Annual Out-of-Pocket Maximum Adjustments Announced for 2023

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On December 28, 2021, the Department of Health and Human Services ("HHS") published the "payment parameters" portion of its Annual Notice of Benefit and Payment Parameters for 2023 ("the Notice"). HHS historically publishes the Notice as a proposed rule and then finalizes the rule. The guidance clarifies that, beginning with the 2023 calendar year, the payment parameters portion of the Notice will be published by January of the year preceding the applicable calendar year. This guidance is considered a final rule that addresses certain provisions of the Affordable Care Act ("ACA").

For purposes of employer-sponsored health plans, the final rule includes caps on out-of-pocket dollar limits for non-grandfathered group health plans with plan years that begin in 2023.

Change to the Out-of-Pocket Maximums

Under the final rule, non-grandfathered group medical plans will see an increase in the out-of-pocket maximum for plan years beginning on or after January 1, 2023 as follows:

- $9,100 for self-only coverage (up from $8,700 in 2022); and
- $18,200 for coverage other than self-only (up from $17,400 in 2022).

Note that different out-of-pocket limits apply to qualified high-deductible health plans, for purposes of making contributions to a health savings account ("HSA"). The 2023 HSA thresholds will likely be announced in June 2022.

Employer Action

Employers should update out-of-pocket limits for plan years beginning on or after January 1, 2023.

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