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Annual Out-of-Pocket Maximum Adjustments Announced for 2021

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On May 8, 2020, the Department of Health and Human Services (“HHS”) published its Annual Notice of Benefit and Payment Parameters for 2021. This guidance is a final rule that addresses certain provisions of the Affordable Care Act (“ACA”). The final rule follows a proposed rule issued in January. Generally, these changes apply to plan years beginning on or after January 1, 2021. For purposes of employer-sponsored health plans, the final rule includes:

- Caps on out-of-pocket dollar limits for 2021 non-grandfathered group health plans.
- Clarification on the policy regarding how drug manufacturer support, including coupons, may accrue towards the annual limitation on cost sharing.

Change to the Out-of-pocket Maximums

Under the final rule, non-grandfathered group medical plans will see an increase in the out-of-pocket maximum for 2021 as follows:

- \$8,550 for self-only coverage; and
- \$17,100 for coverage other than self-only.

Note that different out-of-pocket limits apply to high-deductible health plans, for purposes of making contributions to a health savings account (HSA). The 2021 HSA thresholds will likely be announced in June 2020.

Change to Drug Manufacturer Support Policy

The final rule also clarifies the policy regarding how drug manufacturer support, including coupons, may accrue towards the annual limitation on cost sharing. The prior rule, which allowed issuers to exclude coupons from an enrollee’s annual limit on out-of-pocket costs only in certain circumstances, caused confusion. The new policy provides that issuers will be permitted, but not required, to use any form of direct support offered by drug manufacturers to enrollees for specific prescription drugs to count amounts paid toward reducing out-of-pocket costs toward the annual limitation on cost sharing, to the extent consistent with state law.

What Else Should you Know?

This is a final rule. While these regulations will be effective on July 13, 2020, the changes applicable to employer-sponsored plans will be incorporated with plan years beginning on or after January 1, 2021.