Out-of-Pocket Maximums

Mental Health America
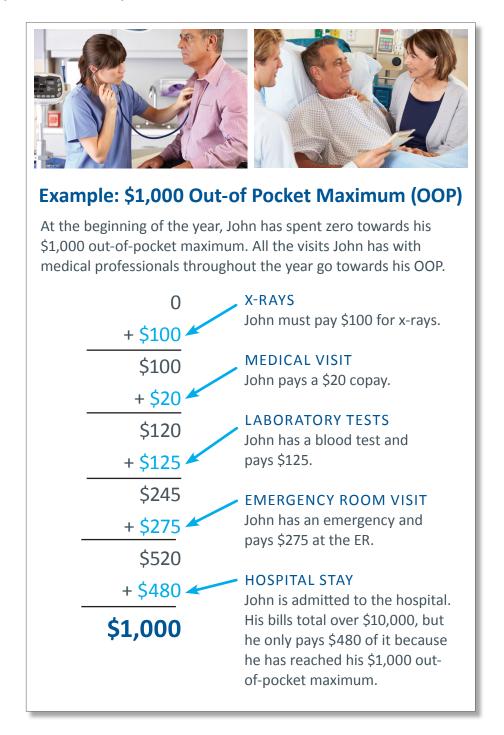
Each insurance plan has an out-of-pocket maximum—a limit to how much you have to pay for health care in a year. After you reach the maximum, you don't have to pay that part of the costs anymore. The example below can help you understand this better. Each plan is different, so this is just an example of how one person's health insurance works.

Example: $1,000 Out-of Pocket Maximum (OOP)

At the beginning of the year, John has spent zero towards his $1,000 out-of-pocket maximum. All the visits John has with medical professionals throughout the year go towards his OOP.

```
        0
   + $100
   ------
    $100
    + $20
   ------
    $120
   + $125
   ------
    $245
   + $275
   ------
    $520
   + $480
   ------
  $1,000
```

X-RAYS
John must pay $100 for x-rays.

MEDICAL VISIT
John pays a $20 copay.

LABORATORY TESTS
John has a blood test and pays $125.

EMERGENCY ROOM VISIT
John has an emergency and pays $275 at the ER.

HOSPITAL STAY
John is admitted to the hospital. His bills total over $10,000, but he only pays $480 of it because he has reached his $1,000 out-of-pocket maximum.