Independence

October 15, 2013

eBulletin

Important information regarding Out-Of-Pocket Maximum Provision of ACA for customers with more than 50 employees

Effective January 1, 2014, all health plans must comply with the Out-Of-Pocket (OOP) maximum provisions of the Affordable Care Act (ACA). This message includes guidance to help ensure that benefits selections for new and renewing customers meet OOP maximum guidelines.

Many IBC renewal plans may not comply with the OOP Max provision
Many current IBC renewals were based on current (2013) benefit designs and may not comply with the out-of-pocket maximum mandate.

If the current benefit design is not in compliance, in order to receive a quote for a health plan that complies with the OOP maximum mandate, please contact your IBC Account Executive who will provide a recommendation for modifications that will bring the health plan into compliance with the ACA OOP maximum mandate.

Who does the OOP Maximum apply to?
Upon your customers' renewals in 2014, all health plans, regardless of group size or funding type, must apply all in-network member cost-sharing to the OOP maximum *(see Third-Party Pharmacy information below)*. This applies to:

- Both new business and renewing groups
- Non-grandfathered groups of all sizes and funding types

The cost-sharing included in the calculation of the OOP maximum includes the following:

- Deductibles
- Coinsurance
- Copayments

Per the Affordable Care Act, in 2014, the in-network OOP maximum cannot exceed:

- $6,350 for individuals
- $12,700 for a family

Please note: HSA-qualified High Deductible Health Plans will not change, as these plans are in compliance with the OOP maximum.

Update language on renewal notices
Beginning 10/1/13, renewals will be released based on the group's in-force benefits containing the following language:

> **Large Group (100+) Renewals:**
> Effective 1/1/14, as a result of the Affordable Care Act, all health plans are required to accumulate all member cost sharing to the out-of-pocket maximum. The out-of-pocket maximum must include deductibles, coinsurance, and copayments and cannot exceed $6,350 for an individual and $12,700 for a family. This renewal is based on your current benefit designs and does not comply with the out-of-pocket maximum mandate. In order to receive a quote for a health plan that complies with the out-of-pocket maximum mandate, please contact your Brown & Brown account manager who can provide a recommendation for modifications to your health plan that will bring your health plan into compliance with the out-of-pocket maximum mandate
>
> **51-99 Group Renewals will release with compliant alternative options:**
> Please note, effective 1/1/14, as a result of the Affordable Care Act, all health plans are required to accumulate all member cost sharing to an out-of-pocket maximum. The out-of-pocket maximum must include deductibles, coinsurance, and copayments and cannot exceed $6,350 for an individual and $12,700 for a family. This renewal is based on your current benefit designs and does not comply with the out-of-pocket maximum mandate.

ACA transition rule regarding third party accumulation out-of-pocket maximum (Safe Harbor)
The ACA requirement includes a transition rule which allows plans that currently use multiple claims payers, such as Third Party Administrators and separate Pharmacy Benefits Managers (PBM), until plan years beginning on or after January 1, 2015 to implement a single out-of-pocket maximum and coordinate third party vendor arrangements. As such, IBC will not implement single out-of-pocket maximum and coordinate third party vendor arrangements until plan years beginning on or after January 1, 2015. This applies to both fully insured and self-funded customers.

The transition rule does not impact current Mental Health and Substance Abuse Parity rules, which already require a combined out-of-pocket maximum for medical/mental health and substance abuse out-of-pocket expenses.

- **Mid-market (51-99) and large groups (100-999) will use the transition rule** and will not accumulate medical and prescription costs toward a single out-of-pocket maximum. Rather, medical and prescription costs will accumulate to separate out-of-pocket maximums.
- **Large groups with 1000+ employees who use FutureScripts® as their PBM will use the transition rule** and will not accumulate medical and prescription costs toward a single out-of-pocket maximum. Rather, medical and prescription costs will accumulate to separate out-of-pocket maximums.
- **Large groups with 1000+ employees who have a PBM carve-out will use the transition rule and** will not accumulate medical and prescription costs toward a single out-of-pocket maximum. Rather, medical and prescription costs will accumulate to separate out-of-pocket maximums.

Please note: In 2014, individual metallic tier plans and new small group plans (2-50) **will** accumulate both medical and prescription costs toward a single out-of-pocket maximum.

If you have any questions, please contact your Brown & Brown account manager.

---

ibx.com

©2013 Independence Blue Cross. All rights reserved.
1901 Market Street | Philadelphia, PA 19103

Independence Blue Cross offers products directly, through its subsidiaries Keystone Health Plan East and QCC Insurance Company, and with Highmark Blue Shield. Independent licensees of the Blue Cross and Blue Shield Association.