

Massachusetts Releases 2025 MCC Amounts

The Commonwealth Health Insurance Connector Authority (“Health Connector”) recently published Administrative Bulletin 02-24 to provide annual guidance regarding certain provisions of the Minimum Creditable Coverage (“MCC”) regulation. Specifically, this Bulletin describes the calculation of the deductible limits and out-of-pocket maximums for 2025 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 aged 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

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

Administrative Bulletin 02-24 sets the 2025 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. These deductible limits are unchanged from 2024.

■ OOPMs

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 2025, the OOPMs under MCC will be \$9,200/\$18,400. It should be noted that the 2005 federally indexed OOPMs that apply to non-grandfathered plans have not been released.

■ Effective Dates

Administrative Bulletin 02-24 takes effect immediately; the changes applicable to employer-sponsored plans will be incorporated with plan years beginning on or after January 1, 2025.