HHS Announces Adjusted Annual Limitation on Cost-Sharing for 2025 Benefit Year, Issues Proposed 2025 Benefit and Payment Parameters

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Proposed Rule: PPACA, HHS Notice of Benefit and Payment Parameters for 2025; Updating Section 1332 Waiver Public Notice Procedures; Medicaid; Consumer Operated and Oriented Plan (CO-OP) Program; and Basic Health Program, 31 CFR Part 33; 42 CFR Parts 435 and 600; 45 CFR Parts 153, 155 and 156, 88 Fed. Reg. __ (Nov. 24, 2023); Premium Adjustment Percentage, Maximum Annual Limitation on Cost Sharing, Reduced Maximum Annual Limitation on Cost Sharing, and Required Contribution Percentage for the 2025 Benefit Year (Nov. 15, 2023); Fact Sheet: HHS Notice of Benefit and Payment Parameters for 2025 Proposed Rule (Nov. 15, 2023)

Proposed Rule

Memo

Fact Sheet

HHS has issued a memo announcing the maximum annual limitations on cost-sharing for the 2025 benefit year for non-grandfathered group health plans under the Affordable Care Act (ACA), along with proposed regulations containing a variety of insurance market and Exchange-related proposals. HHS announced that the maximum annual limit on cost-sharing for 2025 will decrease to $9,200 for self-only coverage and $18,400 for other than self-only coverage (the 2024 limits are $9,450 and $18,900). In general, cost-sharing includes deductibles, coinsurance, copayments, and any other required expenditure that is a qualified medical expense with respect to essential health benefits covered under the plan.

The proposals for 2025 address numerous insurance market and Exchange establishment and functionality standards. For example, one proposal includes flexibilities for states requesting ACA innovation waivers. And another would extend network adequacy standards to state-based Exchanges. In addition, Exchanges would be required to operate a centralized eligibility and enrollment platform, and the effective dates of coverage selected during special enrollment periods would be aligned across all Exchanges (including state-based Exchanges).

EBIA Comment: The proposed regulations address a wide range of rules primarily of interest to insurers and Exchanges. Although in the past HHS announced the annual limitation on cost-sharing in the notice of benefit and payment parameters, the limitation (and certain other limits) is now published in guidance by January of the benefit year prior to the applicable benefit year, so long as no changes to the methodologies to calculate these amounts are proposed. For the 2025 benefit year, HHS is not proposing changes to the methodology, and thus has separately issued the 2025 limits rather than proposing them in regulations. For more information, see EBIA's Health Care Reform manual at Sections IX.B ("Cost-Sharing Limits"), XXI.A.3 ("Annual and Special Enrollment

Periods Required for Exchanges"), and XXI.F ("Innovation Waivers"). See also EBIA's Self-Insured Health Plans manual at Section XV.D ("Designing Cost-Sharing Features").

Contributing Editors: EBIA Staff.