



State & Local Compliance Update

USI EMPLOYEE BENEFITS

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Massachusetts Releases 2024 MCC Amounts

The Commonwealth Health Insurance Connector Authority (“Health Connector”) recently published [Administrative Bulletin 03-23](#) to provide annual guidance regarding certain provisions of the Minimum Creditable Coverage (“MCC”) regulation, [956 CMR 5.00](#). Specifically, this Bulletin describes the calculation of the deductible limits and out-of-pocket maximums for 2024 and provides those respective dollar amounts.

BACKGROUND

On July 1, 2007, the Massachusetts Health Care Reform Act became effective. A component of this Act included an individual mandate, requiring Massachusetts residents 18 and older to have MCC or pay a penalty on their state income tax return. MCC requirements apply to individuals, not health insurance plans or employers. While employers are not required to provide health plans that meet MCC, their Massachusetts resident employees must enroll in MCC to avoid significant penalties.

DEDUCTIBLE LIMITS – 956 CMR 5.03(2)(B)

The 2007 regulations mandated a \$2,000/\$4,000 deductible limit and a separate prescription deductible limit of up to \$250/\$500 for in-network covered services. In 2013, after recognizing that the deductible limits were out-of-step with some segments of the market and health care cost inflation, the Health Connector approved the indexing of deductibles according to a federal indexing statute. However, that statute was repealed before the indexing could ever take effect, which means that the deductible limits had not changed since 2007.

The Health Connector published updated MCC regulations on December 27, 2019,¹ effective January 1, 2020, and updated the regulations again effective October 1, 2021.² Part of the updated

¹ <https://www.mahealthconnector.org/wp-content/uploads/rules-and-regulations/956CMR5.00.pdf>
² <https://www.mass.gov/doc/956-cmr-5-minimum-creditable-coverage/download>

regulations indexed the deductible limits to the annual out-of-pocket maximum (“OOPM”) adjustment percentage under federal law, rounded down to the next \$50.

Administrative Bulletin 03-23 sets the 2024 maximum MCC deductibles as **\$2,950/\$5,900**. If the plan has a separate prescription drug deductible, the amounts cannot exceed \$360/\$720 and the total maximum deductible applies.

OOPMs – 956 CMR 5.03(2)(C)

In 2017, the Health Connector published [Administrative Bulletin 02-17](#), tying the indexed OOPMs under MCC to the federally indexed OOPMs that apply to non-grandfathered plans.

For 2024, the OOPM will be **\$9,450/\$18,900**.³

WHAT ELSE DO YOU NEED TO KNOW?

Administrative Bulletin 03-23 takes effect immediately; the changes applicable to employer-sponsored plans will be incorporated with plan years beginning on or after January 1, 2024.

RESOURCES

- Administrative Bulletin 03-23, <https://www.mahealthconnector.org/wp-content/uploads/AdminBulletin03-23.pdf>
- 956 CMR 5.00 Minimum Creditable Coverage, <https://www.mass.gov/doc/956-cmr-5-minimum-creditable-coverage/download>
- Massachusetts Health Care Reform Rules and Regulations, <https://www.mahealthconnector.org/about/policy-center/rules-regulations>

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³ Note that 2024 HSA/QHDHP OOPMs cannot exceed \$8,050/\$16,100. These OOPMs are lower than what is required under the Affordable Care Act.