

**Congress of the United States**  
**U.S. House of Representatives**  
**Committee on Small Business**  
2361 Rayburn House Office Building  
Washington, DC 20515-6315

March 22, 2011

The Honorable Kathleen Sebelius  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, DC 20201  
Via Facsimile: 202. 690.7380

Re: Patient Protection and Affordable Care Act Annual Coverage Limit Waivers

Dear Secretary Sebelius:

The House Committee on Small Business is required by the Rules of the House to study and investigate the problems of all types of small businesses. This jurisdiction extends to matters concerning small businesses and health care.

As Chairman of the Committee and Chairwoman of its Healthcare and Technology Subcommittee, we are concerned that the Patient Protection and Affordable Care Act, Pub. L. 111-148 (PPACA), will have a deleterious impact on small businesses, particularly at a time when they are struggling to survive and create jobs to help our nation's economy recover. For many entrepreneurs, the uncertainty of not knowing what the impact of the PPACA will be has frozen their plans to expand, invest and hire.

It has come to the Committee's attention that the Department of Health and Human Services (HHS) has granted temporary waivers to over a thousand entities for limited benefit health insurance plans that do not meet the new "restricted annual limits" on essential health benefits set forth in the PPACA and its attendant regulations.

We understand that under HHS' guidance, an entity must demonstrate that compliance with the PPACA's new standards "would result in a significant decrease in access to benefits" or "would significantly increase premiums." With the increased pressure on employers to offer insurance, and the continued sharp rate of premium increases, small businesses are under even greater financial and competitive constraints. We want to ensure that all entities, particularly small businesses, have been treated fairly and equitably in the waiver process.

Therefore, we ask that you provide the Committee with the following information:

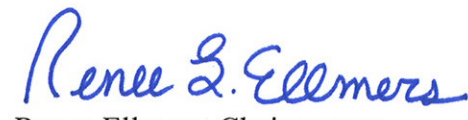
1. The number of small businesses that have requested waivers,
2. The definition of "small business" used to evaluate the waivers;
3. The number of small businesses that have been granted waivers, the name of each entity, and the total number of individuals covered by such waivers;
4. The number of small businesses that have been denied waivers, the name of each entity, and the total number of individuals that would have been covered by such waivers;
5. The reasons for denial of the waivers;
6. The total number of entities that have applied for waivers, and the total number of individuals that would have been covered by such waivers;
7. The total number of waivers granted, and the total number of individuals covered by such waivers;
8. The percentage of small and large businesses that have been granted waivers compared to the percentage of total entities that have been granted waivers;
9. The number of individuals who have applied for waivers, if any;
10. The number of individuals who have been granted waivers, if any;
11. A detailed explanation of how the waiver process was developed;
12. References to the specific statutory or other legal authority that HHS acted upon to grant waivers; and
13. What outreach, if any, has been done to apprise small business owners of the opportunity to apply for waivers.

We request your response within two weeks of the date of this letter. Should you have questions or need additional information, please contact Jan Oliver, Deputy Chief Counsel with the House Committee on Small Business, at 202.225.5821 or [jan.oliver@mail.house.gov](mailto:jan.oliver@mail.house.gov).

Sincerely,



Sam Graves, Chairman  
House Committee on Small Business



Renee Ellmers, Chairwoman  
Subcommittee on Healthcare and Technology  
House Committee on Small Business