



Massachusetts Announces Individual Mandate Figures for 2021

Although the penalties under the Affordable Care Act's individual mandate were eliminated in 2017, Massachusetts has continued its own individual health insurance mandate as well as associated penalties for failure to comply.

In Administrative Information Bulletin 05-20, the state has announced the deductible limits and maximum out-of-pocket ("MOOP") expense limits for a Health Benefit Plan to satisfy the applicable minimum creditable coverage requirement in 2021.

Background

- Minimum creditable coverage is the minimum level of benefits that an individual needs to have to be considered insured and avoid tax penalties in Massachusetts. Minimum benefits must include:
- Coverage for a comprehensive set of services (g., doctors visits, hospital admissions, day surgery, emergency services, mental health and substance abuse, and prescription drug coverage).
- Doctor visits for preventive care, without a deductible.
- A cap on annual deductibles of \$2,000 for an individual and \$4,000 for a family.
- For plans with up-front deductibles or co-insurance on core services, an annual maximum on out-of-pocket spending of no more than the annual limit set by the IRS for high deductible health plans.
- No caps on total benefits for a particular illness or for a single year.
- No policy that covers only a fixed dollar amount per day or stay in the hospital, with the patient responsible for all other charges.
- For policies that have a separate prescription drug deductible, it cannot exceed \$250 for an individual or \$500 for a family.

Under the Massachusetts rules, a Health Benefit Plan that imposes any deductible for in-network covered services is subject to specified deductible limits, as indexed, for individual and family coverage.

A Health Benefit Plan that imposes a separate deductible for prescription drug coverage is still subject to the overall deductible limit but also has a separate deductible limit for its prescription drug coverage.

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The applicable maximum deductibles for 2021 are:

- Individual Coverage Deductible: \$2,700
- Individual Coverage Separate Prescription Deductible: \$330
- Family Coverage Deductible: \$5,400
- Family Coverage Separate Prescription Deductible: \$660

In addition, a Health Benefit Plan that imposes any deductibles, co-payments, or co-insurance for in-network covered Core Services is subject to a MOOP expense limit for in-network covered services which is also indexed.

For calendar year 2021, the MOOP expense limits are:

- Self-Only Coverage: \$8,550
- Family Coverage: \$17,100

Administrative Information Bulletin 05-20 can be found at: <https://www.mahealthconnector.org/wp-content/uploads/rules-and-regulations/AdminBulletin05-20.pdf>

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