personally check the status of your application because I am working remotely, but I did forward your email to a colleague who can check on it. We will notify you when we find out where it stands in the application process.

Kind Regards,
Erika Kottenmeier

From: Johnnie Miranti [jmiranti@local223.com]
Sent: Wednesday, December 29, 2010 12:02 PM
To: Kottenmeier, Erika (HHS/OCIIO)
Subject: Local 223 Waiver

Good morning Erika

We have not heard back regarding the wavier for Local 223 Amalgamated Industrial Toy & Novelty Workers of America, I understood that we would have a answer 30 days after the wavier was submitted?
Can you please update me on the statue.

Thank you for your help.

Johnnie Miranti
Local 223
jmiranti@local223.com

From: Scelzo, Kathleen (HHS/OCIO)
Sent: Tuesday, November 16, 2010 9:28 AM
To: 'rmiranti@local223.com'
Cc: Habit, Sandra (HHS/OCIO)
Subject: Amalgamated, Industrial Toy & Novelty Workers of America Waiver Application

Attachments: Amalgamated Toy Waiver Application Questions.doc

Rocco Miranti,

I left a message for you yesterday afternoon alerting you about an e-mail you would receive from me concerning Amalgamated, Industrial Toy & Novelty Workers of America application for Annual Limits Requirements of the PHS Act Section 2711. Attached above is the document that needs to be completed in order to finalize the application process.

Many thanks for your assistance with this document.

Kathleen M. Scelzo, RN, MSN
Rules Compliance Division
Office of Insurance Oversight
Office of Consumer Information and Insurance Oversight (OCIO)
Department of Health and Human Services
7501 Wisconsin Avenue
Bethesda, MD
301-492-4121


AMALG IND:000012



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.