KEEN ON
RETIREMENT

'Tis the Season …
To Review Your Medicare Coverage!

Welcome to Keen on Retirement
With Bill Keen and Steve Sanduski

Steve Sanduski: Hello everybody and welcome back to another episode of Keen On Retirement. I'm your cohost Steve Sanduski, and with me here today, Bill Keen and Matt Wilson. Gentlemen, how are you today?

Bill Keen: We're doing good, Steve, down in our neck of the woods. How are you doing?

Steve Sanduski: Doing very well. I woke up this morning, there was a little bit of that white stuff outside. You know what I'm talking about?

Bill Keen: Well Steve, we don't feel sorry for you at all up there in the Northern Peninsula, north of Green Bay there quite a ways. We had a white Halloween.

Steve Sanduski: Ooh. Yeah.

Bill Keen: Yes we did.

Steve Sanduski: Nice.

Bill Keen: It was somewhat amazing. I know we're going to talk a little bit about October being an interesting year for the economy and the markets, but this year weather-wise we were fighting the snow and ice on Halloween morning.

Steve Sanduski: Wow. Yeah. So, I'm looking outside, it's mostly melted now, but still has some beautiful colors on the trees, and-

Bill Keen: Sure.

Steve Sanduski: Yeah. You kind of foreshadowed here what we want to talk about. Yeah, we just passed October, kind of the spooky month. It has a reputation in the financial markets as being a month where, historically, we've had some negative things happen, and we're going to talk about that. We also celebrated a couple of interesting anniversaries in the month of October that we want to talk about. And then for our main topic today, we want to talk about Medicare, because there's important things that are happening between now and the end of the year as it relates to Medicare. Why don't we start with something spooky about October?

Bill Keen: Does this match this day in history again? Is he pulling that out, or is this something different?

Matt Wilson: Well, how about this October's month in history. We'll go with that.

Steve Sanduski: Okay.

Matt Wilson: There's so many different things that happen in October, and it gets a bad rap. We have anniversaries in October that relate to the crash of '87, Black Monday. The great financial crisis of '08/'09. Well, October was basically the worst month of that whole period. And then, the other anniversary that we just celebrated at the end of October, do you know what that is?

Steve Sanduski: I think I know, Matt.

Matt Wilson: The crash of '29.

Steve Sanduski: October 29th, 1929.

Matt Wilson: Mm-hmm (affirmative), mm-hmm (affirmative). So, October it gets this rap of being a bad month for stocks, and from a seasonal period actually that's not true. There are worse months than the month of October when you look back over a period of time and average out the performance. So, despite all of those anniversaries, and especially ones that we're not fond to celebrate, of course there is perspective to be gained by going through those, October actually ends up being a pretty good month, and October of 2019 was a good month.

Bill Keen: Yes it was. Except for the snow, it was a good month.

Steve Sanduski: Well, some people like the snow though.

Bill Keen: Oh, good point.

Steve Sanduski: Like us northerners.

Bill Keen: Right. Well, it's interesting because over my call it close to 30 years now in the industry, I've seen these different strategies come and go from prognosticators, and there's been some over the course of the years it would say be totally invested throughout the year except for one or two months a year. I've actually seen things like that be employed. People trying to time the market, and get out for the month of October, and out for the month of June, or something that-

Matt Wilson: Or what do they say? Sell in May and go away.

Bill Keen: Oh, sure. Sell in May and go away ... Until when? Go away until when? Well, a lot of people go away then forever they're just out.

Matt Wilson: They never think about it again, yeah.

Bill Keen: They're waiting for the market to calm down, which it never actually calms down. There will never be a time that you think, oh wow, the market has calmed down now. I think it's time to get back in. So, those are fool's errands,.

Matt Wilson: Well, I have another interesting October 29th anniversary, and that is October 29th, 1969. Do either of you gentlemen know what that might be? 50 years ago.

Steve Sanduski: Well, it was after the moon landing, so it's not that.

Bill Keen: Yeah.

Matt Wilson: Yes. It was after I was born. This is not what I'm going for.

Steve Sanduski: Okay. Was it the ultimate ... the rock concert out in was it somewhere in California?

Matt Wilson: Okay. You guys are off. Way off. Good. I've stumped you. It was the day the ARPANET, the stone age of the internet, went live 50 years ago. The very first successful message on the ARPANET was sent by a UCLA student programmer, Charlie Klein, at 10:30 PM Pacific time, whereupon the system crashed. So, which leads us to what we see today when our systems freeze up. But actually, not before I think life as we knew it, maybe we didn't realize it then, but life as we knew it changed with productivity and communication. So, interesting to see the journey we've been on in the last 50 years since that first message was sent on this thing called the ARPANET. But I think we've come a long way, haven't we?

Steve Sanduski: Well, and it's interesting when you think about it. So, if that started in 1969, it wasn't until really 1995, '96 when we had the first commercial browser so that people could actually start accessing the internet, like the Mosaic browser or Netscape browser back in the mid-1990s. So yeah, it took up what, about 25 years, 26 years before that first email or message essentially became commercialized into the internet that we know and love today?

Bill Keen: No, of course.

Matt Wilson: That's right. And I think it was mostly a product of the military industrial complex, and governmental work that was being done. But to your point, Steve, it took it several decades to get into kind of the mass consumer if you will.

Steve Sanduski: Yeah. So, little did they know what they started back in 1969, and what it's turned into today. So, just amazing where technology can lead.

Bill Keen: It is. It is.

Matt Wilson: Just to be able to do a podcast-

Steve Sanduski: That's right.

Matt Wilson: ... with you being in Milwaukee and Matt and I here in Overland Park, Kansas, and listeners from all over the world.

Steve Sanduski: That's right, yeah.

Matt Wilson: Pretty cool.

Steve Sanduski: Yeah.

Bill Keen: Yeah.

Steve Sanduski: Well Hey, well let's jump into the financial aspect of today's conversation, which is Medicare. So, what's happening here? We're talking November, December 2019. What's happening at this point in time that makes Medicare something we should be talking about today?

Matt Wilson: Well now, we are in what I call Medicare season, and this is the time of year where everyone gets their mailboxes stuffed with mailers-

Bill Keen: Just like hunting season, Matt?

Matt Wilson: It is, yeah. I call it Medicare season. And people, we get questions on this, well why do I get so much mail about Medicare at this time of the year? And the reason is is because it is now what Medicare defines as the open enrollment period. So, this is the period where you can change your plans. But the type of mail that you're going to get is there's a lot of different things that you're going to get in the mail, and some of it you shouldn't ignore. A lot of it's junk, and some of it is actual scams.

Steve Sanduski: Oh, I got a question for you. So, if this is Medicare season, and you're getting stuff in the mail, is there a Hallmark card for Medicare season?

Matt Wilson: Well, there might be.

Bill Keen: You know, they are headquartered here in Kansas City, Steve. Is that why you're asking us?

Steve Sanduski: I know. That's why I said that, yeah.

Bill Keen: Okay.

Matt Wilson: Yeah, yeah. You get a nice Hallmark card from your Medicare agent maybe.

Steve Sanduski: There you go.

Bill Keen: Right.

Matt Wilson: Yeah. You'll get mail from insurance companies. They're just notifying you of their plan and why you think you should join their plan, but you will possibly get mail that is scam. They're trying to rip your Medicare card somehow by making you call a number and giving them information. But you also get mail from the Social Security administration, and you'll get mail from the Center for Medicare and Medicaid services. So, those are things you don't want to ignore.

The Social Security administration, they're going to send you notifications on if you're subject to what we call the Erma surcharge. So, that is when you have to pay more for your Medicare premium because you have more income, and when your income goes up, your Medicare premium goes up. And so, they're going to tell you what that is towards the fourth quarter of the year when they mail out those notices. And then Medicare, the Centers for Medicare and Medicaid services, so CMS, they'll send out booklets on different changes to Medicare too, that you need to be paying attention to. So, there is a lot going on, and it can be very overwhelming.

And actually, the booklet that Medicare puts out, it's 120 pages.

Bill Keen: Easy read.

Matt Wilson: Yeah. Of a very simple topic like healthcare, too.

Steve Sanduski: Is there a Cliff Notes version?

Matt Wilson: They do have a good website, Medicare.gov is a good website. They do the best that they can into narrowing it down into different topics, and to putting little pamphlets out on specific things like part A plans, and part B plans, and things like that to really narrow down if there's a question you want to get answered, here's where the information is.

So, I would say they do the best they can, but they do provide access to representatives that will help you with your Medicare if you do have questions. And it's all on the website. They lay it all out there, which is great.

But during this enrollment period, so that starts October 15th, and it runs through December 7th, and it is a very busy time for Medicare. And it's when people can make changes to their Medicare policies. And there's several different things that can happen, but the most common ones are when people, they change from a traditional Medigap policy over to a Medicare Advantage plan, or vice versa. You can do that during this period. If you have a Medicare Advantage plan, you can change the plan. If you have prescription drug coverage, part D, you can change the plan then, or if you don't even have it, you can join one or drop it. So, that's during this window right now.

And so, for folks that are on Medicare, this is a time that we always recommend to do your analysis and reviews to make sure there isn't something that you should be changing.

Bill Keen: How do you recommend they go about doing that, Matt? I know we have several consultants that we've utilized over time, but folks can do this on their own if they have the stomach for it as well.

Matt Wilson: That's right.

Bill Keen: Or do it kind of both ways I guess.

Matt Wilson: That's right, yeah. We do recommend some independent agents that we have relationships with for folks that are in the local area. If you're not local, go seek out an independent agent, so a broker they call that that can cover all the different choices. Because it may not be best for you to just go talk to the Humana person, or the United Healthcare person. Not to say there's anything wrong with those plans, but they're just limited to what that company offers. Where brokers have a little bit more flexibility.

If you do want to start doing some analysis yourself, Medicare.gov. Again the website, they do have a tool to help you walk through that. And if you're already on a Medicare plan, and you don't want to make any changes, the one thing that you should review on an annual basis is the drug coverage, the part D. And that is because formularies can change. So, that is what the insurance company, what they will cover and what tier it's in. So, you might have a prescription that you're taking that is very low cost today, but they changed something, and it's going to cost you a lot. And if you don't do anything, if you're not aware of that, come January one, you're stuck now with that plan and that higher cost until next year when you can make the change. So, it is very important to look at that.

And your part D provider, they're going to send you a big booklet as well with all of these details, and that's not always the easiest thing to read and get through. So again, seek out an agent or go online. You can plug in your plans, you can plug in your prescriptions, too, and they'll tell you what the costs are and what your expected costs are in addition to looking at your pharmacy. Because people don't realize it, pharmacies have different copay amounts, different co-insurance amounts. You might think Walmart's the cheapest one out there, and that's not always the case.

Bill Keen: Right. We've had people switch pharmacies throughout the years, not insurance companies, or maybe, but also just pharmacies.

Matt Wilson: Yeah, yeah.

Bill Keen: Who would think to brief that and review those things?

Matt Wilson: Which saves them money. Everything else is the same, but your copays last, your co-insurance lasts by going to CVS versus Walgreens or what have you. So, that is very important to look at as well on an annual basis.

So, that's why we talk about Medicare, and I think this time of year gets a lot more questions around Medicare because of these enrollment periods, and these notices that they're getting in the mail. I think we've got a list of some common questions that we receive throughout the year.

Steve Sanduski: Yeah. Well, let me go through the list here. So, the first one is when should I sign up for Medicare?

Matt Wilson: Well, you're eligible at age 65. Now, there is exceptions to that. If you are on Social Security disability, it's possible that you would be eligible earlier than age 65. But if you're 65 and you're on Social Security, they automatically sign you up for part A and part B.

And so, that's something to be aware of because they will send you the card in the mail unless you decline it, unless you say I don't want the coverage. And the reasons that you may not want that coverage is because one, you could still be working and have coverage, or your spouse might be working and they have coverage, and you're on their plan. So, you don't have to sign up at age 65 if those things apply to you. So, that's something to be aware of.

Steve Sanduski: So, if I take Social Security at age 63, it's not automatic that I get Medicare, right? Do I have to be 65 before I'm eligible, even if I take Social Security early?

Matt Wilson: That's correct. That's correct, yeah. Social Security, Medicare, kind of separate ages there. But Medicare doesn't start until age 65 no matter when you start your Social Security.

Steve Sanduski: Okay, good.

Matt Wilson: Mm-hmm (affirmative). And then, when you think about signing up, they have a window. So, this is a different enrollment period. So once you become eligible, your enrollment period for eligibility begins three months before your 65th birthday. It includes the month of your birthday, and then three months after your 65th birthday. That's your window. So, it's a seven-month time span, and that is when if you are going to sign up for Medicare, that is when you want to sign up for it. Because if you don't, you're subject to a penalty for the rest of your life.

Steve Sanduski: That sounds pretty harsh. What's the penalty?

Matt Wilson: It is 10% of additional premiums forever.

Steve Sanduski: Oh, wow. That is significant.

Matt Wilson: Yeah. And that's per year, too. So, every year you forget, they just keep adding onto that.

Bill Keen: Have we figured out the logic behind why they would penalize you for the rest of your life? Maybe that's for another episode?

Matt Wilson: We could see if we can get the government to answer that question, but I guess want you on Medicare. Yeah. And so, that is when ... That's the traditional eligibility.

Now, they have another eligibility window called the special enrollment period, and that would apply to those that are working past age 65, or are on their spouses health insurance past age 65. Because if you have those two things, you don't have to sign up for Medicare. So, once that coverage stops, either because you retired or your spouse retired or lost coverage, then you have an eight month window from that point to when you need to sign up and avoid the penalty. So, they give you some flexibility. We've never had an issue with somebody not being able to get signed up, and make decisions, and review all their choices before their window runs out. That's never been a problem.

Bill Keen: Because we have a checklist driven process for this. This would be impossible to follow.

Matt Wilson: Well, that is correct, too. That is correct.

Bill Keen: I'm already confused and I work in this area with the ... Created some of the checklists, and realizing how complicated it is today.

Matt Wilson: It is.

Steve Sanduski: So let me ask you this, so let's say I am 66, I'm still working, and I heard you say that you can decline Medicare at age 65 if you're still working and you have insurance let's say through your company. Well, when I turned 65, do I need to notify Medicare that, "Hey, I'm not going to sign up because I'm still working. I've got my own insurance coverage, so don't penalize me if I'm 67 when I finally come in and say I might want to sign up now." Do you have to notify them, or is it okay as long as you're still working, and then when you quit working, then you go sign up for Medicare and say, "Hey, the reason why I didn't sign up when I was 65 is because I've been on my company plan for the last two years."

Matt Wilson: Great question, Steve. You don't need to tell them that you're not signing up because you have coverage. They might ask you for proof, and you can get that notification from your employer that says, "Hey, I have coverage." And so, if they ever do ask you, you can get that information. So that when you do sign up, because you're 67 now and you've retired, they're not going to assess any penalties. That's a very easy thing to do. It's not complicated. Nothing that is hard for people to get that documentation from their employer that they've had coverage.

Steve Sanduski: Okay, good.

Matt Wilson: Yeah.

Steve Sanduski: Now, you also made some comments here about your spouse, so I want to make sure we're not confused here about you're married, you have a spouse, and one's working, maybe one's ... What are some of the different nuances we need to think about if we have a spouse, and timing of different things, and spouses are different ages. How does that all work?

Matt Wilson: Yeah. This is where we kind of look at it in different quadrants. You've got one spouse working, one does not, both spouse working, or vice versa.

So, when you have one spouse working, the non-working spouse, they would be on the working spouse's insurance. And once they become eligible, let's say ... To use your example, Steve, you're going to retire at 67, but your wife might only be 62. And she would not be eligible for Medicare. So at age 67, you have to make a decision. One question to ask yourself, and this is a very common question, something that we walk our folks through is does my employer offer health insurance to retirees that I can continue post retirement until my spouse becomes age 65.

Bill Keen: Right.

Matt Wilson: So, you're with me on that? Because that's kind of a little nuance there, yeah. Because if you can't, what would happen is, Steve, you would go on Medicare at age 65. Your wife could continue Cobra for 18 months. You'd pay full premium. It's actually 102%, so you have a little bit extra cost you have to pay, but you have to pay the entire amount, and you have that for 18 months. If you don't want to pay that Cobra or after the 18 months is up and you're not 65, well now you have to go to the healthcare exchanges and get coverage that way.

Bill Keen: Or get just other private insurance.

Matt Wilson: That's right. And the exchanges are, for the most part, some of the only options, but yes, there is a little ... Some other things, healthcare sharing plans and things like that aren't quite insurance, but there are some options. But it's all about bridging that gap to age 65.

Now for a lot of people that we work with, and I think we've seen this in some of the larger companies, especially around Kansas City, but even across the country, is that they are allowing their retirees to stay on their health insurance plan post retirement until them or their spouse is age 65 and eligible for Medicare.

Now, they have to pay the entire premium. It's not cheap. It's just something that needs to be budgeted for and accounted for in the financial plan, in the budget for retirement, but companies are allowing people to do that, which is a nice benefit I believe. Even though it is expensive, it is nice to know that I can continue my coverage I'm familiar with, and not have to go seek out something new.

Bill Keen: It's important that you get that very clarified, and get that in writing from your employer. That's something that we do at Keen Wealth where we'll get on the phone with our clients and do a conference call with the HR or the benefits department of those companies just to make sure that everybody's on the same page and it's in writing. So, a good financial advisor would make sure and do that. So, I think that's an important thing to point out. And again, get things in writing as well.

Matt Wilson: Yeah. That and more so on the Medicare side, if you're not sure on your coverage, and you want to make sure that you're not going to be subject to a penalty, like to your earlier question, Steve, and you talk to Medicare directly, you need to document that conversation, document the person's name that you spoke to. Because if they told you you're not subject to a penalty and they were incorrect, well now you have documentation that Medicare gave you false information, and at least you have something to fall back on versus hey, that's what they told me, but I don't really have proof of it type of situation.

Steve Sanduski: Yep. Okay. How about how much does Medicare cost?

Matt Wilson: Mm-hmm (affirmative). Yeah, this is an interesting question because there are different components to Medicare. So, to add to more of the complexity around different rules and enrollment periods, there's also different parts. So, part A is the hospital coverage, and they like to tell you that that is free. Now, I would argue that it's not free, they just don't charge a premium for it.

Bill Keen: I think we've been paying into the FICA program for our entire career, right? So, I would not consider that free.

Matt Wilson: That's right.

Bill Keen: Anyway, proceed.

Matt Wilson: No. I mean, it is an interesting use of words that the government uses when they say part A is free. So, there is no premium associated with part A. So, you sign up for part A, you don't have any cost. Part B in 2019. That is $135.50 per person, for just the standard part B. And that covers 80% of your health insurance costs.

Steve Sanduski: So, you say it covers 80% of the health costs, so like if I go see the doctor and they charge me $200 for a visit, they get 80% of that, or if I have a surgery or something, that's all ... Well actually, the surgery would be under part A, right? Because that would be a hospital coverage.

Matt Wilson: That's right. There'll be some components that are shared in that situation, but part B is going to be the primary coverage for you for most of your bills that you're going to see.

So, it covers 80%, so everyone, we don't have any person that doesn't do this, gets a policy to cover the other 20%, and that is now another level of complexity because there's two different types of policies that you can get. You can get what's called a Medigap policy ...

Bill Keen: Which is called original Medicare or several different things, yes?

Matt Wilson: Yeah. Traditional Medicare, Medicare supplement. They have a lot of different names. But then, you could also go the route of what's called a Medicare Advantage plan. And there's pros and cons, there's trade offs to each, but typically you'll see the Medigap policy. We'll see premiums range from 100 to $200 per person for their premium for that 20%.

Now, that pretty much covers all of their out of pocket. Now, there's different plans that you can select on Medigap policy. It ranges basically from A to N. Not every letter's represented, but there's all these different plans, too. Again, more complexity. The advantage plan doesn't have that. They don't have all these different A through N like Medigap does. They just basically have a very standardized plan that is run by the federal government. And so advantage plans-

Bill Keen: Which includes-

Matt Wilson: Go ahead.

Bill Keen: Also includes the part D prescription drug coverage as well. Is that correct?

Matt Wilson: Well, it can. It doesn't have to. So, a lot of times you'll see advantage plans wrap in part A, part B, and part D all under one point of service. You'll see that. That's very common, but you don't have to wrap in part D essentially. You can do that separate if you have other coverage, or you don't like what that advantage plan offers.

There is typically no premium for those Medicare Advantage plans. Now, that doesn't mean there's no expenses and no costs. The insurance company and the government, they're billing and trading off costs. You just don't pay an additional premium in most cases over and above the $135.50 if you're to select Medicare in 2019.

Now, a lot of people might say, "Well, why would I ever pay the Medigap coverage? Why would I pay for that? Because I could get advantage for free." Well, on the Medigap plans, typically you don't have out of pocket expenses, so when you go see the doctor there are zero to very little copays. So, you really don't have much out of pocket. And you also have, I would say, a little bit more open arrangement with healthcare providers, not only locally but across the country. So, you have the ability to go anywhere that accepts Medicare.

Steve Sanduski: So, just to make sure I understand, you said Medicare Advantage, you do not pay any additional premium above that $135.50, right?

Matt Wilson: Most likely.

Steve Sanduski: Most likely, yeah. But then, and what does the Medicare Advantage cover? Does that cover that 20% copay?

Matt Wilson: So, it does. It does. You just might have doctor copays. Hospital visits. You might have a little bit more copays, whereas the Medigap you may not have. But really, the bigger difference is you're subject now to the network that you select within the Medicare Advantage policy.

Steve Sanduski: Okay. And what's more popular in your experience? Is it people getting the Medicare Advantage, or the Medigap type program?

Matt Wilson: Well, I have two answers to that. So, across-

Steve Sanduski: It depends.

Matt Wilson: ... the country Medicare Advantage is more popular.

Steve Sanduski: By a big margin? Small?

Matt Wilson: Yeah. Last data I saw, which is it's probably different today, but I don't think it's probably much different. It's about 75% of people select Medicare Advantage.

Steve Sanduski: And because it's free I suppose.

Matt Wilson: So then to answer the second piece of your question now, locally with our clients, it's about a 50/50 mix between Medigap and Medicare Advantage. Because we have some clients that like having that flexibility. They understand they might have to pay a little bit more for that, and that's okay with them. That's just part of the plan and part of the budget, and it makes a lot of sense.

And others, they're very comfortable with the network, and they select the Medicare Advantage because they like the cost structure, they like the network. And in addition to that, Medicare Advantage has some other perks that people like, like gym memberships. There's a Silver Sneakers program they call it, and Medicare Advantage typically pays for that for most people.

So, I could see why they're more popular and why people select those. It's just understanding what the tradeoffs are. You might not be able to go to a specialist that's not in the network. It's not to say you can't go there, it's just you're going to pay an out of network cost, which is going to be higher than an in-network cost.

Steve Sanduski: So, a lot of people in their 60s and 70s like to travel overseas. So, is there any benefit to either one of those plans, Medicare Advantage, Medigap, if I'm in Europe and I become ill? What are the issues there?

Matt Wilson: So, what I've learned from the agents over the years is that they're pretty close between Medigap and Medicare Advantage in terms of the coverage when you are traveling overseas. It's more so if you're traveling abroad and you do get an illness, they're going to cover some basic insurance I think until you get back over here to the US. That's really what they're trying to do. It's not for somebody who's living abroad and expecting Medicare to pay for that while they're just overseas.

So from that standpoint, very similar and no issues. And one of the comments that a broker brought up one time, which is interesting, is that while a lot of countries outside of the US have kind of socialized medicine, so they said it's not that expensive a lot of times, too, if you did have to pay a bill.

Steve Sanduski: Okay. Yeah. Well, good to know.

Matt Wilson: Yeah.

Steve Sanduski: Well, great. Well, anything else that either one of you want to add on this topic here of Medicare?

Matt Wilson: The one last piece on that. So, I talked about the A, the B, and then the last one is the part D, which is the drug coverage. And on average, we see premiums around $40 a month. That's nationwide. Now in my meetings with clients, it's between 20 and 40 a month on the part D just for that policy. And then, you're going to have your copays for your drugs and things like that.

So, just when you kind of start to add all those numbers up, it's not an outrageous sum. It's very comprehensive coverage, and your out-of-pockets are kept. You do have very low deductibles, which is good, but you are looking on the high side at 350, $400 a month per person for health insurance in retirement. And it is actually one of the biggest concerns that people bring up when they are planning for retirement is health insurance and how do I pay for it.

Bill Keen: A corollary to that as well, when we're running our financial projections and models for someone's retirement life, we typically run the inflation rate for those costs at about twice the rate that we run their other expenditures. So, that's something to be at least conscious of. As we look out over what a cashflow needs to be for a client over a 25- or 30-year period, the healthcare becomes more as a percentage as time goes on because of that higher inflation rate that we're putting into the plan. Which has actually been the way it's worked for the last 10 years or so, hasn't it?

Matt Wilson: It is. That's based on history plus the projections that we're receiving from Medicare directly when they talk about what they expect healthcare and the premium to look like. So, we talked about what the premiums were in 2019, $135.50. Now, they have not announced them yet for 2020, but I did read an article that said they are anticipating them to increase to $144 in 2020.

Bill Keen: That's a little bit of an increase, isn't it?

Matt Wilson: And percentage wise, that definitely is. Now, they have these kind of hold harmless provisions. So, not everyone's just bumps up to that. So, there's little nuances that everyone is going to be subject to. So, your Medicare may not go up nearly as much just because that's what the new rate goes up to because it's based on Social Security and other things, so something to be aware of. But new people that are signing up in 2020, they would pay that projected rate at this point.

Bill Keen: We hear this a lot, too, and some of you listeners may have experienced this, you get the Social Security COLA announcement, and you hear that, oh, Social Security went up by a certain amount year over year, and you get your first Social Security check, and it's less of a deposit into your account, and you think, wait a second, what happened to my cost of living adjustment? Well, Medicare went up more than Social Security went up. And for most folks, their Medicare premiums are coming out of their Social Security check. So, that can be confusing and frustrating to folks as well when that ratio and formula works that way.

Steve Sanduski: Excellent. All right guys. Well, great information. Very important information and very timely as this is Medicare season as you mentioned, Matt. So, appreciate you guys sharing that.

Any final words from you, Bill, as we wrap up here, today's conversation?

Bill Keen: I think our discussion today really speaks to kind of a theme of our firm here, and our theme of all of our educational podcasts, and even the theme of the recent book that I released, Keen On Retirement: Engineering the Second Half of Your Life, and that is you have to get out ahead of these things. You can't be caught flat footed, you can't be caught behind the eight-ball looking back, saying, oh, I wish I would have done something to make a decision, or to get some information and education. It's all about getting out in front of these issues.

This is one, very focused today on healthcare, one of the biggest concerns of all the clients, and folks, and friends we talk to healthcare in retirement, but making sure that all the ducks are in a row, and being very proactive as opposed to reactive when it comes to these things. And it can really, in a world that is a lot of things we cannot control, these decisions are things that we can get out ahead of and make sure that we're thinking of each year for our families, and making the right decisions, being educated consumers, and not being caught off guard. And that's kind of a theme I think we wanted to bring to this show today was just do the homework, roll up your sleeves, and if it's daunting and overwhelming, don't hesitate to reach out to your financial professional, reach out to us, or certainly loop in a Medicare specialist that understands these things as well as part of the team, and and get these things handled, and know that you've done the best that you could with what there is to work with.

Steve Sanduski: Excellent. And for all the details, the show notes, you can go to KeenOnRetirement.com, that's K-E-E-N-O-N Retirement.com. And guys, thank you, and we'll look forward to the next episode of Keen On Retirement.

Bill Keen: Excellent. Thank you, Steve. Thank you, Matt.

Matt Wilson: Yes. Thank you.