



SPECIAL BULLETIN

Health Plans Must Renew Annual Limit Waivers and Distribute Notice of Waiver to Participants Annually

The *Affordable Care Act (ACA)* allows health plans temporary waivers to the ACA's phase out of annual dollar limits if compliance with the new annual benefit minimums would result in a significant decrease in access to benefits or a significant increase in premiums. These waivers are temporary and after 2014 no waivers of the annual dollar limit provision are allowed. **To maintain a waiver, a health plan must reapply annually and provide a notice to participants.**

On November 21, 2012, HHS sent out an email reminder to health plans which have received an annual waiver with explanations about how to update the waiver. Plans with waivers were instructed to supply the required information listed below using the spreadsheet attached to the email (spreadsheet available by "[clicking here](#)"). HHS highlighted in yellow the spreadsheet "cells" that need to be updated.

- **Updated contact information**, including the name and contact information of the applicant, as well as the name and contact information of the person who prepared the Annual Update (cells **A2-B2, D2-M2**);
- **Total enrollment** for the plan or policy at the time the annual update is sent (**Q2**);
- The plan or policy's **current annual limit (R2)**.

Plans with waivers were instructed to complete the form and return it to AnnualLimitExtension@cms.hhs.gov.

The HHS email noted the following changes on how the form is filled out:

- Only one row should be filled out per plan (or, in the individual market, policy), you do not need to list out each tier separately as you did in the waiver application;
- An attestation is not required with this submission;
- Health Reimbursement Arrangements (HRAs) do not need to submit Annual Update forms to remain in compliance with the August 19, 2011 Supplemental Guidance ([CCIIO 2011-1E](#)).

The forms are due by December 31, 2012. Submission of the Annual Update is sufficient to comply with the waiver rule requirements. The HHS email stated plans will not receive an official approval or denial letter. Successful submissions will generate an email reply confirming receipt. Plans were requested to keep these confirmation emails for their records. Plans with questions should email AnnualLimitWaiver@cms.hhs.gov for help. If follow-up is necessary you will be contacted by CCIIO for more information.

Earlier guidance on how to renew a plan's annual waiver and the steps needed to maintain the waiver is available by "[clicking here.](#)"

Pursuant to this guidance, applicants who received a new waiver or waiver extension prior to September 22, 2011 must re-submit the information described in the guidance each year ***by the end of each calendar year*** (Annual Limit Update).

The first Annual Limit Update must be submitted by **December 31, 2012.**

The second Annual Limit Update must be submitted by **December 31, 2013.**

As a condition of receiving an extension of the waiver of annual limit requirements, a group health plan will be required to retain all records pertaining to the application to permit an audit of the waiver application to be conducted. Each plan waiver recipient will be required to distribute an updated annual notice to eligible participants (Annual Notice). A Model Annual Notice is available at pages 7 and 8 of the guidance or by "[clicking here.](#)"

Unless a waiver is obtained, the minimum coverage annual limit is \$1,250,000 for plan years starting after September 23, 2011, \$2,000,000 for plan years starting after September 23, 2012 and no annual dollar limits are permitted with respect to plan years beginning on or after January 1, 2014, even for plans with waivers.

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