Ralph: Marie Anne Hobeika. She's a regional vice president for Fidelity Institutional Asset Managers, the distribution arm of Fidelity Investments, and I've gotten to know her a little bit in preparation for this and she's just a wonderful person. She does most of the presentations on Medicare, social security, and those kinds of things related to retirement planning for Fidelity, and with our partners through Fidelity.

As many of you know, we've used Fidelity funds in our portfolios for years and most of that time, Jeff's been my internal guy. He's on here as well. They're good people and they run good money.

So now, Marie, earned her Bachelor of Science in finance and management from University of New Hampshire, so she's a New Englander. Which, I don't know how that fits with the Patriots, but we haven't talked about that, and she's currently working on her MBA at American University. But she's based here in the West Coast in the LA area and we're welcome to have her with us.

Marie Anne, do you want me to go straight to a Slido question or do you want to ask a question? Or start with something?

Marie Anne: Well, thank you so much for the introduction. You know, we can definitely jump in right for, you know, a softball here.

So, today for the presentation and the duration of the time we'll be talking about Medicare planning, which, if anyone here is like my folks who have been in the process of setting themselves up for Medicare, they are getting inundated by advertisements, public, private, and they can't decipher between the two.

So, I thought, Ralph is, as many of you know, a history buff, so he wanted to ask a couple good questions throughout the presentation, you know, just to kind of get an idea of where this system has come from, what year… And so, there's a couple questions he'll be throwing out your way. So, we can launch the first one, but for the duration of the time, we're really gonna dive into understanding the insights on healthcare costs, what is it going to actually be for us out of pocket.

We'll also go through the actual ABC's of Medicare planning. So, when you hear part A, part B, C, things like that, you know, there's coverage that we really want to understand and know when to intertwine.

And then lastly, we're going to ultimately talk about how you can set up a plan to tackle these healthcare costs. In other words, it's something that might be on top of your mind. It might be something you, who knows, might be worried about. And that's why Ralph specifically said, 'I want to make sure we talk about something that's relevant to, you know, October.' Which, we'll talk about some dates but it's a good time of the month to chat about Medicare. So, we can go ahead and launch a question.

Ralph: Yep. I've got the first question up. In what year did Congress create Medicare? So, if you go to your Slido.com and if you're looking at the screen, you'll see it there. You see one person's already put an answer in. So, that doesn't mean it's the right one. But in what year did Congress create Medicare? And this is where we're supposed to have our royalty-free music, Rose, that goes something like [humming].

Nobody else is able to jump in on this one?

Woman: We couldn't figure out how to get on the Slido.

Ralph: Come on, Jeff. Oh, okay. Alright.

Woman: We didn't get on it. I'm going 1945.

Ralph: I'll give you a 1945. Anybody else want to chime in on a vocal? I don't know who put the answer…

Man: '55.

Ralph: '65?

Man: '55.

Ralph: '55. So we've got a '55, a '35, did I hear? Actually, the correct answer is '65. So, we'll just go and show the correct answer is 1965. So, that's how that works. Obviously, we've got to get some experience with it, but it's a cool thing. Okay, Marie. It's your stage again.

Marie Anne: Alright. Perfect. Okay, so, let's just jump in.

You know, I'm sure many of you are already thinking, yeah, healthcare is gonna be expensive. But what I love about this slide is it actually takes us back to 1960 and gives us a perspective of how much healthcare costs were out of our pocket. And, you know, it's amazing to me that less than five percent of our GDP came from healthcare costs in the 60's. But as we fast forward to 2018, although 2020 numbers are still coming through, but it's almost 20 percent of our GDP now. So, there's a huge jump in where healthcare costs were versus where they are.

And, you know, if people want to participate and chime in, let me know, but there so many reasons as to why that might be. You know, people are living longer. That's a great starter. You know, we're living longer. Drugs are expensive. You know, the pharmaceutical world is very different than what we would like it to be and it's…you know how patents work in this country. So, as soon as you find a drug in the market that might be right in your situation and there isn't a generic, you're doomed. Right? Like, you're gonna be paying this crazy price.

There's also things on the business management side that influence it, such as buying up hospitals and things like that. So, mergers and acquisitions in that space. You know, there's just a lot of pressure and so the numbers keep trickling up. This all costs a pretty penny. So, what that means is, we have to figure out how we have to actually plan for Medicare, but this slide will kind of show and put it into perspective, you know?

If I look back at the last 10 years, out of pocket spending has increased over 67 percent when it comes to deductibles and co-pays. Hey, that's a…I mean, that's a decent amount. What fascinates me is that, if you go to the ER, for example, even if you have Medicare and they know that, they still upcharge you more than what Medicare will actually cover for you. So, it could be anywhere from one to 12 and a half

times what medicate will cover. So, then you're kinda left scratching your head and trying to figure out how you should pay for some of those additional services. And I, you know, sort of alluded to prescription drugs a few minutes ago, but those prices are definitely continuously going up. Everyone knows what happened with EpiPen and all these huge… You know, maybe even with COVID. Like, we'll see what happens and who's able to put something to market and how much is that gonna cost.

You know, so those are just conversations that impact the bottom line. So, what is that bottom line? Well, Fidelity has been presenting and has been researching on healthcare costs and retirement for over a decade and a half and one of our biggest annual research papers is on this particular topic. And what we found from the very beginning of when we started healthcare planning discussions at Fidelity, we had estimated for an average couple that's 60 years old, 65 years old, that's living 20 years into retirement that they will kind of have to put aside $120,000 for healthcare. The reality is, today that number has, I mean, definitely grown double the pace of inflation, but it's $300,000. Just shy of $300,000 for that couple.

That's a lot. So, if you break down the $300,000 by, let's say two people, because we're a couple, you've got $150,000 per person. 20 years. So, you're looking at around $7,500 every year for you to have healthcare coverage. The reality is most people don't realize this. They underestimate it, and I think that comes from a lot of different avenues. Sometimes we've been paying for healthcare out of our paychecks and we just, you know, we haven't really been calculating it proactively. But once we hit retirement, that's when that number starts to add up.

But at Fidelity, part of the research… Fidelity had surveyed and asked several folks just like yourselves, like, 'Hey, how much do you think it's gonna cost you for healthcare?' Now, a third of our respondents just said no. They said, 'I don't have a number for you; I have no idea.' But when we said, 'Please,' you know, out of the pre-retirees that we had, 'give us a number, give me something that we can latch onto and understand where your estimates are and where reality is.' And about half of our respondents like you, my parents, half of us said $100,000 or less.

So, $100,000, and then I see $300,000 and my mind is a little bit troubled because I want to make sure everybody feels confident with tackling healthcare spending. So, I know Ralph is really great at that. So, if we break down the actual $300,000, you'll see on the left-hand side, there's a dark blue shade that basically says, 'Hey, you're paying about 40 percent of that 280…or, that 300,000 is going to cost sharing provisions like our co-pays and things like that. About another 40 percent goes to our B and D premiums which I will touch on. And then, of course, drugs. At the end of the day, we've got 20 percent of that 300k that comes from out of pocket drug costs.

So, what I do want to emphasize on this slide, and that sometimes we forget about, is that this does not include long-term care. It doesn't include vision, it doesn't include dental… So, there are some extra costs out there that we didn't even add to the 300,000. So, just keep that in mind as you're planning and having conversations with Ralph.

But really, it's individually based. I want to stress that. So, if my spouse and I are planning for retirement and Medicare spending, we're not necessarily going to have the same estimate. So, that 300,000, the

150,000 per person, might fluctuate depending on genetics, depending on how long I, you know, plan on living. Although it's hard to plan, but maybe we know historically, our ancestors, how long they've lived. You know, are you retiring early because of an unexpected unemployment or something happened with your health that caused you to leave your place of employment? There's a number of factors that play into it.

And of course, one of…in the blue bar here, I'll talk about risk level briefly, but I think that's important. There is a solution and there is a solid level of coverage when it comes to Medicare planning, but you're gonna pay a price for it. So, then we ask the question, 'How much level of, you know, risk are you willing to take?' Or do you want to save on the short end because you don't want to pay premiums? And that might be nice but if something happens are you ready to take on that extra risk that might cause you to pay a much higher amount out of pocket? So, these are the things we want to weigh in when we're deicing what plan works for us.

So, for the remainder of the presentation, I'm just gonna go through the ABC's on Medicare. We'll talk about how you can estimate your costs at home, maybe do a little homework. We'll talk about how you actually compartmentalize. It's important and critical for us to say, 'This is where I'm getting my guaranteed money sources, I know I'm getting money from here.' Things like that. And then lastly, creating that plan.

So, we'll take a two-second break here and we'll launch our second polling questions, if you want to try that, Ralph.

Ralph: Okay. So, this one… You know, we've never tried a word cloud on this before, so we're gonna see if this works. Okay, so, which president signed the bill creating Medicare? And all you do is, you type it in there. Does anybody else want to plug in anything? Not getting anybody else to type them in. We figured that this would be an interesting one, but it was indeed Johnson. If you knew it was '65 and you knew your presidential history, you'd probably know that Lydon Johnson is the one that signed the bill.

So, I'm gonna stop sharing, so, Marie Anne, you should be able to take control again.

Marie Anne: Perfect. So, that's a perfect segue into kind of talking about what was signed into office and what was added alter.

But original Med…so, essentially, you have original Medicare, which was, thanks to President Johnson… He had signed that back in '65. That's part A and B. That's our original Medicare. When you hear people say, 'Hey, do you just want, like, classic Medicare? Original Medicare?' That's what we're thinking about: part A and part B.

Now, a lot of times, most folks will say, 'That's just not enough coverage for me and I need additional supplemental plans, I need a drug plan...' Things like that. So, they'll add part D. It's optional but they'll add it to their original Medicare, and they will also consider adding a Medigap plan or a Medicare supplemental insurance plan.

Key thing to note here, once you have decided to use original Medicare and you choose a Medigap plan, that's great, you do not purchase into a part C plan which is a completely separate thing, which is your Medicare advantage plan. And this is a common misconception. A lot of folks will enroll, let's say in part C, which is the advantage plan that I'll talk about, and then they'll also try to buy a Medigap plan. You either choose one or the other. So, I can have Medigap or I can have an advantage plan.

What are the advantage plans, we'll talk about, but just think about that as an all-inclusive sort of plan, all-in-one bundled plan that you would have purchased with A, B, D, Medicap, but instead they say… it's a privatized company that says, 'Buy our plans, they're low premiums, you'll get these extra benefits,' and you know, a lot of folks will apply for those.

If you want to know what people do in the states, those that are enrolled in Medicare, 65 percent of them tend to use original Medicare and they'll add the Medigap policy. The rest of the states, like, 35 or so percent, choose a part C plan, that advantage plan. We'll talk about the pros and cons of each and hopefully that will help you when you're making your decisions or maybe even changing if you're already currently enrolled in Medicare.

So, part A is part of the reason why we also underestimate healthcare costs and retirement because we know it's premium-free so we're thinking, 'Oh, you know, Medicare is free!' It's premium-free, but what that means is, if I use it for whatever reason… I go to the hospital as an in-patient, I will have to pay based off of the amount of time I'm in the hospital. So, you'll see that highlighted on this slide.

But let me define what part A is. It is purely in-patient services, skilled nursing facilities. That's all you've got to know. It's essentially your hospital insurance. So, if I go to the hospital, I trip, fall, you know, whatever happens, I go to the ER, I go to the hospital and I ask them what's going on, it's going to be $1,408 as a deductible just for showing up.

Let's say this, you know, fall was a lot worse than I expected and I stayed in the hospital for three months. Again, this is unusual circumstances; so, I'm just giving you an extreme just to kind of illustrate the numbers here. But if I were to go for three months. You'll notice that I have to pay a part A co-payment for every day between 61 to 90 days. And then when I get to 91 days to 150, there's another co-payment I have to pay for each day beyond that 91 mark.

And then ultimately, most importantly, is if I'm in the hospital for over 150 days, I'm now responsible for all costs. Every single last penny of whatever bill is coming my way, it's on me. And that's where people get really…you know, they get hit unexpectedly with Medicare expenditures.

They're extenuating circumstances. I wouldn't necessarily say that that's happening often, so that would be misleading. But if it does happen, that's when it really takes us by surprise. There's no max out of pocket here that you could be spending.

With part B, there is a premium and they're gonna tack it on every month depending on how much you made two years before. So, part B is just your basic medical insurance. Think B for basic, it's very easy to remember it that way. But what I mean by that is, you know, I'm going for my annual visit. I am getting

some lab work done. I'm getting some diagnostics. Maybe physical therapy. Whatever the…you know, your medical insurance should have, should include, it kinda falls into this bucket. And you're paying something, like I said, based off of your income from two years prior.

So, that premium most of the time is around $145 for your average American that's making less than $175,000 or less, right? So, most of us kind of fall into that 145 bucket. These premiums go up every year, so keep that in mind. Remember, healthcare costs are certainly jumping up very quickly, so these will go up.

The second component you want to pay attention to is our deductible. So, there's an annual deductible. It's only $198 so most people, you know, it's like, you know, they pay the $198, not a huge deal. But where they get, you know, caught up and where we forget, a lot of times the impact of the co-insurance is 20 percent. So, if the co-insurance is 20 percent, that essentially means that, if I have a bill for $50,000, I am responsible for 20 percent of that $50,000 bill. So, 20 percent of that $50,000 is, of course, $10,000. Is that a realistic number? Yeah. I mean, think about your family or friends that have had knee surgeries. Those are easily…they add up to $50,000. Between the physical therapy, between the labor, between the actual surgery, the cost… all of that kind of encompasses the $50,000. So, if you know anyone that has to go through that or if you're thinking about getting a knee replacement, as one quick example, think about that 20 percent co-insurance if you just opt in to plan A and B.

Now, A and B are both leaving you at unlimited risk. And when I say that, I'm really saying that 20 percent, there's no max out of pocket. There's no cap that says, 'Oh, you know, Marie Anne, you pay ten thousand dollars out of pocket this year, you don't have to do anything else.' I could be paying bills on bills on bills if I don't have the adequate coverage and if I haven't done my research prior.

Ralph: So, we do have a question in the Slido Q&A and it's just a clarification, I think. It reads: did you say that part C plans are private all-encompassing plans?

Marie Anne: Great. Yeah, I'm gonna talk about part C in a few minutes, but essentially, yes. They're HMO/PPO type of plans. And they're privatized plans that… I'll kind of go over what's encompassing it, so hold that thought and I'll make sure to address it comprehensively.

Ralph: Okay, great.

Marie Anne: Okay. So, that's our part A and B. So, part D, the drug coverage, is very similar. You'll probably notice that the pay structure and the premium structure is very similar to part B in the sense that there's a premium you've got to pay based off of your income level. So, obviously these plans are a lot less than what we had for part B, but I think what's interesting with your drug coverage is really… here we go; is really this particular slide.

So, our drug coverage isn't just, hey, you've got a plan and you have access to all these drugs. There's deductibles, there's coverage, there's stats. And it kinda gets complicated. So, what I want you to do is not really focus on all the numbers on this slide, because I think it's heavy, it's dense on numbers, but I'll give you a couple numbers I think are critical.

There's a deductible in the beginning as you're using prescription a drug that you are 100 percent responsible for. It goes up to about $435. Now, when you go throughout this slide, you'll see that original sort of initial coverage is paid for at 75 percent and then you have 25 percent on…you know, that should come from your paycheck.

Then we get to what'scalled the donut hole. You know, I'm sure many of you have heart of the donut hole, and luckily, it's kind of shrinking. You know, over the last several years they've been sort of shrinking that. But basically, there's a gap in coverage where Medicare is no longer taking the bill off of your plate, they're saying, 'Hey, you've got to pay twenty-five percent of generic or brand name, you know, costs.'

So, the number I want you to focus on before we get to catastrophic coverage, which is our very last slide here, or very last column… catastrophic coverage is essentially where you have to pay five percent and Medicare pays the rest, okay? But before we get there, from the deductible to your initial, through the donut hole, you're gonna be paying… If you use, of course, if you use…you need that coverage, it will be maximum $6,300 out of your pocket until you get to catastrophic coverage.

And that's a 2020 number. I want to be clear. So, last year, if I did the same presentation, I wasn't talking about $6,300, I was talking about $5,100. So, look, between last year and this year, the out of pocket spending on drug cost went up $1,200, right? So, it's a tough thing to kind of think about if you don't have the right coverage.

'But what happens if I get to catastrophic coverage? Is that realistic? 'Marie Anne, you're talking about an extenuating circumstance…' Well, you know, I'll share a quick story. There was someone I knew who was healthy, you know, ran triathlons, you know, ever smoked a day in his life, etcetera, and one day he gets a call from his doctor and the doctor says, 'come into my office, we've got to chat.' He gets diagnosed with stage four lung cancer and, long story short, the doctor says, 'You have two options. Number one: you're gonna go to chemo. Number two, which I'd recommend: you take this pill that it's a daily pull that's gonna take you through this.' And he says, 'Fine, I'll commit to the pill.' How much is that gonna cost him?

Well, this is a true story. I'm not making this up. He was paying… So, that $6,300, he blew through that by January 15. Okay? Two weeks into the year, he already paid the $6,300. But by the rest of the year, that daily pill cost him $700 every month just to take that pill. And remember, $700 doesn't sound like a lot but that $700 is five percent of the actual cost of the pill, right? So, 700 times your 12 months plus the 6,300? We didn't plan for this. And so, that's the real importance to understanding what these coverage plans look like and making sure that if you're taking something, do some research. Is it a tier one, is it a tier two drug? And be a consumer and really call those companies and find out what's going on.

So, with that said, the good news is, I talked about having unlimited burden and cost on you as the client for part A and B. If you remember, it was 20 percent co-insurance, no max. The Medigap policies are very attractive to people because these are plans that are available with different levels of coverage. So, you'll notice there's Medigap part A all the way to N. And on the left-hand side of the screen, you'll see

the benefits highlighted, and on the right, it'll tell you, 'Yes, we cover part B co-insurance… no, we don't cover part B excess charge…' And then it kind of tells you all the additional benefits you would get by purchasing into their plan.

The most popular plans are plan F historically, because it was the most comprehensive. And typically…this isn't a blanket statement, but typically what we saw is because so many people liked plan F, the price went down because there was a lot of participation in the plan. So, sometimes you'll see plan F and then… I'm, you know, giving you an example of plan C. Someone will say, 'Whoa, plan C is more expensive but it has less coverage!' Well, because F was more popular so you were able to benefit from the participation rate.

So, what happened in 2020 is they stopped providing something unique to part F and part C. And so, I don't know if you guys can see my mouse here… making sure you can see this. Yeah. Can you see me highlighting this? So, part of the similarity between plan F and C, for those that already enrolled in Medicare, you still have access to these, but they did…they covered the $198 deductible for part B. Now they're no longer allowing, if you're a newly registered or newly eligible Medicare recipient or, you know, what have you, enrollee, you won't have access to plan F or plan C because they don't want anyone to get that $198 covered. So, now you have less coverage. However, not a big deal. It's $198. Most people are kind of…you know, they're indifferent about it.

If you're looking for what's most popular this year, plan G tends to be the pick because it's very similar to F, it just doesn't have that $198 coverage. Okay, so, plan G going forward, what we found has been the most comprehensive.

Even though this is supplemental plan, we still aren't giving you dental, vision, hearing, prescription drug coverage… this doesn't mean all of a sudden there's a lot of extra benefits. It just means there's a cushion. There's sort of, like, a bubble wrap on your original Medicare planning. So, with that said, Medigap is…it tends to make people feel a lot more, you know, confident going into retirement and as they're making their choice because they know, for example, part A deductible…remember the $1,408 I told you about on slide one? Well, that's covered, and so on, so forth. So, there's extra benefits like that.

So, what's the difference between what we just talked about and then advantage plans? The advantage plans…I'll go back here…are a lot more comprehensive at first glance. So, the benefits with the advantage plans and why people will use them is because they're lower in premiums upfront, they get you additional coverage like your hearing, dental, vision…sometimes your drug costs are covered. So, as you're looking at it from you know, from a thousand-foot overview, you're kinda like, 'Wow, this is good, I like this.'

And they're giving you, you know, a credit for going to the gym. 'Perfect, I love it.' And what we found is that a lot of folks will choose that and then a year, three years, five years down the road, they wind up requiring a specific doctor, or they might move, or they might… You know, whatever the case may be for them. And what happens is, if they need to see that specific doctor for their case, and unfortunately the doctor doesn't take an advantage plan, that's where we run into issues.

So, as we get older, naturally, just like a well-oiled machine, we need more care. We need to go to the mechanic more, we need to, you know, check in with the doctor even if we're as healthy as a stallion. We still have to go. And the more you use coverage, it actually gets pretty pricey with part C. Not for everyone. It still makes sense for some folks so I'm not trying to steer you one way or the other, but it's definitely something to think about.

The second thing I want to mention with part C is if you enroll in you know, part C one day and you decide, 'Hey, this is…it's getting pricey, it's not covering what I thought it was gonna cover, I need to switch to original Medicare and get a Medigap policy,' if you've had the plan over 12 months, the Medigap companies can actually underwrite you for your own medical history. So, in other words, they might say, 'Show me your records, I want to see if you were diagnosed with something during these years that you weren't with us.' And they have the right to say, 'I don't want to give you coverage,' which brings you back to square one.

Yeah, you can get original Medicare, you can get part A and B, but they're preventing you from buying your Medigap policy. That plan G for example. So, then you're left sort of in a tough situation financially if something were to happen, so just kinda keep that in mind.

If you've had it for less than a year, they're not going to underwrite you. So, if you want to make a change, and let's say you're just enrolling or you're trying something out and you said, hey, you know what, 12 months, 11 months in, 10 months in, 'This isn't the right thing for me, you can make the change. They won't…you know, they won't deny you coverage. So, that's good news.

Ralph: If you're new to Medicare… Say you're 65, what I'm hearing is, if you choose to go on an advantage plan at age 65 and at age 75, you no longer can… that plan, the plans that you're on, the advantage plans that you're on, are no longer suitable for you, you might not be able to get a Medigap plan?

Marie Anne: Correct. Yeah.

Ralph: Okay.

Marie Anne: Yep. They can completely say no. They can't deny you from the government's, you know, part A and B. The government's…

Ralph: Mmhmm.

Marie Anne: That's part of the program. But, yeah, the supplemental companies like Etna and United, they can say, 'show me the proof that you're not gonna be a liability for me, you know, we don't want you to be an extra liability.' And they say, 'yeah, we're not willing to take on this extra risk,' and they'll deny you coverage.

Ralph: But it doesn't work the other way around. So, if I…if a 65 year old says, 'Okay, I'm gonna go on Medigap,' which doesn't give you quite as much…some of the bells and whistles you might want, you can never be denied Medigap coverage even no matter what happens to you. Is that correct?

Marie Anne: Yeah. So, if you're adding Medigap, you know, when you're enrolling in Medigap initially, there is no underwriting process.

Ralph: Okay.

Marie Anne: It's a lot easier to go from Medigap to part C, the advantage plans. And advantage won't deny you because they're excited to have you because, you know, it's low premium but then they make a decent amount of money when people start using their plans unexpectedly. So, they're kind of comfortable, right? It's just the way they hedge their bus. That's how the insurance companies had…you know, the two of them, had sort of set up their structure...

Ralph: What would be an example of a reason you couldn't… that you wanted to get off of an advantage plan?

Marie Anne: Yeah, great question. So, if I'm on an advantage plan, let's say I need to see a specialist, a lot of the disadvantage with the advantage plan, the part C plans, is the…

Ralph: Disadvantage with advantage plans. That's a tongue twister.

Marie Anne: Right? That's a tongue twister! Yes, it is.

The disadvantages of part C…we'll say that…is you're limited in terms of doctor access and geography. So, if you're… You know, I'm a New Englander. You just mentioned it in the beginning. We're snowbirds, so we live in, you know, the Boston area for half the year and then we go to Orlando the other half of the year. And for those snowbirds, they might not necessarily have…you know, the doctor down in Orlando might not take part C. Not every doctor does. And if they're seeing a specialist, that might be an issue.

So, if you're moving around a lot or if you get diagnosed with something and then all of a sudden you need to see a specific doctor and they won't… You know, that's the kind of stuff that happens more often than not. If you're flexible, you know, it usually works out until something happens. Knock on wood, don't want anything to happen, but the way I look at, you know, insurance, especially medical insurance, is that I don't want to go to the doctor… No one likes going to the doctor. It's dreadful. But I need coverage in case I do go to the doctor, and I want to be glad I had the right amount of coverage. Right? You don't want to use it, but if you do use it, I want it to work. That's sort of the idea behind it.

So, that's why considering some of these questions that I've posted here in front of you like, hey, do I want additional coverage…? Dental, hearing, vision… That's not covered by Medicare. You know, this is such a small example. Some folks go…you know, they like to travel abroad in their retirement, and, you know, sometimes it's cheaper for people to go to Costa Rica and go to the dentist versus here. So, people play around that. But you want to think about it. 'Do I want it to be covered?'

'Is it important for me to see a particular doctor?' We kind of discussed… I also always encourage people to calculate what they're currently taking in terms of drugs, figure out if it's a tier one or a tier two, and see what's covered. Depending on the plan, they're not always covered at the extent that you want

them to be. You know, flexibility in terms of doctors and then, of course, am I ready? Am I protected if something unexpected happens? And that's my…that's sort of my…that's the biggest thing that… You know, everyone knows someone that got unexpectedly diagnosed with something or has an issue or think about someone with Alzheimer's. I mean, that stuff is important to plan for.

So, a really easy way to do this… And this is a quick example and a hypothetical just to kind of, you know, funnel through what we talked about today. you can come up with…you know, break it down. Break down your part A, B, D, and G premiums and just figure out how much it's gonna cost you and then do that with your spouse or whomever you're planning with, and it gives you an idea of where the cost could potentially be.

So, in this example, the couple chose to buy plan G and it cost them a little shy of $2,000 for that premium, but then what they had was a benefit like, you know, 'In part B, I didn't have my co-insurance that I had to pay, I didn't have a deductible that I had to pay…' Things like that. In this example, they were paying around $13,000 per year. Per couple, they can multiply that over how many years you think you're gonna, you know, be living. Until 85, 95, whatever the case may be. And then that's how you get your estimate.

So, that's a quick way for you to do that, but I do want to… I know we're running up a little bit on time, so I want to leave some time for Q&A if something up came through. But the way I… you know, I always remind people to kind of compartmentalize and think about… This is the stuff Ralph and I talk about and Jeff and Ralph talk about. You know, think about, 'where am I getting my guaranteed money from?' Is it coming from a pension, a social security check, an annuity…? Those kind of things need to be bucketed together and then that's how I can say, 'Okay, now I know I'm getting X amount of dollars every month and I can pay using that money to something I know is going to be a guaranteed expense for me.' An essential expense, in other words. So, when I say that, I really mean food, shelter, clothing, and then, of course, your healthcare spending. So, what we talked about today. So, once you kind of do that, you can go ahead and look at some of those other income sources like your 401k, your IRA money, things like that, and now we'll go into the fun stuff in life. Hopefully if we've taken care of healthcare, we can enjoy the rest of retirement as best as can be.

So, with the time remaining, I just want to give you a few key dates. As you are all planning, maybe for yourself, maybe you have a friend or someone that's interested in learning a bit more, but one thing they need to learn is that when you turn 65, they give you a seven-month window. So, it's four months before your birthday, your birthday month, and then three months after. And you're tasked with literally signing up or enrolling in Medicare as soon as you can within that seven-month window, because if you don't, unfortunately there are penalties that follow you for the rest of your life. So, that's number one: let's avoid the penalties.

Number two: let's say those of you on this call today have already enrolled in Medicare. Keep in mind if you have part D or part C, starting tomorrow, October 15, going to December 7, there's an enrollment period where you can make changes to your plan and choose a different type of plan, more coverage, less coverage, whatever makes sense. And those are some key dates that you want to keep in mind. And

then lastly, if you are still working… I don't know if anybody in this audience would fall into this category, or maybe you know someone that does, so I'll kind of briefly touch on it. If you're still working, there's a big question about, hey, do I enroll in Medicare? I'm 65 but I still have good coverage from my company. what do I do? All I say is that it really depends on how big that company is. So, if my company is less than 20 employees, you're gonna want to enroll in Medicare part A and B. It's gonna be come your primary coverage, and then whatever your company gives you is additional. It's kind of secondary. If your company is bigger than 20, so, if you work in LPL, if you work at Fidelity, if you work for any of these companies, right? So, if that's the case, then it really is not important for you to enroll in Medicare immediately because you have good coverage and so you don't have to talk to Medicare, you don't have to work with them or anything like that. But as soon as you leave your place of employment, make sure you reach out and you enroll in Medicare. That's gonna be really important. And then if you're not… That's, of course, if you're not collecting a social security check. And if you are, then there's something else you've got to consider. You're gonna automatically get enrolled and you have to opt out, but most people don't fall into that category.

So, I know I threw a lot at everybody. So, I'm looking through to see… I see that there's a poll that you just launched, Ralph.

Ralph: Yep. I put up a new poll for you there. If you go to your Slido and the question is, the 89th Congress which created Medicare, how was it split along party lines? And which party controlled the senate and how strongly did they control it, and then which party controlled the house and how long and how strongly did they hold it. So, we've got one answer in.

So, Marie, while they're playing around with that a little bit, I've been told…or, you said something, if you work for less than 20 employees… an employer of less than 20 people, is it mandatory that you apply for Medicare at age 65 if you're self-employed or in one of those scenarios? Or is it just recommended?

Marie Anne: Yeah, if you want to avoid the penalties, you're gonna want to do that if it's less than 20. That becomes your primary coverage.

Ralph: Okay, so, there's actually penalties… There's penalties in place if you're self-employed or you work for a company with less than 20 employees. There is a penalty in place if you do not… So, apply. Is that correct?

Marie Anne: Correct. Yep.

Ralph: Okay. And you don't know what those penalties might be, I presume.

Marie Anne: They're 10 percent on the month. So, any time that premium jumps up so, you know, $145, let's say was this year's for part B. There's a 10 percent premium that follows. 10 years down the road, that $145 might not be $145. It might be $200. And if it's $200, that 10 percent is gonna be charged on the $200. So, the penalty follows you for life, yeah.

Ralph: So, I will say that this one, you didn't do so well on. We've got five answers and the correct answers were, the senate had a super majority…or the Democrats had super majorities in both the house and the senate. In fact, they had two-thirds of the senate and two-thirds of the house, roughly, when this was passed and you had a Democrat in the White House. So, whatever they wanted to do, they were able to do, and that's how this got put through. So, there you go. Yeah, nobody figured that the house was controlled by a Democratic super majority, but the Democrats during the sixties really had some pretty strong control of government. I'll go back to you, Marie Anne.

Marie Anne: Yeah, I mean, those are my prepared remarks, and I was watching to see if there were questions that came through. So, if folks have any last-minute questions, I'll hang out for another minute or so.

But my last closing comment is, you know, Medicare planning and spending and things like that really unexpectedly can hit us, so huge kudos to everybody for saying, 'Hey, I want to spend an hour or so in this particular video to kind of learn more about it,' because, you know, I just think there's an under education on Medicare out there. So, hopefully, best of luck to everybody. Hopefully this was helpful, and if you have questions…

Ralph: Let me jump in on that. If you have any questions, we had… well, we have a person who's on this call. He's driving right now. But a good friend of mine who is in the Medicare business now. He will be…he's working with us part-time. Rick Boyd is his name and I've known Rick for probably going on 30 years, so he is working in the Medicare field now. And if you have any questions, reach out to us, or you know anybody who's in a situation who has any questions or is interested in talking to somebody that can actually help get them enrolled in one of these plans. Because that's the issue: you've got to get enrolled in a plan. So, we have somebody available to you through Enduring Wealth Advisors that can help you get dialed in on that.

That being said, I want to thank my friends over at Fidelity. Marie Anne especially, but Jeff Lucido who helped make this possible for us. Marie Anne and I talked earlier about possibly doing another one just on social security down the road, so we'll probably do something along those lines. Once again, thank you everyone for joining us this afternoon, and if you have any questions that weren't answered, or you want to reach out to us and you think it's gonna take a little bit of time, you can always… On our website, EnduringWealth.com, there's a link there that you can register for a conversation with an advisor or you can just call us and speak with Mona or Rose to get on our calendars at 951.693.9900.

So, that being said, I'm going to say thank you all for joining us and we'll talk to you next time. Gotta run!