

Your 5 Minute Checkup

a Coverage / Asset Protection Self Assessment Tool

Choosing MediGap / Medicare Supplement v Medicare Advantage

Beneficiaries have 2 basic options for covering the 20% that Medicare does not cover

Which appeals to you? Rank them from 10 being most to 1 being least important

- Premium(s) over 100 per month,
with regular incremental increases & predictable medical out of pocket**
 - Coverage where most doctors accept the coverage**
 - Additional coverage for Drugs, Dental, Vision, Hearing included**
 - Managing your own healthcare, no Case / Care management or support**
 - A zero or very low premium, with more benefits than original Medicare offers**
 - A rebate on your Part B premium**
 - A network of connected doctors and case management focused on your care**
 - Locked into 1 insurer when a health issue arises**
 - Annual ability to change with no refusal**
 - Network keeping your costs low & option to go out of network for small payment**
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Extra Help Options

Many persons are unaware of the extra help options that are available through State and Federal Programs. The programs are applied based on income and assets. The following are standard levels used nation wide. Many states have additional state specific programs.

**Y | N Is your monthly income below \$1700, or below \$2,300 as a couple?
You may qualify for help with medication costs and deductibles.**

**Y | N Besides yourself and a spouse, is there another person your household provides
food or shelter for in your household, such as a child or grandchild?**

**Your household may qualify for help with medication costs, medical care costs and deductibles, through programs such as LIS, SDAP, PACE, DPAP, QMB, SLMB
The consultation and application assistance is no cost**

Hospital Indemnity

Medical bankruptcy is where medical expenses result in insolvency, and debt relief has to be requested from the Courts.

In a 2007 study, 62.1% of personal bankruptcies were medical based, and 3/4 of those who filed had medical insurance, For patients who initially had private coverage but lost it, the family's out-of-pocket expenses averaged \$22,568. Also, 40.3% of filings were due to lost income, and 32.1% were due to self or spousal lost income (from study by David U. Himmelstein, MD,^a Deborah Thorne, PhD,^b Elizabeth Warren, JD,^c Steffie Woolhandler, MD,)

Most people are surprised by the extra expenses not covered by health insurances that happen in an accident or from a hospitalization. This often includes transportation meals, lodging costs, as well as co-pays and deductibles, and even extended medical facility stays.

Also, medical incidents affect income, as people are losing time for doctor trips, treatment appointments, and in patient or at home recovery, as well as needing extra help in the home.

Y | N Do you have funds on hand to cover your plan's deductibles and co-pays?

Y | N Do you have funds to cover an extra 20% in annual income for new medical costs?

Y | N Do you have insurance to cover an extra 20% in annual income for medical costs?

Y | N Do you have insurance to replace 3 to 6 months of lost wages & pay COBRA, to continue your employer based coverage on your own?

\$ _____ How much would you need to replace 3 months of lost income?

IRS sets and revises annual limits, For self-only coverage, the maximum out-of-pocket expense amount is \$5,300, up \$350 from 2022. For tax year 2023, for family coverage, the annual deductible is not less than \$5,300, up from \$4,950 for 2022; however, the deductible cannot be more than \$7,900, up \$500 from the limit for tax year 2022. For family coverage, the out-of-pocket expense limit is \$9,650 for tax year 2023, an increase of \$600 from tax year 2022.

Cancer Coverage

1 in 2 men, and 1 in 3 women will develop cancer in their lifetime. You may know someone who has. American Cancer Society and the University of Texas MD Anderson Cancer Center found total cost of cancer treatment on average is \$150,000.

American Cancer Society and found that up to 60% of the added costs can be non-medical, and so not covered by health insurance. However, this number may be much greater or smaller depending on the patient's cancer, treatments, insurance, and resources.

Many insurance plans are structured that you have a 20% out of pocket for cancer medical treatments.

Y | N Do you have funds on hand to cover your plan's deductibles and co-pays?

Y | N Do you have funds to cover an added 20% in non-insured care expenses?

\$ _____ How much would you need to cover the total out of pocket per year listed in your insurance coverage

Long Term Care / Nursing Coverage

The cost for in home care is increasing every year. According to Genworth Financial's 2022 Cost of Care Survey, the average cost of in-home care in the United States is \$4,957 a month. This level of care is not normally covered by Medicare or Medicaid.

Assisted living is when a person is mostly independent, and needs occasional or periodic care. Besides the cost for the living quarters, there is a charge for the assistance in day to day needs. Sometimes called tiered or à la carte pricing, the amount you pay depends on the level of help you need with ADLs (activities of daily living) and the amount of time it takes to deliver those services.

The Genworth Cost of Care Survey 2021 indicates that the national median cost for assisted living per month is \$4,500, which breaks down to around \$148 per day (and adds up to \$54,000 per year). To put that into some context, the same survey says a private room in a nursing home will cost around \$9,034 a month, which is \$297 per day (\$108,405 per year). Home health aide services average \$154 per day (\$56,160 per year), based on an eight-hour day, 5 days a week (more time-intensive care will likely be more expensive).

A report jointly prepared by the American Health Care Association and National Center for Assisted Living found that the average length of stay for residents in an assisted living facility is about 28 months with the median being 22 months. Feb 15, 2023

State Medicaid will cover institutional and medical based residency and care, if you qualify. Qualification will include a required spending down of assets and resources as defined by the resident state. Federal Medicaid law requires placing a lien on the assets as defined by state law, and requires either payment or sale of the assets to satisfy the repayment.

(<https://www.medicaid.gov/medicaid/eligibility/estate-recovery/index.html>)

Filial laws in several U S states also allow family members to be held liable for unpaid costs by private providers. (<https://worldpopulationreview.com/state-rankings/filial-responsibility-laws-by-state-2022>)

Y | N Do you have funds or insurance to cover the weekly nursing costs?

Y | N Before reading this, did you have plans to pass your assets on to family after you pass?

Who would you ask to help you with these expenses, or to house you if you had to liquidate assets? _____

Hospital Care, Financial Decisions & Burial Plans

Y | N Do you have a financial directive in place, so a trusted person can manage your finances while you are unable to do so, such as in a health crisis?

Y | N Do you have a medical directive in place, so a trusted person can manage your Medical decisions while you are unable to do so, such as in a health crisis?

Y | N Do you have a Last Will and Testament in place, so your designated heir(s) have the legal right to take over, and manage your property when you are gone, and they do not have to fight for it in probate?

Y | N There are over 15,000 nursing homes, and over 30,000 assisted living communities in the U S. Have you decided on which one, or will you leave family to warehouse you in one based on who has a vacancy?

Y | N 41% of Americans die without life insurance. They though they had more time to plan. Do you have cash on hand or insurance to cover the average 10,000 cost of Final Arrangements, or will your family have to alter savings and plans to fund it?

Y | N Do you have a plan or arrangements in place for your passing, or will family manage the details while in grief?

Congratulations on doing this complimentary situational self assessment.

You have taken a frank look at what you have done, and have left to do.

Now you and your coverage consultant can put together the steps needed to shift the burden off of family.

A trusted advisor can help you plan, and fund the steps before the need arises, and save the family 10 – 20% of the costs, and hours of frustration.

Spek Services would be happy to assist you. Financial and Decision Security is a call away.

“People do not plan to fail, they fail to plan”, and so make themselves financially vulnerable.