

4 T H A N N U A L

Financial Advisor

RETIREMENT SYMPOSIUM

Retirees and Health Care Issues

MODERATOR

Name	Lewis Walker
Title	President
Company	<i>Walker Capital Management</i>

PANELISTS

Name	Dr. Daniel Carlin
Title	CEO
Company	<i>WorldClinic</i>

Name	Paula Muschler
Title	Manager
Company	<i>Allsup</i>



Little Effective Primary Care

- Episodic / Discontinuous
- Access is Limited (Low Touch)
- COI for Providers (Patient vs. Payer)
- Technology Adoption Challenge
- Industry of Partial Solutions



The Fix: High Tech/High Touch

- E-Clinic / Medical Home
- Access: Tiered Triage
 - “Angels” / RNs / MDs / Specialists
- Continuity
 - EMR / Informatics Platform
 - Independent of: insurance/MD/hospital
- Tech-enabled Prevention



The Interim Solution

- Primary Concept to Embrace
 - Conventional healthcare is going away for a while
- Your Strategy
 - Delay your need for healthcare
- Your Plan
 - Lock in a solid PCP

Checklist your best practices - track to goal

- Weight
- Blood pressure
- Activity / Fitness
- Nutrition



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Medicare and Medicare Penalties

Part A and Part B cover approximately
50% of healthcare expenses

Individuals must ensure they are eligible for
a “Special Enrollment Period” or face
penalties if they do not enroll in Part B or
Part D during their initial enrollment period.

Medicare Options	
A	A
B	B
D	C (A,B,D,Gap)
Gap (Medigap)	

Coordinating Benefits

For those nearing 65 and first-time Medicare eligibility—includes general retirement planning

For retirees losing healthcare coverage—maybe their employers are eliminating retiree coverage, or they're just retiring out of their plan

Seniors already on Medicare who have changing needs - changing health, rising costs, relocation, etc.

Experiencing a disability - and becoming Medicare eligible prior to age 65.

Mr. & Mrs. Smith

- Husband retiring (age 67)
- Wife aging into Medicare (age 65)
- High wage earners
- No retiree benefits
- Frequent travelers



Private
Wealth

2013 Annual Medicare Costs

File Individual Tax Return	File Joint Tax Return	Part B Adj Premium Annual	Part D Adj Premium Annual	Part B Premium Annual	Part D Premium Annual	Total Annual Medicare Costs
\$85,000 or below	\$170,000 or below	\$0	\$0	\$1,259	\$372	\$1,631
\$85,000 - \$170,000	\$170,001 - \$214,000	\$504	\$139	\$1,259	\$372	\$2,274
\$170,001 - \$160,000	\$214,001 - \$320,000	\$1,259	\$359	\$1,259	\$372	\$3,248
\$160,001 - \$214,000	\$320,001 - \$428,000	\$2,014	\$580	\$1,259	\$372	\$4,224
Above \$214,000	Above \$428,000	\$2,770	\$799	\$1,259	\$372	\$5,200

Modified adjusted gross income (MAGI) is the total of the adjusted gross income (line 37) and tax-exempt interest income (line 8b) of IRS form 1040

Average annual out of pocket healthcare costs for an individual with Medicare about \$4,600.¹

Average annual cost of a Medigap policy is \$2,000.

¹ AARP, March 2012;



Typical Medicare Healthcare Costs

	First dollar coverage (Medigap)		Cost sharing coverage* (Medicare Advantage)	
Medicare Part B premium	\$104.90	\$1,258.80	\$104.90	\$1,258.80
Plan premium	\$137.82	\$1,653.84	\$34.00	\$408.00
Part D prescription drug deductible	\$33.90	\$406.80	\$80.00	\$80.00
Out-of-pocket prescription costs	\$163.90	\$1,966.80	\$116.00	\$1,392.00
Physician visits	\$0		(\$20)(2)	\$40.00
Specialists	\$0		(\$40)(2)	\$80.00
Laboratory	\$0		(\$10)(1)	\$10.00
Preventative care costs	\$0		(\$0)(1)	\$0.00
Hospitalization	\$0		(\$260)(3day)	\$780.00
Urgent care	\$0		(\$45)(1)	\$45.00
Outpatient rehab	\$0		(\$40)(10)	\$400.00
Total		\$5,286.24		\$4,493.80

*Maximum out-of-pocket = \$6,500



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Affordable Care Act (ACA)

The Affordable Care Act protects the basic Medicare benefits and improves some.

- More help with prescription drug costs while in the coverage gap:
 - 50% discount on brand-name drugs with an additional 2.5% discount paid by plan
 - 21% discount on generic drugs
- Free Annual Wellness Visit and prevention plan
- Reduce Medicare spending:
 - Slows payment increases to Medicare providers including hospitals, nursing homes, home health agencies
 - Reduces overpayments to Medicare Advantage plans
 - Bonus payments for quality care
 - Higher income beneficiaries pay higher Medicare premiums for prescription drug coverage
- 5 Star Enrollment Period
- Health Care Fraud Prevention and Enforcement Action Team (HEAT)



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