

2018 HSA Limits and ACA Out-Of-Pocket Maximums

Official guidance on health savings account (HSA) and Affordable Care Act (ACA) limits for 2018 plan years has been released. Compatibility continues to be required within these two requirements to ensure that a high deductible health plan complies with ACA requirements.

The Internal Revenue Service (IRS) updated annual limits for HSA contributions and high deductible health plan (HDHP) design requirements for 2018 as follows:

HDHP minimum annual deductibles:

- 1,350 for self-only coverage
- 2,700 for family coverage

Out of pocket maximums:

- 6,650 for self-only coverage (unchanged from 2016)
- 13,300 for family coverage (unchanged from 2016)

Maximum annual HSA contributions:

- 3,450 for self-only coverage
- 6,900 for family coverage

Age 65+ contribution catch up allowance (in addition to allowed contribution)

- \$1000

In summary, a high deductible health plan with family deductibles that are higher than the ACA's cost-sharing limit for self-only coverage must be designed to limit the maximum out-of-pocket limit to no more than \$6,650 for any one individual. For example, an issuer can offer a family HDHP with a \$10,000 family deductible, as long as it applies a maximum annual limitation on cost sharing of \$6,650 to each individual in the plan, even if the family \$10,000 deductible has not yet been satisfied. This standard does not conflict with IRS rules on HDHPs.

For more information on these topics please feel free to contact us.

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