

Blasters, Drillrunners & Miners Union Local #29 Welfare Fund

43-12 Ditmars Blvd.
Astoria, NY 11105
718-278-5800 • Fax 718-278-8111

November 3, 2010

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

Re: Blasters Drillrunners and Miners Union Local 29 Welfare Fund
Application for a Waiver of Annual Limits Requirements of Public Health
Service Act Section 2711

Dear Mr. Mayhew:

The Blasters Drillrunners and Miners Union Local 29 Welfare Fund (the "Fund") is a self-insured Taft-Hartley multi-employer Health and Welfare Fund governed by the Employee Retirement Income Security Act of 1974, as amended and qualified under Section 401(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 Blasters Drillrunners and Miners Local Union No. 29.

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) members currently covered by the Plan as well as the eligible dependents totaling over (b)(4) lives.
3. (a) 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 benefits:

(b)(4) Major Medical maximum
(b)(4) on prescription drugs per family
(b)(4) for all claims for Medicare eligible members
Speech therapy, Optical and Dental benefits have annual maximums

(b) The current contribution rates paid to the Plan are as follows:

In accordance with the individual collective bargaining agreements the employers contribute (b)(4) per hour.

4. 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 limits as described above will cause an increase to the Fund expenses. In addition, without even taking into consideration these changes, the projected annual health care trend increase for medical plans is (b)(4) to (b)(4) . In addition, complying with the other requirements under the Acts (including the age 26 dependent coverage) is projected to increase the plan's cost by (b)(4) to (b)(4) . Finally, if employers are required to increase contributions to maintain the (improved) coverage under the Plan, some of the employers may opt out of the Plan or may lay off workers and go out of business if they cannot afford their operating expenses.
5. 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, most likely the Employers will not 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.

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, application of the newly proposed 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 premiums needed to cover the cost of the plan without the plan's current annual limits. As such please accept this as our request for a waiver of the new annual limits requirements.

Thank you for your time and attention with this matter.

Very truly yours,


Thomas Russo, Administrator

BASIL CASTROVINCI ASSOCIATES INC.

3235 KENNEDY BOULEVARD
JERSEY CITY, NEW JERSEY 07306
(201) 963-9600

November 22, 2010

Nancy Russo
Blasters, Drillrunners and Miners Union Local 29 Welfare Fund
43-12 Ditmars Boulevard
Astoria, NY 11105

Subject: Local 29 Welfare Fund Costs

Dear Nancy:

In accordance with the Department of Health & Human Services request relating to the Local 29 Welfare Fund's application for waiver of the annual limits requirements, please note the following:

- 1.) Current Premium Amount - As you know, the Welfare Fund is self-insured and, as such, does not pay premiums. Although it is a self-insured welfare fund, we generate "premium" rates when we calculate the cost of benefits in determining the COBRA rates. Currently the Fund COBRA rates are as follows:
Single \$ (b)(4) per month; Family (b)(4) per month
- 2.) Renewal Premium Amount - Assuming medical inflation alone, we estimate that the cost for 2011 would increase by approximately (b)(4). Using an average of (b)(4) that would increase those monthly cost figures to the following:
Single (b)(4) per month; Family (b)(4) per month
- 3.) Projection Complying with the \$750,000 limit - If the Local 29 Welfare Fund complies with the new annual limits under the Affordable Care Act, and has only one individual with a catastrophic illness costing \$750,000, compared to the current (b)(4) limit on Major Medical claims, this (b)(4) cost increase, would amount to a (b)(4) increase in the plan costs and would raise the premiums by that amount bringing them to:
Single (b)(4) per month; Family (b)(4) per month

These rates will be higher if more than one person exceeds the prior annual limit.

- 4.) The current plan was in effect prior to March 23, 2010.

Please let me know if you have any questions or if you would like to discuss this further.

Very truly yours,

Matthew P. Castrovinci

From: Botwinick, Alexandra (HHS/OCIIO)
Sent: Monday, December 06, 2010 8:43 AM
To: 'Nancy@local29blasters.com'
Subject: Waiver of the Annual Limits Requirements of PHS Act Section 2711

Importance: High

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 **Blasters, Drillrunners and Minors Union Local 29 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
HHS/OCIIO
alexandra.botwinick@hhs.gov

BDM L29000004

Blasters, Drillrunners & Miners Union Local #29 Welfare Fund

11/18

43-12 Ditmars Blvd.
Astoria, NY 11105
718-278-5800 • Fax 718-278-8111

November 3, 2010

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

Re: Blasters Drillrunners and Miners Union Local 29 Welfare Fund
Application for a Waiver of Annual Limits Requirements of Public Health
Service Act Section 2711

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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) members currently covered by the Plan as well as the eligible dependents totaling over (b)(4) lives.
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In accordance with the individual collective bargaining agreements the employers contribute (b)(4) per hour.

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5. Therefore, compliance with these rules would result in a significant increase in the contribution amount needed to properly fund the Plan.

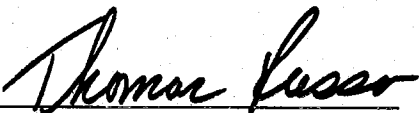
As the contribution amounts are set forth in collective bargaining agreements, and based on the current economy, most likely the Employers will not agree to increase their required contributions.

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.

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, application of the newly proposed 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 premiums needed to cover the cost of the plan without the plan's current annual limits. As such please accept this as our request for a waiver of the new annual limits requirements.

Thank you for your time and attention with this matter.

Very truly yours,


Thomas Russo, Administrator

From: Nancy Russo [Nancy@local29blasters.com]
Sent: Monday, December 06, 2010 9:19 AM
To: Botwinick, Alexandra (HHS/OCIIO)
Subject: Re: Waiver of the Annual Limits Requirements of PHS Act Section 2711

Follow Up Flag: Follow up

Flag Status: Red

Good Morning Alexandra,

Thank you for your response to the application of the Annual Limits.

Have a wonderful holiday season.

Nancy Russo
Local 29 Assistant Asministrator

----- Original Message -----

From: [Botwinick, Alexandra \(HHS/OCIIO\)](mailto:Botwinick.Alexandra@HHS/OCIIO)
To: ['Nancy@local29blasters.com'](mailto:Nancy@local29blasters.com)
Sent: Monday, December 06, 2010 8:42 AM
Subject: Waiver of the Annual Limits Requirements of PHS Act Section 2711

Good Morning,

Thank you for submitting an application for a Waiver of the Annual Limits Requirements of the PHS Act Section 2711 for **Blasters, Drillrunners and Minors Union Local 29 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
HHS/OCIIO
alexandra.botwinick@hhs.gov

BDM L29000007

From: Botwinick, Alexandra (HHS/OCIO)
Sent: Monday, November 22, 2010 1:42 PM
To: Habit, Sandra (HHS/OCIO)
Subject: FW: Waiver Application Blasters, Drillrunners, and Minors Union Local 29 Welfare Fund

Alexandra Botwinick

Office of Oversight
HHS/OCIO
(301) 492-4177
alexandra.botwinick@hhs.gov

From: Nancy Russo [mailto:Nancy@local29blasters.com]
Sent: Monday, November 22, 2010 1:19 PM
To: Botwinick, Alexandra (HHS/OCIO)
Cc: Thomas Russi
Subject: Re: Waiver Application

MATT,

PLEASE FORWARD THE INFORMATION THAT ALEXANDRA HAS REQUESTED ASAP SO I CAN FORWARD THIS.

THANK YOU

NANCY

----- Original Message -----

From: [Botwinick, Alexandra \(HHS/OCIO\)](mailto:Botwinick.Alexandra@HHS.gov)
To: ['Nancy@local29blasters.com'](mailto:Nancy@local29blasters.com)
Sent: Monday, November 22, 2010 8:52 AM
Subject: Waiver Application

Good Morning,

I am in the process of reviewing the application for Blasters, Drillrunners, and Minors Union Local 29 Welfare Fund for a Waiver of the Annual Limits Requirements of PHS Act Section 2711, and I have a few questions before I am able to complete my review.

Please provide me with the following information:

1. Current Premium Amount (Rate) Monthly
2. Renewal Premium Amount (Rate) Monthly
3. Projected Premium Amount if the plan had to comply with the \$750,000 annual limit
4. Was the plan in effect prior to March 23, 2010?

Thank you in advance for your prompt attention to this matter. We are working to get all applications reviewed as soon as possible.

Please let me know if you have any questions.

BDM L29000008

Sincerely,

Alexandra Botwinick

Office of Oversight
HHS/OCIIO

alexandra.botwinick@hhs.gov

BDM L2900009

From: Nancy Russo [Nancy@local29blasters.com]
Sent: Thursday, November 04, 2010 7:20 AM
To: HHS HealthInsurance (HHS)
Cc: mattcastrovinci@aol.com
Subject: Fw: Attached Image

Attachments: 1619_001.pdf

Mr. Mayhew,

Please see attached letter regarding the Application for a Waiver of Annual Limits for the Blasters, Drillrunners and Miners Union Local 29 Welfare Fund. Please contact me on the status of our request so we are prepared for any changes that are needed to be made to our Welfare fund.

Thank you

Nancy Russo
Assistant Asministrator.

----- Original Message -----

From: "BLASTERS DRILLRUNNER #29" <administ@local29blasters.com>
To: "Nancy" <nancy@local29blasters.com>
Sent: Thursday, November 04, 2010 7:25 AM
Subject: Attached Image

BDM L29000010

From: Botwinick, Alexandra (HHS/OCIIO)
Sent: Monday, November 22, 2010 9:18 AM
To: Habit, Sandra (HHS/OCIIO)
Subject: FW: Waiver Application Blasters, Drillrunners, and Minors Union Local 29 Welfare Fund

Importance: High

Alexandra Botwinick

Office of Oversight
HHS/OCIIO
(301) 492-4177
alexandra.botwinick@hhs.gov

From: Botwinick, Alexandra (HHS/OCIIO)
Sent: Monday, November 22, 2010 8:52 AM
To: 'Nancy@local29blasters.com'
Subject: Waiver Application
Importance: High

Good Morning,

I am in the process of reviewing the application for Blasters, Drillrunners, and Minors Union Local 29 Welfare Fund for a Waiver of the Annual Limits Requirements of PHS Act Section 2711, and I have a few questions before I am able to complete my review.

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3. Projected Premium Amount if the plan had to comply with the \$750,000 annual limit
4. Was the plan in effect prior to March 23, 2010?

Thank you in advance for your prompt attention to this matter. We are working to get all applications reviewed as soon as possible.

Please let me know if you have any questions.

Sincerely,

Alexandra Botwinick

Office of Oversight
HHS/OCIIO

BDM L29000011

alexandra.botwinick@hhs.gov

BDM L29000012

file:///O:/...lasters,%20Drillrunners%20and%20Miners%20Union%20Local%202029/Reqeust%20for%20additional%20info%2011.22.10.htm[10/31/2011 9:34:37 AM]

From: Botwinick, Alexandra (HHS/OCIIO)
Sent: Monday, November 29, 2010 8:35 AM
To: Habit, Sandra (HHS/OCIIO)
Subject: FW: Blasters, Drillrunners and Miners Union Local 29's Welfare Fund Attached Image

Attachments: 1675_001.pdf

Alexandra Botwinick

Office of Oversight
HHS/OCIIO
(301) 492-4177

alexandra.botwinick@hhs.gov

-----Original Message-----

From: Nancy Russo [mailto:Nancy@local29blasters.com]
Sent: Tuesday, November 23, 2010 8:10 AM
To: Botwinick, Alexandra (HHS/OCIIO)
Cc: Tommy; Mary; Nicole@Local29blasters.com; mattcastrovinci@aol.com
Subject: Fw: Attached Image

Good Morning Ms. Botwinick,

Please see attached information that you have requested regarding the Blasters, Drillrunners and Miners Union Local 29's Welfare Fund Waiver of the Annual Limits. I hope this answers any questions that you might have. If you need any additional information please feel free to contact me at the local office.

Very Truly Yours,

Nancy Russo
Local 29 Administrator

----- Original Message -----

From: "BLASTERS DRILLRUNNER #29" <administ@local29blasters.com>
To: "Nancy" <nancy@local29blasters.com>
Sent: Tuesday, November 23, 2010 8:08 AM
Subject: Attached Image


BDM L29000013



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.