

Common Financial Mistakes

A Five-Part Series on Common Financial Mistakes Made by Pre-Retirees & Retirees

PART FOUR: HEALTHCARE

Healthcare can be quite a maze for those close to or in retirement. This is especially true given the recent changes and increase in costs in healthcare plans. Having a plan on how to tackle healthcare costs throughout retirement is essential. A comprehensive healthcare plan will take into consideration your current healthcare needs and expenses along with careful consideration of the future. This plan should factor in inflation and any future anticipated or unanticipated healthcare needs including end-of-life care.

Common Mistake #4: Absence of a Comprehensive Healthcare Plan

When you visit a doctor for the first time, one of the very first questions they normally ask is your family health history. While it may not be the most comforting conversation to have, it

is important to discuss with your doctor and take into consideration things like a family history of cancer, heart disease, dementia, and so on. Our genetics play a major role in the aging process and will provide vital information needed in developing a personalized healthcare plan.

Upon age 65, the majority of Americans are eligible to sign up for Medicare. It's important to note that if you want to change your Medicare Supplement coverage, you may have to go through the medical underwriting process. There is no guarantee that you will be approved for the coverage you were hoping to switch to. This is why it is so important to plan ahead! If you select a Medicare supplement plan at age 65 which has better benefits, but a higher premium, this may result in future savings if an unexpected healthcare event happens in the future.

Lastly, when it comes to healthcare planning, there is the issue of long-term care. It amazes me how many people think they don't need to plan for long-term care. For those individuals over



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— Roger Ford

the age of 65, 72% of them will need long-term care during their lifetime ranging from 24-hour care in a facility or in-home care for a limited number of hours each week. Today, the average cost of nursing home care is \$225 a day for a semi-private room. That is over \$82,000 a year¹. Not having a plan in place for long-term care could result in your entire life savings being erased and possibly leaving a surviving spouse financially strapped.

It's become a cliché, but not having a plan is truly having a plan to fail. It is important to work with a financial professional who has the resources to help you navigate through decisions on a healthcare plan based on the financial impact a plan might have on your retirement dreams. In my opinion, comprehensive financial planning, including healthcare planning, is a major contributor to success in retirement.

¹<https://longtermcare.acl.gov/costs-how-to-pay/costs-of-care.html>

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