

FAQs Describe 2014 Safe Harbor Limit on Out-of-Pocket Maximums for Health Plans

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A set of Frequently Asked Questions (FAQs) posted on the U.S. Department of Labor's website describes a safe harbor provided under the Affordable Care Act (the Act) regarding compliance with the Act's annual limit on out-of-pocket maximums (OOPMs). Under the Act, an OOPM under a non-grandfathered group health plan must (i) be applied on an overall basis to essential health benefits under the plan, and (ii) not exceed the Act's dollar limit, starting with the first plan year beginning on or after January 1, 2014. The safe harbor provides, for the 2014 plan year only, that if multiple service providers administer the benefits which are subject to the OOPM, the plan will be deemed to comply with the Act's limit if (a) the major medical coverage under the plan complies with the Act's limit, and (b) to the extent there is already an OOPM on the other coverage, the OOPM on that coverage separately meets the Act's limit. For example, a plan sponsor may find the safe harbor to be helpful if the plan uses one third-party administrator for major medical coverage and a separate pharmacy benefit manager for prescription drug coverage. A link to the FAQs is available [here](#).