



## **HHS Issues Technical Memorandum on the Changes to True Out-of-Pocket (TrOOP) Costs and the Calculation of the Maximum Monthly Cap**

- On April 25, 2024, the Department of Health and Human Services (HHS) issued a Technical Memorandum on the Changes to True Out-of-Pocket (TrOOP) Costs and the Calculation of the Maximum Monthly Cap for the Medicare Prescription Payment Plan (Memorandum).
- This Memorandum provides examples of the Medicare Prescription Payment Plan (MPPP) calculations and TrOOP-accumulation calculations.
- Beginning in 2025, Part D sponsors must provide all Part D enrollees the option to pay their out-of-pocket (OOP) prescription drug costs in monthly installments over the remaining year, which means enrollees in the MPPP will pay \$0 at the point of sale (POS) for a covered Part D drug.
- The changes in costs that count towards TrOOP will be incorporated into the calculation of the first month maximum cap, with incurred costs in the numerator. For subsequent months, only the OOP costs that the Part D enrollee is directly responsible for are included. The total costs and the timing of TrOOP accumulation do not change regardless of enrollment in the MPPP.

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More on This Topic:

- [Memorandum](#)

For questions, please reach out to [Vicky Jucelin](#).

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