

Medicare Insurance Enrollment Center™

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Blog Post: What is a Maximum Out-of-Pocket (MOOP)?

Maximum out-of-pocket (MOOP) can often be confused with the word deductible. My goal for this blog is to help you understand the differences between the two.

Maximum Out-of-Pocket (MOOP):

The maximum out-of-pocket is required by all Medicare Advantage health plans and is in place to help protect you from catastrophic expenses. Once you reach your plans MOOP then you are no longer responsible for Part A and Part B expenses. The MOOP can vary from plan to plan and can change from year to year. It is important to consider the MOOP when choosing a plan.

The way I like to explain the maximum out-of-pocket is, it is the worst-case scenario. This is the most you can spend each year for your covered medical services. Your costs for covered medical services (such as doctor, hospital, blood work, etc. copays) count toward your MOOP. Your premium, drug copays, and extra benefits (non-Medicare covered dental, vision, hearing, etc.) are not counted towards the MOOP.

Deductible:

A deductible is the amount you would be responsible for before your health plan starts covering expenses.

For example, say your health plan's deductible is \$500. You must pay \$500 out of your pocket, before your plan's copays would kick in.

Deductibles may vary from plan to plan. Some plans may not have a deductible, meaning your copays kick in as soon as the plan starts. While other plans may have a deductible that you must meet before your copays kick in.

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Summary

In conclusion, deductibles are not the same as your maximum out-of-pocket. A deductible is the amount you must meet before your health plan pays for your expenses. Once you reach the plan's deductible then you would only be responsible for the copays/coinsurance set by the plan.

The maximum out-of-pocket is the most you can spend in a year on covered services. Once you meet the MOOP then the plan will pay 100% for covered medical services.

For further information and additional questions, please contact us.