



Minimum Creditable Coverage Deductible Limits for Calendar Year 2022 (VOTE)

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Overview

Today's presentation will revisit Minimum Creditable Coverage deductible limits for 2022 based on recent federal changes.

- In March, the Board voted to approve deductible limits as indexed according the Health Connector's Minimum Creditable Coverage (MCC) regulations
- In late April, the U.S. Department of Health and Human Services (HHS) revised the methodology on which the Health Connector's indexing is based
- Staff recommend revising the 2022 MCC deductible limits to reflect this change, which would result in a reduction of allowable deductible amounts from \$2,850 to \$2,750 for 2022

The Premium Adjustment Percentage

Updates to cost sharing limits under MCC are driven by the “premium adjustment percentage,” which has undergone contentious methodological changes over the last several years.

- The Affordable Care Act updates some key values with a measure called the premium adjustment percentage, which measures growth in insurance premiums from 2013 to the year before the current year
- The definition of “insurance premiums” was left to HHS to determine rather than directed by statute
- In 2014, the initial premium adjustment percentage only reflected growth in employer sponsored insurance (ESI) premiums because the individual market was less stable due to the disruption created by implementation of the ACA
- In 2019, HHS revised the methodology for benefit year 2020 to reflect ESI and individual market premiums, despite objections from the majority of commenters
 - While the prior administration proposed to continue with this policy, it did not finalize the premium adjustment percentage in its January rule
- In finalizing the 2022 premium adjustment percentage, the current administration chose to revert to the earlier methodology and exclude individual market premiums, based on “the overwhelming comments received”

2022 Deductible Limits

Using the 2022 premium adjustment percentage finalized by HHS, deductibles limits under MCC would drop by \$100 for an individual and \$200 for a family.

Deductible Limit	2021	2022 – approved in March	Revised 2022
Individual Medical	\$2,700	\$2,850	\$2,750
Individual – Separate Rx	\$330	\$350	\$340
Family Medical	\$5,400	\$5,700	\$5,500
Family – Separate Rx	\$660	\$700	\$680

- Plans with a separate drug (Rx) deductible must still adhere to the overall medical limit as well (i.e., plans may not effectively increase the deductible limit above \$2,750 by imposing a separate drug deductible)
- Individuals enrolled in a health plan may meet individual mandate requirements if their coverage limits out of pocket spending according to these limits
- Of note, the premium adjustment percentage also indexes the maximum out of pocket limits allowed in individual market plans by HHS, which were revised from \$9,100 to \$8,700 in the final rule; these limits also apply to MCC

VOTE

The Health Connector recommends that the Board approves the updated deductible limits for Plan Year 2022 as set forth in this presentation.