

June 2, 2010

The Honorable Kathleen Sebelius  
Secretary  
U.S. Department of Health & Human Services  
Washington, DC 20201

The Honorable Hilda Solis  
Secretary  
U.S. Department of Labor  
Washington, DC 20210

Dear Secretaries Sebelius and Solis:

We write to alert you to the negative impact that the Patient Protection & Affordable Care Act (PPACA) threatens to have on employees and dependents currently covered by group Limited Medical Benefit plan insurance coverage. We seek your assistance in providing transitional regulatory guidance that would ensure those currently covered by these plans could remain covered until 2014 when better options will first become available through the Exchanges. To make matters worse, this population does not appear eligible for the high-risk pool because with Limited Medical Benefit coverage they have “creditable coverage,” but the risk pool rules under PPACA are clear that they not have creditable coverage (Sec. 1101 (d) (2)).

Prior to 2014, PPACA directs the Secretary to establish approved annual dollar limit rules. If these limits are too high or don't provide an exception for Limited Medical Benefit plans, insurance coverage would abruptly end for covered employees and their families beginning later this year. This population would likely be left with no coverage until 2014. While it surely was not the intent of Congress or the Administration to increase the number of uninsured, this provision will likely produce exactly this result for some of the most vulnerable of our population, e.g., lower-wage, part-time, seasonal and temporary workers who can only obtain and afford limited benefit medical insurance coverage.

Unless you provide guidance allowing these plans to continue until 2014, this provision will have the effect of undermining coverage for the 1.4 million citizens enrolled in group Limited Medical Benefit plans as of the first plan year after September 23, 2010. We ask that you consider temporarily excluding grandfathered group Limited Medical Benefit Plans from the annual benefit limit provision until other provisions of the PPACA increasing the availability of coverage (such as the tax credits through state exchanges) take effect in 2014.

While this coverage is limited in nature, it does cover the majority of medical issues facing this population and at an extremely affordable price point. By allowing employees and their families to remain in these plans for the time being, they will be able to transition to other health insurance when it becomes available without experiencing a loss of coverage.

In support of the adoption of PPACA, the Administration assured individuals that they would be able to keep insurance coverage with which they were satisfied. Without the relief sought by this letter, this assurance will not be kept. Let's not disenfranchise this currently insured group during the transition period.

We thank you in advance for listening to our concerns and hope that you will allow existing limited benefit plans to continue to be made available until 2014.

Sincerely,

7-Eleven

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Allegis Group, Inc.

AllTek Staffing & Resources Group, Inc.

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CC: Phyllis C. Borzi  
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Employee Benefits Security Administration  
U.S. Department of Labor  
Washington, DC 20210