

**BULLETIN NUMBER: 02-2019**  
**TITLE: OUT-OF-POCKET MAXIMUM (OOP)**  
**DATE: OCTOBER 1, 2018**

**PURPOSE:**

The purpose of this bulletin is to clarify the specific dollar amount of expense incurred by a covered individual for covered services as listed on the Schedule of Benefits. This bulletin further clarifies how to compute copayment and out of pocket maximums as based on a member's annual household income for local inpatient care and off-island referral care.

**BACKGROUND:**

Another definition in the NHI Schedule of Benefits is the Out of pocket maximum, which is a term often confused with Co-payments. NHI out of pocket maximum ranges from \$200-\$400 income based for local inpatient and \$1000-\$4000 income based for approved off-island referrals. Copayment under 41 PNC is only 20% of the total costs of treatment for both local and off-island care. NHI reimburses BNH for each covered stay after a copayment from the individual of 20% of the total cost up to a ceiling of \$200 to \$400, depending on household income. NHI reimburses for the covered costs of off-island medical care after a copayment of 20% of total cost of services up to a ceiling of \$1000 to \$4000 depending on household income.

**INTERPRETATION:**

Out of Pocket Limit (OOP) – A specific dollar amount of expense incurred by a covered individual for covered services as listed on the Schedule of Benefits. When Out Of Pocket limit is reached for a covered individual, then no additional co-insurance, or copayment are required for that person unless otherwise specified in the Schedule of Benefits.

**OOP SCHEDULE:**

Annual Household Income	Local Inpatient	Off-Island Referral
0-5,599	200	1000
5,600-11,199	300	2000
12,000-16,799	400	3000
16,800 Plus	400	4000

**OFF-ISLAND REFERRAL**

- OOP Max is based on ceiling of \$1000-\$4000 per member.
- Copayment of 20% is collected prior to departure for medical treatment. Amount of copay is determined from the estimated costs based on requesting physician’s medical summary and recommended course of treatment.
- OOP Max is based on the maximum ceiling depending on household income per member per year. When the ceiling amount is reached, then no additional co-insurance or payment is required from the member.
- Member may be charged for the difference, if actual copay collected is less than 20% of the quote and 20% of the total referral charges and OOP max is not met.
- Member may be reimbursed, if actual copay collected is more than 20% of the quote and 20% of the total referral charges and OOP max is met.
- Member will not be charged, if prior to treatment paid maximum ceiling based on household income.
- HCF shall not accept promissory note under any circumstances.

Example:

John is being referred off-island for Ischemic Heart Disease		John is being referred off-island for Ischemic	
Prior to Departure Info		Prior to Departure Info	
Quote/ Estimates	\$ 14,000	Quote/ Estimates	\$ 25,000
20% of Estimates	\$ 2,800	20% of Estimates	\$ 5,000
Ceiling based on Household Income	\$ 1,000	Ceiling based on Household Income	\$ 4,000
John Pays		Final Bill Info	
Copayment	\$ 1,000	Required Copay before departure	\$ 4,000
Final Bill after referral	\$ 28,000	Final Referral Bill	\$ 5,000
NHI Pays	\$ 27,000	20% of Final Bill	\$ 1,000
		Refund of Copay	\$ 3,000
		NHI Pays	\$ 4,000

John is being referred off-island for Ischemic	
Prior to Departure Info	
Quote/ Estimates	\$ 5,000
20% of Estimates	\$ 1,000
Ceiling based on Household Income	\$ 4,000
Final Bill Info	
Required Copay before departure	\$ 1,000
Final Referral Bill	\$ 25,000
20% of Final Bill	\$ 5,000
Collection of Copay	\$ 3,000
NHI Pays	\$ 24,000

LOCAL INPATIENT

- OOP Max is based on ceiling of \$200-\$400 per member. Upon discharge from BNH, member is charged 20% up to maximum ceiling based on household income. No annual maximum coverage for all inpatient care. When ceiling amount is reached, no additional payment required from the member.

John is admitted at BNH for Dengue Fever		John is admitted at BNH for Kidney Problem	
Prior to Discharge Info		Prior to Discharge Info	
Ceiling based on Household Income	\$ 200	Ceiling based on Household Income	\$ 400
Bill after Discharge at BNH	\$ 1,500	Bill after Discharge at BNH	\$ 15,000
20% of Bill	\$ 300	20% of Bill	\$ 3,000
Copayment	\$ 200	Copayment	\$ 400
NHI Pay BNH according to latest Fee Schedule		NHI Pay BNH according to latest Fee Schedule	