



Thursday, May 28, 2015

Departments Clarify Out-of-Pocket Limit Rules for 2016

On May 26, 2015, the Departments of Health and Human Services, Labor, and Treasury jointly released the [twenty-seventh set of FAQs](#) on Affordable Care Act (ACA) implementation issues. The FAQs clarify the application of the ACA's out-of-pocket (OOP) limit rules for plan years beginning in 2016.

Under the ACA, all non-grandfathered group health plans must ensure that annual OOP cost sharing (e.g., deductibles, coinsurance and copayments) for in-network essential health benefits does not exceed certain limits, as shown below*.

	Plan years beginning in 2015	Plan years beginning in 2016
Individual	\$6,600	\$6,850
Family**	\$13,200	\$13,700

*HSA-eligible HDHPs are subject to lower OOP limits set by the Internal Revenue Service.

**Family limit applies to any coverage tier other than individual.

HHS previously clarified that the ACA's individual OOP limit applies to each individual, even those enrolled in family coverage. For example, suppose an employee and spouse enroll in family coverage with an annual OOP limit of \$13,000 and during the 2016 plan year the spouse has \$10,000 of OOP expenses and the employee has \$3,000. Under the new rule, the spouse's OOP expenses are capped at the individual limit of \$6,850 (with the remaining \$3,150 being covered by the plan). The employee is still subject to cost sharing, however, until the \$13,000 plan limit is reached.

The FAQs confirm that HHS' earlier clarification regarding the embedded individual OOP limit applies to all non-grandfathered group health plans, including large group and self-insured plans. The FAQs also confirm that this rule applies to HSA-qualified high-deductible health plans (HDHPs), which are not permitted to provide plan benefits until a minimum deductible is met (except for preventive care). Minimum deductibles and OOP limits for HSA-eligible HDHPs are shown in the table below.

	Minimum Annual HDHP Deductible 2015 / 2016	Maximum Annual HDHP OOP Limit 2015 / 2016
Individual	\$1,300 / \$1,300	\$6,450 / \$6,550
Family*	\$2,600 / \$2,600	\$12,900 / \$13,100

*Family limit applies to any coverage tier other than individual.

As a result of the ACA embedded individual OOP rule, HDHP plans with a family deductible greater than \$6,850 will have to implement a limit of \$6,850 for each individual in the plan. Because that limit exceeds the HDHP minimum family deductible of \$2,600, the plan will continue to satisfy the requirements for HSA-eligible HDHPs.

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 3 MONTHS

- May 2015: ACA FAQs XXVII – [Cost Sharing Limits and Provider Nondiscrimination](#)
- May 2015: IRS Issues Q&As on [Section 6056 Rules](#) and [Completing Forms 1094-C and 1095-C](#)
- May 2015: ACA FAQs Part XXVI – [Preventive Care](#)
- Apr. 2015: ACA FAQs Part XXV – [Wellness Programs](#)
- Apr. 2015: EEOC Issues [Proposed Regulations on Wellness Programs and the ADA](#)
- Mar. 2015: IRS Issues [Notice 2015-29 Health Insurance Providers Fee \(Expatriate Plan Exemption\)](#)
- Mar. 2015: ACA FAQs Part XXIV - [SBCs](#)

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