

# MAIN insights

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■ Long Term Care .....	1
■ Medicare Decisions .....	2
■ America's Glue .....	3
■ Personal Notes.....	4

## Our Family's Long-Term Care Saga Continues...



His health was declining rapidly from week to week, month to month. Questions unfolded. What were our options? What are the maximum out-of-pocket costs to add to the budget? Will my mother be able to remain the sole caretaker?

It has been a little over a year since I submitted the claim for services on my father's long-term care insurance policy. Initially, it felt like the left hand didn't know what the right hand was doing when I interacted with the insurance company. I held my breath for days and hoped for the best.

Long-term care insurance carriers send a nurse to the home for an assessment. It only took a few questions being directed to my father to determine his qualification:

*"Sir, how old are you?"* Response: *"I don't remember."*

*"What year is this?"* Response: *"2009."*

*"Can you tell me who the president is?"* Response: *"George Bush."*

Most long-term care policies kick in after the insured is unable to perform two of the six activities of daily living. However, if the insured is deemed to have dementia, this stipulation is overruled. Dad's inability to correctly answer the questions made him eligible for the long-term care benefits immediately.

Being approved for benefits meant the clock began running for the elimination period of six months. I worked with two home health care agencies to provide in-home caregiving to fulfill our obligation to pay for 180 days of care. It took nine months to satisfy our responsibility, and our out-of-pocket costs were approximately \$9,000. For context, this is in the ballpark of one month's cost in a nursing home.

Paying for long-term care is one of many challenges to address. Juggling agencies and caregiving schedules is arguably the most time consuming. I discovered that caregivers are like a revolving door—they come and go quickly. I've hired two agencies because one alone simply didn't have enough workers with scheduling flexibility to accommodate our needs. Caregiving can be physically and mentally exhausting. And it doesn't pay well, which results in frequent job-hopping to something better.



Past generations didn't live into old age as we do now. Ten thousand Baby Boomers reach age 65 each day. By 2035, it is projected the number of individuals over the age of 65 will greatly outnumber those under the age of 18. A shortage of elder care workers is anticipated. Today, we must plan for the cost of care along with the "who" for delivering the care. Families often fail to engage on this discussion, but I'd argue it is one of the most relevant.

It is estimated that someone turning 65 today will have a 70 percent chance of needing some type of long-term care services. The costs associated with long-term care in retirement are reported to exceed \$300,000. Typically, eyes glaze over when I share these statistics, and then eyes roll after I suggest including even half this amount into a financial plan. Nearly everyone feels confident they will be among the 30 percent who beat the odds.

The next step on our family journey is adding more "skilled" care to be delivered in-house. I've also begun exploring nursing home facilities within an easy driving distance for my mother. Nursing homes are like colleges—you don't get to knock on the door with a suitcase in-hand. There is a lengthy enrollment process to be accepted. Luckily, having long-term care insurance affords us myriad options. Contact me if this subject has struck a chord with you.

# IT'S THAT TIME OF YEAR AGAIN —

## Decisions, Decisions, Decisions



The annual Medicare Open Enrollment period runs from Oct. 15 through Dec. 7. This year, millions of Medicare recipients will evaluate their coverage and make changes affecting their health care benefits for 2020. Mailboxes will be filled with solicitations from insurance providers, and the robocalling will accelerate.

The Medicare enrollment period begins three months before your 65th birthday, and extends three months after your birthday. Before buying a Medigap or Medicare Advantage policy, you must first enroll in Medicare Part A and Part B.

There are key differences between Medigap (aka Medicare supplement insurance) and Medicare Advantage plans:

- Medigap benefits generally have higher premiums but may result in lower out-of-pocket expenses. Medicare Advantage plans, however, may provide a broader menu of services.
- Medicare Advantage plans largely limit you to doctors and hospitals within an HMO or PPO and may not cover out-of-network care. This is an important distinction for “snowbirds” who reside in multiple places over the course of a year. Medigap policies can be used anywhere without a referral, as long as the doctor or facility accepts Medicare—this includes specialists, too. Medigap provides coverage in all 50 states.
- Medigap plans can be purchased once you become eligible for Medicare. However, if a Medicare Advantage plan is chosen first, switching to a Medigap plan requires an individual to go through a medical underwriting process and get approved. Premiums could be higher, too.

Medicare Part A covers hospital costs and is free to individuals who paid FICA payroll taxes throughout their careers, and to their spouses. Part B covers doctor and outpatient services. Premiums for Part B are \$135.50 per month in 2019, but are greater for higher-income reporting taxpayers. Medicare Part D is the prescription coverage requiring a separate policy for Medigap policyholders.

Individuals with income exceeding \$85,000, or couples whose income exceeded \$170,000, as reported on the 2017 tax return, pay an additional amount on top of the basic \$135.50 per month in 2019. This is known as the Income-Related Monthly Adjustment Amount (IRMAA). The additional surcharges start at \$189.60 and max out at \$460.50 as reported income increases.

The surcharge for Part D ranges from \$12.40 per month to \$77.40 per month. So, it is possible someone could be assessed a monthly payment of \$673.40. There is some relief for 2020: income thresholds will widen, so it is possible the IRMAA surcharges may be lower for a few beneficiaries.

If Medicare parts A, B and D aren't confusing enough, Medigap offers up to 10 different policies: A, B, C, D, F, G, K, L, M and N. Each policy offers a different menu of benefits and premiums can vary from company to company. Medigap Plans C and F will not be sold to new Medicare beneficiaries in 2020.

Health care and “Medicare-for-All” will be prevailing themes in the upcoming presidential election. The Medicare Trust Fund is heading for insolvency in 2026. Currently, more than 50 percent of the federal budget goes toward covering Medicare and Social Security benefits. There isn't much wiggle room for additional outlays without tax increases. As demonstrated above, Medicare is not free!

### Most of the Federal Budget Goes Toward Defense, Social Security, and Major Health Programs

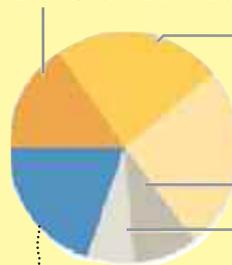
Defense and international security assistance: **15%**

Social Security: **24%**

Medicare, Medicaid, CHIP, and marketplace subsidies: **26%**

Safety net programs: **9%**

Interest on debt: **7%**



Benefits for federal retirees and veterans: **8%**

Transportation infrastructure: **2%**

Education: **3%**

Science and medical research: **2%**

Non-security international: **1%**

All other: **4%**

Source: 2017 figures from the Office of Management and Budget, FY 2019 Historical Tables

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# Thanksgiving – America's Glue

The crinkle of leaves beneath our feet, cornstalks and pumpkins decorating our mailboxes, and crisp mornings all signal Thanksgiving will soon be here. The debate about whether to deep-fry or roast the turkey will ensue. Families will gather, and conversation will abound.

Did you ever stop to question the origin of Thanksgiving? Children dress up as pilgrims and Native Americans to re-enact the first Thanksgiving in school, but is the legend accurate? According to an account by a man named Edward Winslow, a pilgrim feast probably did occur in 1621. But the feast was likely not the revelation for Thanksgiving.

Throughout American history, presidents would declare a day of Thanksgiving, but most celebrations were ad hoc and on a community level. Observances were mostly held toward the end of November and possessed a religious tenor. Through the decades, there was a growing movement for the U.S. to declare Thanksgiving as a federal holiday.

A New Hampshire-born one of the voices lobby-national holiday. She 1860, "Thanksgiving convast empire together, to that makes us feel from sunny South that we are ber of a great and free unit of a remote locality."



writer, Sarah Hale, was ing for Thanksgiving as a wrote in an editorial in tributes to bind us in one quicken the sympathy the icy North to the one family, each a mem-Nation, not merely the

In 1863, right in the mid-ham Lincoln boldly Thanksgiving. President man, encouraged the count their blessings and hoped the day of Thanks-ently and gratefully one heart and one voice

dle of the Civil War, Abra-declared a day of Lincoln, being a religious American people to atone for their sins. He giving would be "rever-acknowledged as with by the whole American

People." Thanksgiving was foundational toward healing the wounds of the nation after the war.

Americans continued to have Thanksgiving gatherings after Lincoln's presidency, but it wasn't until 1941 that President Franklin D. Roosevelt signed a law declaring the fourth Thursday in November as the official federal holiday for commemoration. Despite our country being 243 years old, we've only officially celebrated Thanksgiving for 78 years. How significant that President Roosevelt also found the concept of Thanksgiving important amid another brutal war, World War II.

America has undergone tremendous change since that first official Thanksgiving in 1863. However, we remain a melting pot of culture, religion, ideology, and ethnicity. Thanksgiving is the one holiday that brings everyone together, sharing the same experiences. In an age of disharmony and divide, let's hope Thanksgiving in 2019 will have a similar healing effect as it did in previous periods of conflict.



## Interested in Saving Money?

CardCash.com and CardPool.com offer gift cards for up to 35% off the face value. Gift-getters who don't want their cards sell them through these sites. I, personally, have bought several through CardCash.com so I can attest to the process. You have 45 days to use the card in the stores and online, for a full refund, in the event it turns out to be a "dud." I've had two that were bad, but a refund was promptly given. Customer service was responsive and pleasant to work with. Gift cards for restaurants are generally 20%+ below face. I've made that my baseline for buying. Happy shopping!

# A PERSONAL glimpse



**Darla D. Main, CFP®**  
President and CEO

I planted a few large pots of herbs this summer. They are growing faster than I can clip. They've become the "go to" for my neighbors as well. It hurts me to think they will go to waste, so I purchased a dehydrator that screamed "buy me" off the clearance section of

my grocery store.

Layers of rosemary, thyme, basil and mint lined the racks. The fragrance filled the whole house for hours. Once dry, I used a mortar and pestle to grind them down to a useable form.

I've already used the mint with apple jelly to accompany a yummy rack of lamb. It was a hit. The apple trees are bending with a huge harvest this year, so I may get adventurous.



**Nancy Diel**  
Client Services

The school year started in August, and both my kids headed back within a week of each other.

Abby is a Junior in High School, and still in many activities. She is a Bethette with the Bethel Park High School

marching band, plays the flute in the Symphonic band, and continues her gymnastics. She is also working as a gymnastic instructor this fall. My husband and I go to home football games to cheer on the BP marching band and football team...go Hawks!

Jake is in his third year at Iowa State University for Aerospace Engineering He now has his private pilot's license after passing his flight test a few days before heading back to school!



## TOP 10 FEARS OF 2018

Remember when public speaking was the #1 fear among Americans in most polls? Well, it doesn't even hit the radar according to Chapman University researchers. For the past five years, Chapman University has been conducting research into the fears of everyday Americans. You may be interested in the 2018 results:

1: Corrupt Government Officials	74% Afraid or Very Afraid
2: Pollution of oceans, rivers and lakes	62% Afraid or Very Afraid
3: Pollution of drinking water	61% Afraid or Very Afraid
4: Not having enough money for the future	57% Afraid or Very Afraid
5: People I love becoming seriously ill	57% Afraid or Very Afraid
6: People I love dying	56% Afraid or Very Afraid
7: Air pollution	55% Afraid or Very Afraid
8: Extinction of plant and animal species	54% Afraid or Very Afraid
9: Global warming and climate change	53% Afraid or Very Afraid
10: High medical bills	53% Afraid or Very Afraid