



Spring 2018

WHAT'S NEW THIS QUARTER

MOST POPULAR MEDIGAP PLAN TO BE DISCONTINUED

The most popular Medicare supplement plan in the country, the Medigap Plan F, and the nearly as broad Plan C will be discontinued come Jan. 1, 2020.

Medicare officials have announced that they will be discontinuing new enrollments into these plans, but those already enrolled will be grandfathered and be able to keep the same coverage.

More than 13 million Americans are enrolled in Medigap insurance policies. And the most popular plan, by far, is the expansive Plan F, which accounts for 60% of all in-force Medicare supplement plans in the country.

It's the most popular because it's the broadest: Plan F protects enrollees from all out-of-pocket deductibles and copays under Medicare Parts A and B. All you pay are the premiums to stay enrolled in Plan F.

Specifically, Plan F provides the following coverage:

- Medicare Part A deductible
- Medicare Part B excess charges
- Part A hospital and coinsurance costs - up to an additional 356 days after you exhaust Medicare benefits
- Part B coinsurance and copays
- Up to three pints of blood per year
- Part A hospice care copays or coinsurance
- Skilled nursing facility coinsurance
- Foreign travel emergency medical care (80% of costs, up to plan limits).

Suddenly, Plan F market is hot

Some carriers are still marketing Plan F policies - and even souping them up with extra benefits to differentiate themselves in a competitive market.



We hope that you find these articles of interest. If you have a topic for future discussion, please let us know.

Call us anytime we can answer questions or be of help with your retirement planning or estate liquidity concerns. Please call for annual reviews or more often if you wish.



W.M. Durham Associates LLC

Over 40 Years of Leadership

Contact Us

2010-2 Raymond Diehl Rd.
Tallahassee, FL 32308
Ph: 850-385-3578
Toll Free: 800-396-3420
info@wmdallc.com

Feedback

We value our relationships and would like your opinion. Any suggestions? Improvements? Compliments? We always appreciate your feedback!



For example, Anthem BlueCross/BlueShield is now rolling out a new plan called Innovative Plan F Medigap, which comes with the comprehensive coverage under a standard Plan F Medigap plan, and adds vision and dental coverage, plus a 24/7 nursing assistance line and the popular Silver Sneakers fitness plan.

Note that if you have pre-existing conditions, your carrier can exclude expenses related to these conditions for up to six months - even if you enroll during your open enrollment period.

Enrollment tips

If you want to be able to stay enrolled in a Plan F policy, whether from Anthem Blue Cross or any other carrier, you must be enrolled in Medicare Part A and B, and you must be enrolled in the Plan F Medigap plan before January 1, 2020.

The best time to enroll is during your Medicare open enrollment period. This is the six-month period that begins on the first day of the month in which you turn age 65 or older, and you enroll in Medicare Part B.

As long as you are enrolled in Medicare Part A and B and you apply during your open enrollment period, and you are not currently already enrolled in a Medicare Advantage plan, you cannot be turned down.



What if I miss open enrollment?

If you miss your open enrollment period, you will have to qualify medically for the plan. That means you may have to submit to a medical examination and submit medical records.

The standard for enrolling in these plans outside of open enrollment is likely to be very high. If you don't meet their underwriting standards, they could charge you a higher premium, or they could turn you down outright.

Note: The fall open enrollment period only applies to Part D coverage and to Medicare Advantage (Part C) plans. Many seniors mistakenly assume that they can take advantage of a fall open enrollment or annual election period and get guaranteed enrollment in a Medigap plan.

INNOVATIVE SOLUTIONS RESHAPING LONG-TERM CARE INSURANCE

Long-term care costs can be devastating. According to the "Genworth 2017 Cost of Care" study, the average cost of a semi-private room in a skilled nursing facility is \$7,148 per month.

But many people have not bought long-term care protection, even though they medically qualify, because they don't want to pay premiums for a plan they may never use, or they are concerned about future premium increases.

In recent years, insurers have created a number of innovative solutions that may address these concerns.



Life insurance/long-term care hybrids

These are essentially life insurance policies that come with a meaningful long-term care insurance benefit. Generally, the long-term care coverage is offered as a rider on an existing life insurance policy. If there's a qualifying need for long-term care, then the policy can pay benefits.

Here are some common attributes:

- The long-term care insurance is attached as a rider to a cash-value life insurance policy.
- Policies are often, but not always, single premium.
- If the insured dies without needing the long-term care benefit, the heirs collect a tax-free death benefit.
- If there is a need for long-term care, the policy can pay a claim that is much greater than the amount paid in. The cash value and death benefit are reduced accordingly.



Hybrid life/long-term care policies may appeal to people who are afraid of losing all that premium they pay into a long-term care policy if they never file a claim. With the hybrid life insurance/long-term care policy, if the insured doesn't need the insurance, the heirs still get a large, tax-free death benefit. So your money is not wasted, even if you don't have a claim.

Long-term care annuities

Long-term care annuities may help those who need retirement income more than they need a life insurance policy. These products are designed to pay out a regular and predictable income, with certain guarantees. They also provide the benefit of tax deferral, as long as funds are held within the annuity.

At the same time, in the event of a qualifying long-term care claim, the long-term care rider on these annuities can potentially pay out much more in long-term care benefits than the insured pays in in premiums - sometimes two or three times more, depending on your age and health when you apply for the rider.

Short-term care coverage can help in 'the gap'

Most long-term care insurance policies have an elimination period. That is, you have to be on claim for a number of weeks or months before your insurance will pay a claim. Some companies are now issuing "short-term care" insurance that will provide help in "the gap," before your long-term care benefits kick in.

Because the short-term care policies will only pay benefits for a few months to a year, they tend to be quite affordable - and may be invaluable in helping cash-strapped families cover the first few months of costs that aren't covered by their primary long-term care insurance policies.



You don't have to be in your 60s

The sooner you can buy long term-care protection, the better. One health glitch, accident or illness in your 40s or 50s can make it difficult or impossible to qualify for long-term care in the future. And premiums are lower when you buy at earlier ages.



LIFESTYLE CHANGES THAT CAN HELP YOU FEEL LESS OLD

AT SOME POINT we all feel it, those regular body aches creeping in, getting tired easily and feeling really low on energy. And you ask yourself: Why do I feel so old?

People reach their physical peak when they are between 30 and 35 years old, and after that the average person experiences a bit less than a 1% physical and mental decline each year.

While you may feel slower, achier and low on energy at various times, there are steps you can take to reduce the effects of feeling your age - or feeling older than you are.

Sedentary lifestyle - One of the main accelerators of aging is physical disuse, which also causes a number of chronic diseases.

The answer is exercise. Even if you haven't broken a sweat for years, you can still change your lifestyle by focusing on getting 30 minutes of exercise a day. Moving your body helps keep your joints from getting achy and your muscles weak.

Mental stimulation - One other thing to go as you age is mental cognition. You may have a hard time focusing on certain tasks, or get lost when someone talks really quickly. You may also forget more stuff.

You can stave this off by keeping mentally stimulated. Try puzzles like crosswords or Sudoku, or simply read a book. Even better, learn a new skill because when you learn, the brain actually creates new synapses.

You are what you eat - If you eat unhealthy foods, it will catch up with you eventually. The mantra should be lots of fruit, vegetables, whole grains and lean meat like fish. Also, try to avoid scarfing down your food and instead eat slowly and enjoy the taste.



Reduce your stress - Besides poor eating habits and a sedentary lifestyle, chronic stress can take its toll on not only your psyche, but your health, giving you the feeling that you are older than you are. It can lead to inflammation and metabolic malfunctioning.

Try to identify the things that elevate your stress level, and take steps to manage how you will deal with it.

Some good habits to reduce your stress include taking deep breaths, meditation and yoga.



Positivity - A bad attitude and negative outlook can have profound effects on your health. Try to look on the bright side of things and don't let small issues get you down. If you approach everyone with a smile and friendliness, that inner glow will affect your health, too.

Check your booze consumption - While numerous studies have found that small amounts of alcohol can have some health benefits, if you down more than three drinks a day, those benefits will disappear. Too much drinking takes its toll on many of your organs and if you drink too much at night, the next morning you'll pay for it with sluggishness and perhaps moodiness.

Don't smoke - Smoking is unhealthy and can lead to respiratory and pulmonary problems. Smoking definitely ages your insides - and often your outside appearance, too.

Too many pills - Unfortunately, many Americans are taking too many pills to manage various conditions. Often drugs are prescribed for conditions that you could manage with better lifestyle choices. Only take the pills that you must for your health, and definitely try to avoid prolonged use of highly addictive opioids.



The takeaway

While there is no cure for those feelings that you're getting old, a few changes to your lifestyle can make a world of difference and give you more spring in your step.

Small, simple lifestyle changes can improve your physical and mental wellbeing - no matter how many candles weigh down your birthday cake.

W.M. Durham Associates LLC

Over 40 Years of Leadership

**2010-2 Raymond Diehl Rd.
Tallahassee, FL 32308**

