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Annual Out-of-Pocket Maximum Adjustments Announced for 2024

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On December 13, 2022, the Department of Health and Human Services (“HHS”) published the “payment parameters” portion of its Annual Notice of Benefit and Payment Parameters for 2024 (“the Notice”). For purposes of employer-sponsored health plans, the guidance includes the caps on out-of-pocket dollar limits for non-grandfathered group health plans with plan years that begin in 2024.

Elimination of Transitional Good Faith Relief

Non-grandfathered group medical plans will see an increase in the out-of-pocket maximum for plan years beginning on or after January 1, 2024, as follows:

- \$9,450 for self-only coverage; and
- \$18,900 for coverage other than self-only.

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 2024 HSA thresholds will likely be announced in June 2023.

Employer Action

Employers should update out-of-pocket limits for plan years beginning on or after January 1, 2024.