



## Mini-Med Issue Drags On

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In September, the McDonald's coverage threat sidelined President Obama's promises under health reform that workers would be able to keep their current health plan.

A *Wall Street Journal* story revealed the company informed the Department of Health and Human Services it may have to drop limited medical plans for nearly 30,000 workers because these plans would not be able to meet minimum annual limit provisions. It was feared more companies would be forced to drop worker coverage altogether, spend more on benefits, or hike up out-of-pocket costs for low-wage workers.

As of Nov. 1, HHS granted waivers to more than 100 companies and organizations, with about 1.2 million people enrolled in plans exempted from the annual limit requirements. The waiver is for one year, and is only good for the portion of the reform law that phases out annual limits. Companies must apply for waivers every year before 2014, when health care exchanges will offer other insurance options.

But the waiver process hasn't completely assuaged concern over possible extinction of mini-meds. Medical loss ratio standards requiring health insurers to spend 80 percent to 85 percent of premiums on medical benefits, instead of overhead expenses, is still a tangible threat to limited medical plans that don't meet these requirements.

And according to a recent survey from Hay Group and the Chain Restaurant Compensation Association, 54 percent of chain restaurant employers are still considering eliminating limited medical plans for their hourly workforce entirely. What's more, analysis from the [National Center for Policy Analysis](#) estimates killing off these plans can increase the number of uninsured workers, affecting as many as 2 million people.

While companies that sell mini-meds can petition the Office of Consumer Information and Insurance Oversight for a waiver from annual limits, even this is governed on the "whim of bureaucrats," writes David Henderson, a research fellow with the Hoover Institution and author of an analysis report on mini-meds for the [NCPA](#). "The petitioning process is ill-defined, and there is no legal standard at all for granting the waivers themselves," Henderson writes. "Asking for such waivers is a crapshoot ... In any event, the waivers will expire in 2014, when employer-sponsored health plans cannot legally have annual or lifetime limits."

As for how Secretary Sebelius might handle MLR requirements as applied to mini-meds, the latest response from HHS has been that she will "exercise her discretion" to address the special circumstances of these plans.