



**National
Business
Group on
Health**

20 F Street, NW, Suite 200
Washington, D.C. 20001
202.558.3000 • Fax 202.628.9244
www.businessgrouphealth.org

Creative Health Benefits Solutions for Today, Strong Policy for Tomorrow

January 22, 2015

Submitted electronically via: www.regulations.gov

Office of Health Plan Standards and Compliance Assistance
Employee Benefits Security Administration
Room N-5653
U.S. Department of Labor
200 Constitution Ave. NW
Washington, DC 20210
Attention: Excepted Benefits

Re: RIN 1210-AB70 – Amendments to Excepted Benefits

Dear Sir or Madam:

The National Business Group on Health is pleased to comment on the Department of Labor, Department of Health and Human Services, and Department of the Treasury's (collectively, the Departments') proposed rules regarding excepted benefits and limited wraparound coverage.

The National Business Group on Health represents over 400 primarily large employers, including 67 of the Fortune 100, who voluntarily provide group health plan coverage and other health programs to over 55 million American employees, retirees, and their families. Our members employ and provide health benefits for employees under a wide variety of work arrangements, including full-time, part-time, seasonal, and temporary. In addition, our members often operate multiple lines of business and tailor employee work and benefit arrangements to the specific needs of each line of business.

As our members continue to implement the Affordable Care Act, regulations under the Health Insurance Portability and Accountability Act (HIPAA), and other group health plan requirements, a primary concern will be minimizing the administrative and cost burdens associated with those requirements. Allowing plan sponsors flexibility to adapt their regulatory compliance to existing work, benefit, and payroll arrangements will reduce these burdens and allow plan sponsors to devote more resources toward maintaining and improving health benefits for their employees. Therefore, we welcome the Departments' efforts to provide additional guidance and flexibility with respect to excepted benefits and generally support the Departments' proposal to treat "limited wraparound coverage," as set forth in the proposed 29 C.F.R. § 2590.732(c)(3)(vii), as

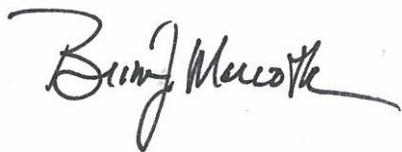
excepted benefits. We believe that the guidance in the proposed rules will allow plan sponsors to extend more benefits to employees and provide much-needed flexibility in meeting the standards for excepted benefits.

However, because National Business Group on Health members offer benefits to large, diverse employee populations, it is particularly important that they have flexibility—if they choose to offer limited wraparound coverage—to tailor that coverage to existing benefit, administration, and payroll arrangements and modify coverage to meet the needs of their employees and lines of business. Therefore, we encourage the Departments, in final regulations or future guidance, to take into account the needs and administrative features of large employer-sponsored plans by:

- (1) Retaining flexibility in the types of benefits that can be included in limited wraparound coverage, including coverage through onsite clinics;
- (2) Retaining the option of offering limited wraparound coverage where the total cost of coverage does not exceed 15% of the cost of coverage under the primary plan, based on employer and employee contributions;
- (3) Providing flexibility to terminate limited wraparound coverage after one plan year; and
- (4) Coordinating any reporting requirements related to limited wraparound coverage with existing reporting requirements—such as those under the Affordable Care Act’s employer and plan reporting provisions—to minimize duplicative reporting and administrative burden.

Again, thank you for considering our comments and recommendations on the proposed rules regarding limited wraparound coverage. Please contact me or Steven Wojcik, the National Business Group on Health’s Vice President of Public Policy, at (202) 558-3012 if you would like to discuss our comments in more detail.

Sincerely,

A handwritten signature in black ink that reads "Brian Marcotte". The signature is written in a cursive, flowing style.

Brian Marcotte
President