

10/28



October 21, 2010

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

Re: Waiver Application Requests – Annual Limits Requirements of PHS Act Section 2711 - Anderson Media Corporation Health Plans

Dear Mr. Mayhew:

Public Health Service Act ("PHSA") § 2711(a)(2), as added by the Patient Protection and Affordable Care Act ("PPACA"), provides that effective for plan years beginning on or after September 23, 2010, a group health plan may not impose annual limits on the dollar value of essential benefits, *except* as permitted by the Secretary of Health and Human Services ("HHS") for plan years beginning prior to January 1, 2014.

Pursuant to the authority granted to the Secretary under Section 2711(a)(2) of the PHS Act, 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) provide that the Secretary may establish a program under which the requirements relating to annual limits may be waived for a group health plan that has an annual dollar limit if compliance with those requirements "would result in a significant decrease in access to benefits under the plan or health insurance coverage or would significantly increase premiums for the plan or health insurance coverage." On September 3, 2010, *OCHIO Sub-Regulatory Guidance (OCHIO 2010 – 1): Process for Obtaining Waivers of the Annual Limits Requirements of PHS Act Section 2711* was issued. This waiver application is being filed pursuant to this guidance.

**REQUEST FOR WAIVER OF THE ANNUAL LIMITS  
REQUIREMENTS OF PHS ACT SECTION 2711 WITH RESPECT  
TO: Anderson Companies Silver Health Plans**

**1. Terms of the health plans for which a waiver is sought.**

Waiver is sought for the Silver Health Plans of Anderson Companies. The Silver Plans are provided through a Self-insured VEBA. The Plan sponsor is Anderson Media Corporation; 265 Brookview Town Centre Way Suite 501, Knoxville TN 37919. The Plans are administered by CIGNA Healthcare and are available to full-time associates of Anderson Companies. A summary of benefits is attached.

**2. Number of individuals covered by the plans submitted.**

Approximately (b)(4) individuals are covered currently under the plans.

**3. Annual limit(s) and rates applicable to the plans submitted.**

<b>Benefits Limits Silver Plans</b>	<b>Benefits Offered</b>
Annual Maximum Benefit	(b)(4) all medical coverage combined
Doctor Office Visit PCP	(b)(4) Co-Payment subject to annual maximum benefit
Doctor Office Visit Specialist	(b)(4) Co-Payment subject to annual maximum benefit
Urgent Care Visit	(b)(4) Co-Payment subject to annual maximum benefit
Outpatient Care	(b)(4) Co-Insurance after deductible subject to annual maximum benefit
Inpatient Care	(b)(4) Co-Insurance after deductible subject to annual maximum benefit
Pain Management	(b)(4) Annual Maximum (applies toward \$50,000 annual maximum)
Inpatient	(b)(4) Co-Insurance after deductible
Outpatient	(b)(4) Co-Insurance after deductible
Wellness Benefit/ Preventative Care	(b)(4) Annual Maximum
Chiropractic Care	(b)(4) Co-Payment (b)(4) Annual Maximum
Lab/X-ray	Subject to annual maximum benefit
Physician's Office	(b)(4) Co-Insurance
Hospital	(b)(4) Co-Insurance
Independent Lab	(b)(4) Co-Insurance
Prescription	(b)(4) Co-Payment Generic (b)(4) Co- Insurance Preferred Brand (b)(4) Co- Insurance Non-Preferred Brand (b)(4) Annual Maximum Benefit

The above referenced plans have an annual limit of (b)(4) per covered member per plan year for essential and nonessential benefits combined, and a (b)(4) annual limit for prescription drugs. Pain Management is limited to (b)(4) annually per covered individual per plan year; the Pain Management limit accumulates towards the (b)(4) annual maximum. Chiropractic treatment is limited to (b)(4) annually per covered individual per plan year, and Temporomandibular Joint disorder is limited to (b)(4) per covered member's lifetime.

In addition to the waiver sought for the annual limits, Anderson also seeks a waiver from the separation of the essential and nonessential benefits. Essential and nonessential limits cross apply for the Silver Plans and cannot be separated by CIGNA's claims adjudication system.

The current annual rate for the Silver Plans is (b)(4) for single coverage and (b)(4) for family coverage. The employer and the associate each share in the cost of this coverage based on the associate's years of service.

**4. Description of why compliance with the IFRs would 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.**

The interim final regulations state that for plan years beginning on or after September 23, 2010, but before September 23, 2011, the restricted annual limits on the dollar value of essential benefits cannot be lower than \$750,000.

The estimated monthly cost increase for the plans were it to comply with the restricted annual limit of \$750,000 would be (b)(4) per month. This represents a premium increase of (b)(4). This would be a significant increase in the cost to individuals covered by the plans and likely result in an unaffordable health plan option for a majority of our workforce. Furthermore, such an increase could necessitate a reduction in workforce or be prohibitive in the company's ability to provide health insurance to its full-time associates. See supporting document Appendix B

**5. Attestation**

Attestation of the plan administrator is attached.

**6. Contact Information**

Questions and/or response to this application may be directed to Donna Norris, Corporate Benefit Manager; 976 Edgehill Dr. Palm Harbor FL 34684. Telephone 727-771-6391.

**ATTESTATION OF  
ANDERSON MEDIA CORPORATION  
SILVER HEALTH PLAN**

---

I hereby certify the following:

1. I am the designated Plan Administrator for Anderson Media Corporation Health Plan.
2. The plan has been offered to employees of Anderson Companies prior to September 23, 2010.
3. The application of the restricted annual limits as specified in the interim final regulations published on June 28, 2010 (codified as 26 CFR 54.9815-2719T; 29 CFR 2590.71-2719; and 45 CFR 147.126) to the Plan would result in both a significant increase in premiums paid by those currently covered under the Plan and a significant decrease in access to benefits for those currently covered under the Plan.

Attested to by:

  
\_\_\_\_\_

Plan Administrator

Date:

10/21/2010

Pages 5 through 23 redacted for the following reasons:

-----

Exemption (b)(4)

November 16, 2010

Dear Applicant:

RE: Anderson Media Corporation

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 Anderson Media Corporation Bronze Plans:

1. Effective date of policy. July 1, 2010
2. Indicate is this is a Group or Individual policy. Group policy
3. Type of Plan:

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

4. (The premium amounts is the total cost to the employer and the employee)

Bronze Plans	Premium (Current)	Premium (renewal <small>Projected</small> )	Premium (if \$750,000 annual limit was applied)	% increase if the \$750,000 was implemented
EE	(b)(4)	(b)(4)	(b)(4)	(b)(4)
EE + Child (if applicable or other appropriate tier)	Not applicable			
EE + Spouse (if applicable or other appropriate tier)	Not applicable			
Family (if applicable or other appropriate tier)	(b)(4)	(b)(4)	(b)(4)	(b)(4)

5. Indicate if this plan has Grandfather Status. Yes, Grandfathered

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

November 16, 2010

Dear Applicant:

RE: Anderson Media Corporation

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 Anderson Media Corporation Silver Plans:

1. Effective date of policy. July 1, 2010
2. Indicate is this is a Group or Individual policy. Group policy
3. Type of Plan:

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

4. (The premium amounts is the total cost to the employer and the employee)

Silver Plans	Premium (Current)	Premium (renewal <small>Projected</small> )	Premium (if \$750,000 annual limit was applied)	% increase if the \$750,000 was implemented
EE	(b)(4)	(b)(4)	(b)(4)	(b)(4)
EE + Child (if applicable or other appropriate tier)	Not applicable			
EE + Spouse (if applicable or other appropriate tier)	Not applicable			
Family (if applicable or other appropriate tier)	(b)(4)	(b)(4)	(b)(4)	(b)(4)

5. Indicate if this plan has Grandfather Status. Yes, Grandfathered



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

November 16, 2010

Dear Applicant:

RE: Anderson Media Corporation

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 Anderson Media Corporation:

1. Effective date of policy.
2. Indicate is this is a Group or Individual policy.
3. Type of Plan:

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

4. (The premium amounts is the total cost to the employer and the employee)

	Premium (Current)	Premium (renewal)	Premium (if \$750,000 annual limit was applied)	% increase if the \$750,000 was implemented
EE				
EE + Child (if applicable or other appropriate tier)				
EE + Spouse (if applicable or other appropriate tier)				
Family (if applicable or other appropriate tier)				

5. 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:** Donna Norris [norrisd@amerch.com]  
**Sent:** Monday, December 06, 2010 8:45 AM  
**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

Good Morning,

Thank you for the favorable response to our applications for a Waiver of the Annual Limits Requirements of the PHS Act Section 2711 for Anderson Media Corporation's Bronze and Silver Medical plans.

Sincerely,  
Donna Norris  
Corporate Benefit Manager

On Mon, Dec 6, 2010 at 8:30 AM, Botwinick, Alexandra (HHS/OCIIO) <[Alexandra.Botwinick@hhs.gov](mailto: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 **Anderson Media Corporation**. 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](mailto:OCIIOOversight@hhs.gov).

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

Sincerely,

Alexandra Botwinick

ANDERSON:000012

Office of Oversight

HHS/OCIO

[alexandra.botwinick@hhs.gov](mailto:alexandra.botwinick@hhs.gov)

--

Donna Norris  
Anderson Merchandisers  
727-771-6391  
727-785-9082 fax

\*\*\*\*\*

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you receive this in error, please contact the sender and delete the material including attached files, from any computer.


\*\*\*\*\*



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Consumer Information and  
Insurance Oversight  
Washington, DC 20201

**Date:** November 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 July 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 [OCIIOversight@hhs.gov](mailto:OCIIOversight@hhs.gov).

**From:** Scelzo, Kathleen (HHS/OCIO)  
**Sent:** Friday, November 19, 2010 8:04 AM  
**To:** Habit, Sandra (HHS/OCIO)  
**Subject:** FW: Anderson Media Corporation Waiver Application

**Attachments:** Anderson Media Corporation Waiver Application Questions- Silver Plans.docx; Anderson Media Corporation Waiver Application Questions- Bronze Plans.docx

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

---

**From:** Donna Norris [mailto:norrisd@amerch.com]  
**Sent:** Wednesday, November 17, 2010 11:10 AM  
**To:** Scelzo, Kathleen (HHS/OCIO)  
**Subject:** Re: Anderson Media Corporation Waiver Application

Ms. Scelzo:

Please find attached the requested information for Anderson Media Corporation's Limited Waiver Application. We look forward to receiving your final determination and trust we have presented everything necessary to support a favorable response to our application.

Please do not hesitate to contact me should you require anything additional.

Best regards,

Donna Norris  
[norrisd@amerch.com](mailto:norrisd@amerch.com)  
727-771-6391  
727-785-9082 fax

\*\*\*\*\*

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you receive this in error, please contact the sender and delete the material including attached files, from any computer.

\*\*\*\*\*

On Tue, Nov 16, 2010 at 11:24 AM, Scelzo, Kathleen (HHS/OCIO) <[Kathleen.Scelzo@hhs.gov](mailto:Kathleen.Scelzo@hhs.gov)> wrote:  
Donna Norris

Thanks for talking with me yesterday afternoon about your Limited Waiver Application. Attached above is the document that needs to be completed in order to finalize the application process concerning Anderson Media Corporation application for Annual Limits Requirements of the PHS Act Section 2711.

ANDERSON:000016



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 (OCIIO)  
Department of Health and Human Services  
7501 Wisconsin Avenue  
Bethesda, MD  
301-492-4121

ANDERSON:000017

**From:** Scelzo, Kathleen (HHS/OCIO)  
**Sent:** Tuesday, November 16, 2010 11:25 AM  
**To:** 'norrisd@amerch.com'  
**Cc:** Habit, Sandra (HHS/OCIO)  
**Subject:** Anderson Media Corporation Waiver Application

**Importance:** High

**Attachments:** Anderson Media Corporation Waiver Application Questions.doc

Donna Norris

Thanks for talking with me yesterday afternoon about your Limited Waiver Application. Attached above is the document that needs to be completed in order to finalize the application process concerning Anderson Media Corporation application for Annual Limits Requirements of the PHS Act Section 2711.

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

ANDERSON:000018

**From:** Botwinick, Alexandra (HHS/OCIIO)  
**Sent:** Monday, December 06, 2010 8:31 AM  
**To:** 'norrisd@amerch.com'  
**Subject:** Waiver of the Annual Limits Requirements of PHS Act Section 2711

**Importance:** High

**Attachments:** July 1 .pdf  
Good Morning,

Thank you for submitting an application for a Waiver of the Annual Limits Requirements of the PHS Act Section 2711 for **Anderson Media Corporation**. 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](mailto: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](mailto:alexandra.botwinick@hhs.gov)

ANDERSON:000019