

The Convergence of Health Care and Financial Planning

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Where today's experts help you secure retirement.

Overview of Medicare

- Medicare is your retirement healthcare; it is mandatory
- Part A covers hospital, skilled care, and hospice care
- Part B covers doctors, outpatient, preventative care
- You can choose from a Medicare Supplement (Medigap) plan that cover gaps in Original Medicare to provide access to doctors you typically use plus medical services across the country. Also covers your 20% co-insurance
- OR – choose Medicare Part C (Medicare Advantage Plans) which includes HMOS, PPOs, low and high deductibles, and a *regional* list of physicians and drugs covered (in-network)
- You can switch between Medigap and Medicare Advantage, however pre-existing conditions will apply
- Part D covers prescription drug plans

Estimated Annual Medicare Costs (per person)

Part A	\$ 0
Part B	\$1,626
Part D	\$ 390
Medigap	\$1,868
Out of pocket (vision, dental, co-pays)	<u>\$2,385</u>
Total	\$6,269

PLUS additional Part B premium if single and income is over \$85,000, or if married and income is over \$170,000 (2019). Premiums are taken from monthly Social Security benefit.

Items to Discuss with Your Advisor or Plan Yourself

- Calculate the cost of healthcare in your financial plan
- Plan to grow your assets to offset healthcare inflation
- Manage your Required Minimum Distributions (RMDs) to minimize taxable income impact on Medicare premium
- Build sources of tax-free income that won't impact healthcare costs (i.e., health savings accounts, Roth accounts, annuities)
- How to pay for own healthcare if you choose to retire before age 65? Medicare starts at 65 unless have specific illnesses
- Be aware there are penalties if retired and don't enroll by 65
- How will you pay for non-medical care (i.e., long-term care)? Medicare does not cover long-term care
- Sources of income for long-term care costs are long-term care insurance, life insurance or annuities with LTC riders



Peter Stahl, CFP® has 28 years of experience in the financial services industry where he has built a recognized track record of integrity and success. Since 2012, Peter has focused his efforts on educating financial advisors and consumers on health care challenges during retirement, equipping them to find solutions. An author and sought-after speaker, Peter makes navigating through a complex and ever-changing health care landscape comprehensible to all.

For more information about this and other Retirement Smart courses, visit www.retirement-resource-center.com or "Retirement Smart" on Facebook.

Action Plan

1. Calculate a realistic healthcare cost number before you retire. Include an annual increase of at least 5% inflation (if not more)

2. What tax-free and tax-deferred income sources do you have to minimize income and Medicare premiums in retirement?

3. Who will provide custodial care for you if needed? How will costs be covered?

4. Resources:
 - Medicare.gov
 - "Medicare and You" booklet
 - Shiptacenter.org for state health insurance assistance program consulting and counseling on Medicare, Medicaid
 - Yourwealthwatch.com and bedrockresults.com



Leading experts for middle income Americans - BEFORE, AT AND DURING YOUR RETIREMENT