

LEGAL UPDATE

Health Plan Cost-sharing Limits for 2027 Plan Years Are Released



On Jan. 29, 2026, the U.S. Department of Health and Human Services (HHS) [released](#) the maximum limits on cost sharing for 2027 plan years under the Affordable Care Act (ACA). For 2027, the maximum annual limitation on cost sharing is **\$12,000 for self-only coverage and \$24,000 for family coverage**. This represents an approximately 13.2% increase from the 2026 cost-sharing limits of \$10,600 for self-only coverage and \$21,200 for family coverage. Employers should review their plan designs each year to ensure they comply with the ACA's cost-sharing limits.

Out-of-Pocket Maximum

The ACA requires most health plans to comply with annual limits on total enrollee cost sharing for essential health benefits (EHBs). These cost-sharing limits are commonly referred to as an out-of-pocket maximums (OOPM). The ACA's cost-sharing limits apply to all non-grandfathered health plans, including self-insured health plans, level-funded health plans and fully insured health plans of any size.

Under the ACA, EHBs must reflect the scope of benefits covered by a typical employer plan and include items and services in 10 general categories, including emergency services, hospitalization, prescription drugs, pediatric services, outpatient care, and maternity and newborn care. Because the ACA's cost-sharing limits apply only to EHBs, plans are not required to apply the annual OOPM to benefits that are not EHBs.

Once the OOPM is reached for the year, the enrollee cannot be responsible for additional cost sharing for EHBs for the remainder of the year. Any out-of-pocket expenses required by or on behalf of an enrollee with respect to EHBs must count towards the cost-sharing limit. This includes deductibles, copayments, coinsurance and similar charges but excludes premiums and spending for noncovered services. Health plans that use provider networks are not required to count an enrollee's expenses for out-of-network benefits toward the cost-sharing limit.

Embedded OOPM

The ACA's cost-sharing limit for self-only coverage applies to each individual, regardless of whether they have self-only coverage or family coverage. This requires health plans to embed an individual OOPM in family coverage if the family OOPM is greater than the ACA's cost-sharing limit for self-only coverage (\$12,000 for 2027 plan years). Many health plans are designed with an OOPM that is much lower than the ACA's cost-sharing limits. However, to comply with the ACA, health plans must have an OOPM for family coverage that is not greater than the ACA's cost-sharing limit for self-only coverage (\$12,000 for 2027) or incorporate an embedded individual OOPM for family coverage that is not greater than the ACA's self-only coverage limit.

High Deductible Health Plans

High deductible health plans (HDHPs) that are compatible with health savings accounts must comply with lower limits on out-of-pocket costs. The IRS has not published the HDHP cost-sharing limits for 2027 yet. However, for 2026 plan years, an HDHP's OOPM cannot exceed \$8,500 for self-only coverage and \$17,000 for family coverage.