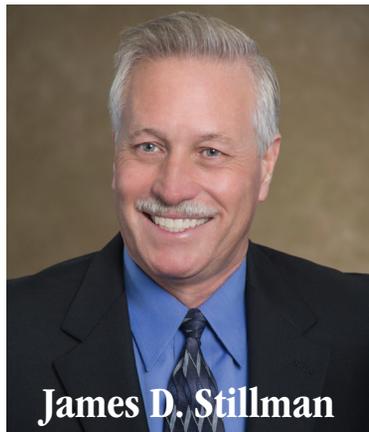


Between the Beacons

Charting Your Course to Retirement

Medicare Planning 101



James D. Stillman

I've had numerous people ask me to write an article about basic Medicare insurance planning. Having a good Medicare plan is an important part of any overall retirement plan. Once you reach the age of 65, you become eligible for Medicare and some important decisions must be made. Please be aware, Medicare does not pay for nursing home or Long Term Care expenses! Long Term Care planning is a whole separate issue retirees must address. Check out last month's article for some ideas on how to tackle Long Term Care planning.

Medicare has four parts, and each part has certain charges and deductibles:

Part A is hospital insurance, and covers inpatient care, limited skilled nursing, limited home health care, and hospice. Most folks (or their spouse) have worked long enough (40 quarters) to get Part A for free. If you or your spouse don't have enough credits earned, then there will be a premium for Part A.

Part B is medical insurance

and covers doctors and health care providers, outpatient care, medical equipment, and some preventative services. The 2018 premium for Part B is \$134 per month, but increases for individuals with income over \$85,000 or couples with income over \$170,000. There is a Part B deductible of \$183 for 2018. Most preventative services are covered for no cost.

Original Medicare (refers to Parts A & B) covers approximately 80% of Medicare approved charges. There are a few options for supplemental coverage to pick up all or part of what Original Medicare doesn't cover, including Part C Medicare Advantage Plans, Part D Drug Plans, and Standardized Medicare Supplement Plans. The type of supplemental coverage you choose depends on several factors, including your health, where you live, and how you plan to access or utilize healthcare.

Part C is for Medicare Advantage Plans. If you enroll in an Advantage Plan, then you will opt-out of Original Medicare and enroll in a contracted hospital network that provides benefits similar to Medicare. Medicare pays the hospital network a certain amount per month for each contracted patient.

Part D is for prescription drug coverage. This may or may not be needed, depending on whether you are on prescription medications. The plan that's best for you will vary based on your medications.

Lastly, there are **Standardized Supplement Plans** or **Medigap Plans**, which are insurance policies purchased through insurance companies, not the government.

Plans are lettered A through N.

Each lettered plan covers a different combination of benefits. As with most things, there are advantages and disadvantages to a Standardized Supplement versus an Advantage Plan. Standardized Supplements give you more freedom to choose your hospitals and doctors, because you're not limited to a network and can see any doctor who accepts Medicare patients. With an Advantage Plan you must stay within your network or get a referral for care outside of your network. Advantage plans often have cheaper premiums than Standardized Supplements, but there are co-pays and out of pocket charges to consider. Also, Advantage Plans may not pay for a medical emergency if you're traveling and outside of your network. Advantage Plans often include drug coverage in some form, while Standardized Supplements do not. There are a multitude of ways that Advantage Plans and Standardized Supplements differ from each other, and there's no perfect plan that works best for everyone.

We tend to prefer the Standardized Supplements. Plan G is usually our go-to recommendation, because we feel it is the most cost effective way to get the most coverage compared to the other plans. There is one very important thing to remember when it comes to Standardized Supplements. Since these are standardized plans, the coverage is the same no matter which insurance company you choose. What can change drastically between companies is the monthly premium. Don't pay more than necessary. A lot of the plans with commercials all over TV are going

Chart Your Course to Retirement

Thursday August 9th and
Tuesday August 14th
at Chillfire Bar & Grill in Denver
6:30pm
(doors open at 6:00pm)

REGISTRATION REQUIRED TO ATTEND
Call 704-660-0340 or email
kelly@jdswealthmanagement.com

to cost a lot more than others with the exact same coverage, so do your homework before you sign up for a plan and you could save some money.

If you'd like to learn more about Medicare and your options for supplemental coverage, then you can check out www.medicare.gov and www.ncdoi.com/shiip. SHIIP stands for (Senior Health Insurance Information Program). Or you can just get in touch with us and we can get you some educational resources about Medicare.

As always, if you would like more information, any of our free reports, a free consultation, a quote, or a copy of my book "Finding Safe Harbor in Retirement", then just let us know. At JDS, everything we do is designed to take the worry out of your retirement. If you'd like to set up a visit to discuss your retirement and get your own **Chart Your Course Retirement Plan**, then give us a call.

And remember: *The purpose of the money dictates where you put it!*

Until Next Month,
James D. Stillman



Wealth Management Corp.

(704) 660-0214
jdswealthmanagement.com
119-F Poplar Pointe Drive
 Mooresville, NC 28117

James D. Stillman is a licensed insurance professional, Registered Financial Consultant, and Investment Advisor Representative. He is the founder and president of two companies: JDS Enterprises, Inc. and JDS Wealth Management Corporation, a Registered Investment Advisory Firm.

All content is intended for informational purposes only. Guarantees apply to certain insurance and annuity products (not securities, variable or investment advisory products) and are subject to product terms, exclusions, and limitations and the insurer's claims-paying ability and financial strength.