HCR ALERT

Thursday, March 3, 2016

HHS Issues Notice of Benefit and Payment Parameters for 2017

The Department of Health and Human Services (HHS) recently released regulations in the form of Notice of Benefit and Payment Parameters for 2017 Final Rule and related Fact Sheet. This guidance addresses various Affordable Care Act (ACA) provisions affecting group plans and the individual market. Below is an overview of some key provisions of the 2017 Benefit and Payment Parameters.

2017 Cost-Sharing Limits

For non-grandfathered health plans, out-of-pocket (OOP) maximums applicable to essential health benefits may not exceed allowable limits, which will increase from $6,850 for self-only coverage and $13,700 for other-than-self-only coverage in 2016 to $7,150 and $14,300, respectively, in 2017. Plans may structure a benefit design using separate OOP maximums for different benefits, such as medical and Rx benefits; however, the total of the separate OOP maximums combined cannot exceed the ACA limit. Additionally, the self-only ACA limit will continue to apply to all individuals, even if enrolled in other-than-self-only coverage (e.g., if a plan's OOP maximum for family coverage is $10,000, OOP costs for each individual member of an enrolled family cannot exceed $7,150 in 2017).

Public Insurance Marketplace Open Enrollment Periods

The insurance marketplace open enrollment period for the 2017 coverage year will be November 1, 2016 through January 1, 2017 and the open enrollment period for the 2018 coverage year will be November 1, 2017 through January 1, 2018. For 2019 and future coverage years, open enrollment periods will take place from November 1 through December 15 of the prior year.

Federally Facilitated SHOP Plan Changes

The "employee choice" option in the Small Business Health Options Program (SHOP) marketplace currently consists of two alternatives – an employer can select one plan on behalf of its employees or an employer can select a metal level (bronze, silver, gold or platinum) and allow employees to choose any plan within that level. Beginning January 1, 2017, the federally facilitated SHOP marketplace will offer a third alternative, which is a "vertical choice" model that

enables an employer to offer employees a choice of all plans offered by a single insurer. State-based SHOP marketplaces are permitted to opt-out of the vertical choice offering.

Other Provisions

In addition to the provisions noted above, the Notice of Benefit and Payment Parameters for 2017Final Rule addresses several other provisions which are not discussed in detail in this communication, as they do not have a direct or immediate impact on employers or employer-sponsored health plans. Those provisions include:

- Marketplace automatic re-enrollment standards
- Federally facilitated marketplace insurer user fee reduction
- Marketplace plan network adequacy standards
- State-based marketplaces utilizing healthcare.gov technology formally named "State-Based Marketplaces on the Federal Platform (SBM-FPs)"
- Expanded marketplace Navigator responsibilities
- Delay of marketplace enrollment directly through broker and insurer websites until 2018

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Your Trion Strategic Account Managers are here to answer any questions you might have as you prepare to comply with upcoming ACA requirements. If you are not currently a Trion client and would like assistance navigating the changes required by health care reform, please contact us today by emailing trionsales@trion-mma.com.

ACA Regulations & Guidance Issued In the Last Two Months

Feb. 2016: HHS Issues Notice of Benefits and Payment Parameters for 2017 Final Rule

Feb. 2016: Agencies Issue Proposed Revised SBC, Instructions, Uniform Glossary, and Other Related Documents

Feb. 2016: IRS Issues Notice 2016-17 Application of Market Reforms & Other Provisions to Student Health Coverage

Feb. 2016: IRS Issues Notice 2016-14 Health Insurance Providers Fee; Procedural and Administrative Guidance

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