

VINCENT B. ZANINOVICH & SONS, INC.

Grape Growers - Packers - Shippers

PHONE: (661) 725-2497 • FAX: (661) 725-5153
P.O. BOX 1000
RICHGROVE, CA 93261-1000

AFFILIATES
VINCENT B. ZANINOVICH & SONS
DUCOR FARMS
DUCOR VINEYARDS

November 16, 2010

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

Attestation

Vincent B. Zaninovich & Sons, Inc. – Request for Waiver from Health Care Reform Changes

Vincent B. Zaninovich & Sons, Inc's partially self-funded health plan has been in force since January 1, 1993. The imposition of the \$750,000 limit would result in a significant increase in premiums paid by the covered employees and/or employer, or complete termination of the plan.

The term of the plan or policy year is January – December, and the plan currently has a (b)(4) specific stop-loss deductible and a (b)(4) annual maximum benefit payment per covered individual. The health plan also purchases aggregate stop loss coverage.

There are currently (b)(4) covered employees and (b)(4) covered dependents on department 010 (Plan II) and (b)(4) covered employees and (b)(4) covered dependents on department 020 (Plan I), however due to seasonality of the industry the eligibility fluctuates monthly.

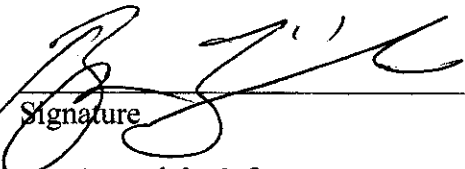
The monthly fixed rates are currently (b)(4) for a single employee and (b)(4) for an employee with family on department 020. The current rates are (b)(4) for a single employee and (b)(4) for an employee with family on department 010. In an effort to conform to the new Health Care Reform legislation, the plan has sought alternative quotes;

however, in order to adjust the annual maximum to \$750,000, the premium will increase substantially to a limit that is unaffordable for the employer and employees.

The renewal premium with the waiver for department 010 would be (b)(4) for an employee and (b)(4) for an employee with family. The premium without an approved waiver for department 010 would be (b)(4) for an employee and \$557.93 for an employee with family. The renewal premium with the waiver for department 020 would be (b)(4) for an employee and (b)(4) for an employee with family. The premium without an approved waiver for department 020 would be (b)(4) for an employee and (b)(4) for an employee with family. This type of increase will cause an extreme hardship not only for the plan sponsor but the employees and dependents that contribute to the plan as well.

In an effort to maintain the current health plan and ensure the employees and family members of Vincent B. Zaninovich & Son's continued health coverage, we request a waiver to the law's annual essential health benefit limit restrictions.

Please feel free to contact us directly with any questions or concerns. Thank you.



Signature
MANAGER

Title

VBZ Seasonal Health Plan
Group Health Plan

11/15/10

Date

From: Botwinick, Alexandra (HHS/OCIO)
Sent: Tuesday, December 14, 2010 12:30 PM
To: 'markb@vbzgrapes.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 Vincent B Zaninovich & Sons, Inc. 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

ZANINOVICH:000003

From: Mark Boyer [markb@vbzgrapes.com]
Sent: Tuesday, December 14, 2010 1:13 PM
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

Dear Ms. Botwinick

I received your e-mail with the attached letter approving Vincent B. Zaninovich request for a waiver concerning the annual limit requirement for 2011 plan year.

Thank you

Sincerely

Mark B. Boyer
Vincent B. Zaninovich & Sons, Inc.
P.O. Box 1000
Richgrove, CA 93261
Phone: (661) 725-2497
Fax: (661) 725-7385
Email: markb@vbzgrapes.com
Website: vbzgrapes.com

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From: Botwinick, Alexandra (HHS/OCIIO) [mailto:Alexandra.Botwinick@hhs.gov]
Sent: Dec 14, 2010 9:30 AM
To: 'markb@vbzgrapes.com'
Subject: Waiver of the Annual Limits Requirements of PHS Act Section 2711
Importance: High

Good Afternoon,

Thank you for submitting an application for a Waiver of the Annual Limits Requirements of the PHS Act Section 2711 for Vincent B Zaninovich & Sons, Inc. 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.

ZANINOVICH:000004

Sincerely,

Alexandra Botwinick

Office of Oversight

HHS/OCIO

alexandra.botwinick@hhs.gov

ZANINOVICH:000005

From: Jessica Hernandez [JHernandez@trans-western.com]
Sent: Wednesday, November 17, 2010 12:47 PM
To: HHS HealthInsurance (HHS)
Subject: Vincent B. Zaninovich & Sons

Attachments: VBZ 2011 Waiver Application Signed.pdf; CENSUS INFO.xls; Curent Benefits Dept 020.doc; Current Benefits Dept 010.doc

Good Morning,

Attached is the information requesting a waiver on the annual limits of the Health Care Reform Act. Please feel free to contact me with any questions or concerns. Thank you.

Jessica Hernandez
General Manager
Transwestern Insurance Administrators
955 N Street, Fresno, CA. 93721
Phone: (559) 499-2000 ext. 112
Fax: (559) 499-2025
E-mail: jhernandez@trans-western.com

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ZANINOVICH:000006

Pages 7 through 11 redacted for the following reasons:


Exemption (b)(4)



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.