

11/8

ALLIED WELFARE FUND
C/O CROSSROADS HEALTHCARE MANAGEMENT LLC
P.O. Box 090300
STATEN ISLAND, NY 10309
866-646-1778

November 1, 2010

Mr. James Mayhew
HHS Office of Consumer Information and Insurance Oversight,
Office of Oversight
Room 737-F-04
200 Independence Ave. SW
Washington, DC 20201

Dear Mr. Mayhew:

Please accept this application from the Allied Welfare Fund for a waiver from the restricted annual limits set forth in the Interim Final Regulations for the Plan year beginning January 1, 2011 through December 31, 2011. The Plan was offered prior to September 23, 2010. This letter and its attachments include the following information as required by OCIO Sub-Regulatory Guidance 2010-1: Process for Obtaining waivers of the Annual Limits Requirements of PHS Act Section 2711.

The Plan provides group health benefits to retail pharmacy store workers whose average hourly rates of pay are between (b)(4) an hour.

The Allied Welfare Fund is requesting a Waiver of the Annual Plan Limit, as per the attached application.

Very truly yours,

ALLIED WELFARE FUND



Martin J. Keane
Trustee
Plan Administrator

Attachment

AWF Waiver Application Cover Letter

ALLIED WELFARE FUND
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P.O. Box 090300
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November 1, 2010

HHS Office of Consumer Information and Insurance Oversight
Office of Oversight
Room 737-F-04
200 Independence Avenue, SW
Washington, D. C. 20201

Attention: James Mayhew

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

Dear Mr. Mayhew:

The Allied Welfare 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 (CBA's) with Local 338 RWDSU/UFCW, which represents the Participants of this Fund.

1. The Plan is funded by Employer contributions, which are paid into a Trust Fund. Employer contribution rates are set forth in the applicable (CBA's).
2. There are approximately (b)(4) Participants currently covered by the Plan (1,190 full-time employees (b)(4) part-time 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 the following annual limits on specific medical benefits,

Chiropractic Annual Limit:
Communicable Annual Limit:
Communicable Lifetime Limit:
Anesthesia Annual Limit:
Emergency Room - per visit Limit:
Labs / Diagnostic Annual Limit:
Outpatient Facilities Annual Limit:
Physical Therapy Annual Limit:
Maternity - per Occurrence:
Surgery Annual Limit:

(b)(4)

Total Per person Annual Limit:
Total Per Family Lifetime Limit:

(b)(4)

4. For the last Plan year ending December 31, 2009, the Fund received (b)(4) in annual contributions and paid out (b)(4) in benefits and expenses. The following sets forth the current and projected monthly contribution levels, with and without the waiver, as follows:

Coverage Type	2010	2011	2011
	Contribution Amount	Contribution Amount (if the annual limits remain in place)	Contribution Amount (if the annual limits are removed)
Monthly Composite Contribution Rate (Per Participant)			

5. Removing the annual limits on specific benefits and the overall annual limit as 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 under the Acts (i.e. Age (b)(4) 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.

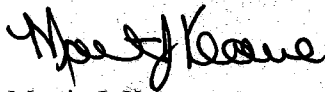
As the contribution amounts are set forth in Collective Bargaining Agreements, and based on the current economy, it is not likely that the Employers will agree to increase their required contributions.

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 a significant decrease in access to benefits for those currently covered by the Plan as the Plan would be eliminated and replaced with a lower cost plan that would provide lesser benefits to those currently covered by the Plan.

6. 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 decrease in access to benefits for those currently covered by the Plan and/or a significant increase in the premium needed to cover the cost of the Plan without the Plan's current annual limits.

Very truly yours,

ALLIED WELFARE FUND



Martin J. Keane
Trustee
Plan Administrator

AWF Waiver Relief Application

From: Botwinick, Alexandra (HHS/OCIO)
Sent: Monday, December 13, 2010 9:04 AM
To: 'Martin Keane'
Cc: 'mdebartolome@crossroadshc.com'; 'jdigangi@crossroadshc.com'; 'imi229@aol.com'
Subject: Waiver of the Annual Limits Requirements of PHS Act Section 2711

Attachments: Updated Jan 1 Approval Letter .pdf
Good Morning,

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

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

Sincerely,

Alexandra Botwinick

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

From: Martin Keane [mailto:keane.martinjk@gmail.com]
Sent: Friday, December 10, 2010 12:48 PM
To: Botwinick, Alexandra (HHS/OCIO)
Cc: mdebartolome@crossroadshc.com; jdigangi@crossroadshc.com; imi229@aol.com
Subject: Allied Welfare Fund Fed ID 22-6062974 Application for Waiver of Annual Limits

Dear Ms. Botwinick,

I am a trustee for the Allied Welfare Plan. I am writing concerning our application for a waiver of annual limits which we filed with HHS on November 7th. Has our waiver been granted? Please let me know at your earliest convenience.

Thank you.

Martin Keane
Trustee
631-335-0611

AWF:000004

From: Martin Keane [keane.martinjk@gmail.com]
Sent: Monday, December 13, 2010 1:11 PM
To: Botwinick, Alexandra (HHS/OCIIO)
Cc: OCIIO Oversight
Subject: Re: Waiver of the Annual Limits Requirements of PHS Act Section 2711

Follow Up Flag: Follow up
Flag Status: Red
Dear Ms. Botwinick,

This e-mail conforms our receipt of your Departments response to our Waiver request. Thank you for your help in this matter. Please feel free to contact me if you need additional information about our fund.

Sincerely,

Martin J Keane
Trustee

On Mon, Dec 13, 2010 at 9:03 AM, Botwinick, Alexandra (HHS/OCIIO) <Alexandra.Botwinick@hhs.gov> wrote:

Good Morning,

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

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

Sincerely,

Alexandra Botwinick

Office of Oversight

AWF:000005

HHS/OCIIO

alexandra.botwinick@hhs.gov

From: Martin Keane [mailto:keane.martinjk@gmail.com]
Sent: Friday, December 10, 2010 12:48 PM
To: Botwinick, Alexandra (HHS/OCIIO)
Cc: mdebartolome@crossroadshc.com; jdigangi@crossroadshc.com; imi229@aol.com
Subject: Allied Welfare Fund Fed ID 22-6062974 Application for Waiver of Annual Limits

Dear Ms. Botwinick,

I am a trustee for the Allied Welfare Plan. I am writing concerning our application for a waiver of annual limits which we filed with HHS on November 7th. Has our waiver been granted? Please let me know at your earliest convenience.

Thank you.

Martin Keane
Trustee
631-335-0611


AWF:000006



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.