



## Health Care Reform **Bulletin**

# HHS Issues Notice of Benefit and Payment Parameters for 2015 Final Rule

Provided by Sullivan Benefits

### Quick Facts

- On March 5, 2014, HHS released its 2015 Notice of Benefit and Payment Parameters Final Rule.
- The final rule establishes the Exchange's open enrollment period for the 2015 benefit year.
- Certain self-insured, self-administered plans are exempt from the reinsurance fees for 2015 and 2016.
- The final rule updates the cost-sharing limits for non-grandfathered health plans for 2015.

The 2015 Notice of Benefit and Payment Parameters Final Rule includes a variety of changes for 2015, including updates to the cost-sharing limits for non-grandfathered health plans.

On March 5, 2014, the Department of Health and Human Services (HHS) released its [2015 Notice of Benefit and Payment Parameters Final Rule](#). The final rule describes payment parameters applicable to the 2015 benefit year and standards relating to the:

- Premium stabilization programs;
- Open enrollment period for 2015; and
- Annual limitations on cost-sharing.

Among other provisions, the final rule also implements patient safety standards for qualified health plans (QHPs) offered in the Exchanges and includes standards related to the employee choice and premium aggregation provisions in federally-facilitated Small Business Health Options Programs (SHOPs).

### Reinsurance Program

Beginning in 2014, the Affordable Care Act (ACA) requires a three-year transitional reinsurance program to be established in each state. This program is intended to help stabilize premiums for coverage in the individual market during the first three years of Exchange operation (2014 through 2016) when individuals with higher-cost medical needs gain insurance coverage. This program will impose a

fee on health insurance issuers and self-insured group health plans.

The final rule modifies the definition of "contributing entity" for the 2015 and 2016 benefit years to **exempt certain self-insured, self-administered group health plans** from the reinsurance contribution requirement.

The final rule implements a two-installment contribution schedule for the reinsurance fees. For example, the \$63 per capita reinsurance contribution for the 2014 benefit year will be collected in two installments: \$52.50 in January 2015 and \$10.50 late in the fourth quarter of 2015. The final rule also refines the definition of "major medical coverage" to prevent more than one payment per enrollee.

In addition, the rule finalizes the annual reinsurance contribution rate of **\$44 per enrollee** for 2015.

### Open Enrollment Period for 2015

The rule finalizes the Exchange's annual open enrollment period for the 2015 benefit year, which will begin on Nov. 15, 2014, and extend through Feb. 15, 2015. According to HHS, this schedule gives issuers additional time before they need to set their 2015 rates and submit



their QHP applications, gives states and HHS more time to prepare for open enrollment, and gives consumers until Feb. 15, 2015, to shop for coverage. The rule does not change the schedule for the Exchange's initial open enrollment period, which began on Oct. 1, 2013, and goes until March 31, 2014.

#### **Annual Limitations on Cost-sharing**

Effective for plan years beginning on or after Jan. 1, 2014, the ACA requires certain non-grandfathered health plans to comply with cost-sharing limits with respect to their coverage of essential health benefits. The cost-sharing limits include both an overall annual limit, or an out-of-pocket maximum, and an annual deductible limit.

The ACA requires that these limits be updated annually based on the percent increase in average premiums per person for health insurance coverage. The final rule establishes the cost-sharing limits for 2015, which are lower than the limits HHS originally proposed. For 2015:

- The **annual deductible** for a health plan in the small group market may not exceed **\$2,050 for self-only coverage** and **\$4,100 for family coverage**; and
- The annual out-of-pocket maximum for all health plans is **\$6,600 for self-only coverage** and **\$13,200 for family coverage**.

*Source: Department of Health and Human Services*

