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# ***THE GROUP BENEFIT NEWS BULLETIN***

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## **Update on Health Care Reform**

### **Out-of-Pocket Maximums**

Recent media reports have indicated that the Obama administration has delayed yet another provision of the Affordable Care Act, namely Out-of-Pocket (OOP) Maximums. Many of these reports have indicated that Employers will not be required to comply with the max OOP provision for 2014. In response, many Employers have assumed that plan changes to comply with OOP maximums will not be required until 2015.

The guidance that was issued this past February clearly indicated that there would be an exception for 2014 for plans that utilize multiple administrators. Plans with separate administrators for Medical coverage, Prescription coverage, etc. could delay the requirement to meet combined Out-of-Pocket maximum costs of \$6,350 for individual coverage, and \$12,700 for family coverage for 2014.

So what do you need to know? Answer: Nothing has changed from earlier this year regarding 2014. Below is an outline of what the requirements for Out-of-Pocket Maximums:

- Employers who utilize separate benefit plan administrators for major medical coverage and prescription drug coverage, and the prescription drug plan currently imposes a limit on out-of-pocket costs, the out-of-pocket maximum limit of \$6,350 for individual coverage and \$12,700 for family coverage will apply **separately** to the major medical costs and to prescription drug costs, making it a total out-of-pocket maximum limit of \$12,700 for individuals and \$25,400 for families.
- If an Employer's prescription drug coverage currently does not utilize an out-of-pocket maximum, it will not have to comply with the OOP maximums for 2014.
- Starting in 2015, the out-of-pocket maximum must apply to major medical coverage and prescription drug coverage combined, even if the employer has different administrators.

As always, TBPG will continue to monitor all updates and keep you informed of any pertinent information. If you have any questions, please contact your TBPG representative.

The Benefit Planning Group  
*Our Knowledge is the Difference*  
770-916-1717

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