

Affordable Care Act (ACA) Out-of-Pocket Limits (2020)

2020 Out-of-Pocket Limits (Cost-Sharing Reductions)

The Affordable Care Act (ACA) requires that all standardized qualified health plans must limit annual out-of-pocket costs, including deductibles, copayments or coinsurance, to an amount no greater than the limits for high-deductible Health Savings Account (HSA) plans (in 2020, the HSA limit is \$6,900 for an individual and \$13,800 for a family).

In addition, out-of-pocket limits must be reduced to the following levels for those with incomes up to 400% of the **Federal Poverty Level (FPL)**:

- ▶ **100% to 200% of the FPL:** The annual out-of-pocket limit is reduced to one-third of the HSA limits (\$2,300 for an individual and \$4,600 for a family in 2020).
- ▶ **200% to 300% of the FPL:** The annual out-of-pocket limit is reduced to one-half of the HSA limits (\$3,450 for an individual and \$6,900 for a family in 2020).
- ▶ **300% to 400% of the FPL:** The annual out-of-pocket limit is reduced to two-thirds of the HSA limits (\$4,600 for an individual and \$9,200 for a family in 2020).

The **Federal Poverty Level (FPL)** is the set minimum amount of gross income that a family or individual needs for food, clothing, transportation, shelter and other necessities. The FPL is determined by the Department of Health and Human Services (HHS) and varies according to family size. The number is adjusted for inflation each year and reported annually. The Federal Poverty Level plays a key role in Affordable Care Act (ACA) qualified health plan cost constraints. The 2019 FPL is used in determining 2020 qualified health plan out-of-pocket limits. Here are selected 2019 FPL annual amounts for all states except Alaska and Hawaii:

Percent of 2019 Federal Poverty Level (used for 2020)				
Family Size	100%	200%	300%	400%
1	\$12,490	\$24,980	\$37,470	\$49,960
2	\$16,910	\$33,820	\$50,730	\$67,640
3	\$21,330	\$42,660	\$63,990	\$85,320
4	\$25,750	\$51,500	\$77,250	\$103,000
5	\$30,170	\$60,340	\$90,510	\$120,680
6	\$34,590	\$69,180	\$103,770	\$138,360
7	\$39,010	\$78,020	\$117,030	\$156,040
8	\$43,430	\$86,860	\$130,290	\$173,720