

OUT-OF-POCKET MAXIMUM FACT SHEET



INFORMED ON REFORM

New rule for people with family health coverage impacts people differently

A new rule impacting all non-grandfathered family health plans takes effect January 1, 2016. Family health plans that begin in 2016 cannot allow any individual to spend more than the Affordable Care Act (ACA) individual out-of-pocket (OOP) maximum, which is \$6,850 in 2016. This is referred to as an “embedded” individual OOP maximum. Family plans have typically had only a family OOP maximum, and not an individual OOP maximum.

These rules are designed to limit the amount of out-of-pocket health expenses an individual or family could be responsible for paying in a given year.

Overview

The rules on OOP expenses are specific to all covered in-network expenses, and include the dollars spent on deductibles, copays and coinsurance. These rules are designed to limit the amount of out-of-pocket health expenses an individual or family could be responsible for paying in a given year. Beginning with 2016 plans, once an individual within a family plan meets his or her individual OOP maximum, the plan must pay 100% of all covered expenses for that individual, even if the family OOP maximum has not been met. Once the family OOP maximum is reached, the plan must pay 100% of all covered expenses regardless of whether each person covered has reached the individual OOP maximum.

The embedded individual OOP rule could impact total family health care expenses, depending on a variety of factors. Customers with health plans that have lower family out-of-pocket spending limits will be less impacted by this new rule. In fact, customers of health plans with a family OOP limit less than \$6,850 will not be impacted at all.

Customers of health plans with family OOP limits closer to the ACA family OOP maximum, \$13,700 in 2016, could see a large difference in their OOP expenses. This is especially true if only one family member experiences high medical expenses.

Customers re-enrolling in family coverage should carefully consider their options based on the OOP maximum amounts and the anticipated health care costs of their family.





Examples of varied customer impacts

These examples are for illustration only. Each example assumes expenses are incurred in order from top to bottom.

Example 1

2015 Plan:
\$13,200 Family Limit
 (individual limits not typical)

2016 Plan:
\$6,850 Individual Limit
\$13,700 Family Limit





Family members & their total expenses		Customer OOP Expenses	Plan pays after limit is reached	Customer OOP Expenses	Plan pays after either limit is reached
 Employee \$10,000	\$10,000	\$0 paid by the plan	\$6,850 paid OOP <i>Individual Limit reached</i>	\$3,150 paid by plan	
 Spouse \$4,500	\$3,200 <i>Family Limit reached</i>	\$1,300 paid by the plan	\$4,500 paid OOP <i>\$11,350 paid toward Family Limit</i>	\$0 paid by plan	
 Child 1 \$2,500	\$0	\$2,500 paid by the plan	\$2,350 paid OOP <i>Family Limit reached</i>	\$150 paid by plan	
 Child 2 \$2,500	\$0	\$2,500 paid by the plan	\$0	\$2,500 paid by plan	
	\$13,200 Total	\$6,300 paid by plan	\$13,700 Total	\$5,800 paid by plan	

Minimal impact when two or more people have high OOP expenses

Example 2

2015 Plan:
\$13,200 Family Limit
 (individual limits not typical)

2016 Plan:
\$6,850 Individual Limit
\$13,700 Family Limit





Family members & their total expenses		Customer OOP Expenses	Plan pays after limit is reached	Customer OOP Expenses	Plan pays after either limit is reached
 Employee \$1,000	\$1,000	\$0 paid by the plan	\$1,000	\$0 paid by plan	
 Spouse \$500	\$500	\$0 paid by the plan	\$500	\$0 paid by plan	
 Child 1 \$100	\$100	\$0 paid by the plan	\$100	\$0 paid by plan	
 Child 2 \$200	\$100	\$0 paid by the plan	\$100	\$0 paid by plan	
	\$1,700 Total	\$0 paid by plan	\$1,700 Total	\$0 paid by plan	

Minimal impact when entire family has lower OOP expenses

Example 3

2015 Plan:
\$13,200 Family Limit
 (individual limits not typical)

2016 Plan:
\$6,850 Individual Limit
\$13,700 Family Limit

Family members & their total expenses		Customer OOP Expenses	Plan pays after limit is reached	Customer OOP Expenses	Plan pays after either limit is reached
 Employee \$14,000	\$13,200 <i>Family Limit reached</i>	\$800 paid by the plan	\$6,850 <i>Individual Limit reached</i>	\$7,150 paid by plan	
 Spouse \$1,000	\$0	\$1,000 paid by the plan	\$1,000 <i>\$7,850 paid toward Family Limit</i>	\$0 paid by plan	
 Child 1 \$250	\$0	\$250 paid by the plan	\$250 <i>\$8,100 paid toward Family Limit</i>	\$0 paid by plan	
 Child 2 \$250	\$0	\$250 paid by the plan	\$250 <i>\$8,350 paid toward Family Limit</i>	\$0 paid by plan	
\$13,200 Total		\$2,300 paid by plan	\$8,350 Total	\$7,150 paid by plan	

Bigger impact when one person has most of the expenses



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