



# Administering Payment: Monthly Payment Formula

Patients pay the plan monthly the lesser of their actual incurred costs, or a monthly maximum payment.

## First Month Maximum:

$$\frac{(\text{OOP Maximum} - \text{Costs incurred pre-election})}{\text{Months remaining in the year}}$$

Months remaining in the year

## Subsequent Months' Maximum:

$$\frac{(\text{Costs carried over from prior} + \text{new costs})}{\text{Months remaining in the year}}$$

Months remaining in the year

A patient is electing MPPP option before the plan year. Using the monthly payment formula provided above, solve the following scenarios.

**Scenario 1: First/only fill is \$1000 oop in January. What is the MPPP payment for January?**

- a) \$1000.00
- b) \$166.67
- c) \$120.00
- d) \$83.34

**Scenario 2: First/only fill is \$1000 oop in January. What is the MPPP payment for February?**

- a) \$833.33
- b) \$166.67
- c) \$75.76
- d) \$83.33

**Scenario 3: First/only fill is \$1000 oop in February. What is the MPPP payment for February?**

- a) \$181.82
- b) \$166.67
- c) \$90.91
- d) \$83.34

**Scenario 4: First/only fill is \$1000 oop in December. What is the MPPP payment for December?**

- a) \$2000
- b) \$1000
- c) \$166.67
- d) \$83.34