

What Co-ops Need to Know

Affordable Care Act: Maximum Out-of-Pocket Limits

For 2016, the Department of Health and Human Services released the annual maximum out-of-pocket limits for medical and prescription drug coverage as well as a new Affordable Care Act (ACA) requirement. The new requirement caps an individual’s out-of-pocket expenses under family coverage in a high-deductible health plan (HDHP) at the individual maximum out-of-pocket limit. Want to learn how these changes affect cooperatives in NRECA group health plans? Read on to learn more.

<p>Description</p>	<p>The Department of Health and Human Services (HHS) adjusts maximum out-of-pocket limits for medical and prescription drug coverage annually. With the release for 2016, HHS also provided new guidance that individuals in family coverage under an HDHP cannot exceed the individual maximum out-of-pocket limit.</p>
<p>Purpose</p>	<ul style="list-style-type: none"> ■ Set the maximum out-of-pocket limits for individual (self-only) and family medical and prescription drug coverage for 2016 ■ Cap an individual’s out-of-pocket expenses at the individual maximum out-of-pocket for family coverage under an HDHP
<p>Maximum Out-of-pocket Limits</p>	<p>For 2016, the maximum out-of-pocket limits for medical and prescription drug coverage are:</p> <ul style="list-style-type: none"> ■ Individual—\$6,850 ■ Family—\$13,700
<p>Individual Maximum Out-of-pocket Cap for High-deductible Health Plans</p>	<p>Beginning in 2016, individuals in an HDHP cannot exceed the individual maximum out-of-pocket limit even if they’re in family coverage. This ACA requirement caps an individual’s out-of-pocket expenses at the individual maximum out-of-pocket, which is \$6,850 for 2016. The maximum out-of-pocket includes deductible, coinsurance and copay amounts.</p> <p>Currently, individuals in NRECA HDHPs continue to contribute toward the family deductible even after they have reached the individual deductible. (The family deductible is two times the individual deductible.) Eligible expenses aren’t covered at 100% for anyone in family coverage until the family deductible is met.</p> <p>Beginning in 2016, eligible expenses will be covered at 100% for the rest of the calendar year once an individual reaches the individual maximum out-of-pocket regardless of whether the family maximum out-of-pocket has been met.</p> <p>Note: For high-deductible PPO plans, only in-network out-of-pocket expenses count toward the maximum out-of-pocket limits. For high-deductible indemnity plans, all out-of-pocket expenses count toward the maximum out-of-pocket limits.</p>

continued

NRECA High-deductible Health Plans

Certain individual deductible options and combinations of deductibles and coinsurance out-of-pocket maximum options for HDHPs will no longer be available in 2016 to ensure the maximum out-of-pocket limits can't be exceeded.

The following **individual deductible options** will no longer be offered:

- **100%/80% HDHP PPO plans**—\$5,000
- **90%/70% & 80%/60% HDHP plans**—\$2,700
- **Indemnity HDHP plans**—\$3,000

While the following **deductible and coinsurance out-of-pocket maximum options*** will be available individually, they can no longer be paired together as follows (individual deductible/individual coinsurance out-of-pocket maximum):

- **90%/70% & 80%/60% HDHP plans**—\$2,000/\$3,000; \$2,500/\$2,000; \$2,500/\$2,500; \$2,500/\$3,000
- **Indemnity HDHP plans**—\$2,000/\$3,000; \$2,500/\$2,000; \$2,500/\$2,500; \$2,500/\$3,000

Note: The family deductible for HDHPs is two times the individual deductible; the family coinsurance out-of-pocket maximum is two times the individual coinsurance out-of-pocket maximum.

Cooperatives that are in these plans in 2015 are being contacted to inform them about the required ACA change and help them modify their plans for 2016. If you have questions about NRECA HDHPs and maximum out-of-pocket limits, contact your field representative.

**100%/80% HDHP PPO plans have an individual deductible only and no individual coinsurance out-of-pocket maximum.*