



National Conference on
Public Employee Retirement Systems

The Voice for Public Pensions

February 12, 2018

To: DOL
IRS
HHS/CMS, Office of Strategic Operations and Regulatory Affairs, Division of Regulations Development, Attention: Document Identifier/OMB Control Number 0903-NEW, Room C4-26-05, 7500 Security Boulevard, Baltimore, Maryland 21244-1850.

Re: CMS-2017-0162, Form CMS-10571 Limited Wraparound Coverage Reporting

Dear Representatives of HHS/CMS, IRS and DOL:

The National Conference on Public Employee Retirement Systems (NCPERS) is the largest trade association for public sector pension funds, representing more than 500 funds throughout the United States and Canada. It is a unique non-profit network of trustees, administrators, public officials and investment professionals who collectively manage nearly \$3 trillion in pension assets held in trust for approximately 21 million public employees and retirees — including firefighters, law enforcement officers, teachers, and other public servants. We are responding to the Request for Comment regarding extending or making permanent the Affordable Care Act pilot program which permits group health plans to offer limited wraparound benefits.

The School Employees Retirement System of Ohio (SERS), one of our members, shared their positive experience regarding a Limited Wraparound Plan they have offered since January 2017. Their positive experience has generated interest from other participating public retiree organizations whom we believe would pursue this opportunity if the program is made permanent or an extension to the pilot is granted.

With respect to the Request for Comment, we would like to provide the following information:

1. HHS seeks comment on the impact that an extension of the limited wraparound pilot program would have on the number of employers/sponsors participating in the limited wraparound pilot program- An extension of the pilot program would permit group health plan sponsors the opportunity to create limited wraparound programs. The initial promulgation of the regulations was so time constrained that virtually no group

health plan sponsors were able to or willing to implement a program because of the pilot sunset date.

The regulations, which were effective May 2015, required wraparound programs be operational by the end of 2018. Large public employee retirement systems require long lead times to plan programs because of requirements such as: having to seek approval from Boards who often meet only periodically; public procurement processes for administrative services; communicating coverage changes to large numbers of individuals; and conducting enrollment. For most funds, undertaking this level of work for a short three-year pilot period is either not possible or does not allow sufficient time to gather and understand the results and impacts.

Additionally, this period of time spanned an election year and the following year in which the fate of the individual health care market was marked by uncertainty. Public group health plan sponsors are unlikely to construct wraparound programs that rely upon the continued existence of the federally subsidized marketplace without health care market stability. Making the pilot permanent or extending the time period to include a period when the market is more stable will likely increase the numbers of plan sponsors participating in the program.

2. In addition, if HHS extends the limited wraparound pilot program, we seek comment on when the limited wraparound pilot program should sunset, or whether the limited wraparound pilot program should be made permanent- We would recommend that the limited wraparound pilot program should be made permanent, or at least, extended for a minimum of ten years.

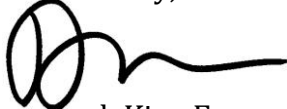
Group health plan sponsors are highly challenged to fund and maintain flexibility in a very dynamic field and the limited wraparound plan could be an important tool in meeting these challenges. The limited wraparound plan appeals to group health plan sponsors with part-time employees, lower income non-Medicare retirees, and those looking to maximize consumer choice. Our members discuss the high cost of non-Medicare retiree health care in their pursuit of any and all solutions that may be appropriate for their members currently or in the future. Given the continued uncertainty regarding available funding for public retirement systems' health care, we would request that the limited wraparound plan continue to be available to our group health plan sponsors as they fight to maintain adequately funded retirement health care solutions that are cost effective for their members.

Making the wraparound program permanent would remove the potential disruption to enrollees of terminating the program. For systems with viable limited wraparound programs, the stability of permanent regulatory authority would provide them with the ability to maintain these limited programs with certainty.

In the alternative, a ten-year pilot program would provide group health plan sponsors and regulators sufficient duration to evaluate the efficacy of the program. The current time limitation is a major deterrent against the investment of time and other resources to establish the program. For SERS, which has offered wraparound coverage during the three-year pilot program, we recognize that any extension of the limited wraparound pilot program would be important to them and their enrollees in the program.

We support opportunities for our members to offer coverage solutions that provide cost-effective coverage particularly for lower-income retiree members while protecting the financial solvency of their healthcare plans. Should you have any questions on the comments provided, please reach out to me at your convenience. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to be 'Hank Kim', with a stylized, cursive flourish extending to the right.

Hank Kim, Esq.
Executive Director & Counsel