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5 Suggestions for Individuals to Reduce their Retiree Healthcare



According to Fidelity's annual retiree healthcare cost estimate, couples retiring at 65 should plan to spend about \$220,000 on healthcare during their retirement. While to many this is a shocking figure, individuals approaching retirement should consider the strategies below to reduce these costs.

Contribute to a tax-free retirement health care savings. Tax free funds you have accumulated throughout your lifetime can pay medical expenses such as Medicare Part B and Part D deductibles, coinsurance and premiums, long-term-care expenses, co-payments, and other Out of Pocket (OOP) health care costs.

Become a better health care shopper. Choose location wisely when it is time to visit your doctor or have a procedure done.

- Selecting a stand-alone radiology center over the hospital for x-rays can save money on deductibles and co-payments.
- The same can be said for utilizing an urgent-care clinic rather than emergency room or an outpatient surgery center rather than the hospital.

Reduce prescription-drug costs.

- Switching from a brand drug to a generic will result in savings.
- There are prescriptions by mail order programs that offer a discount.
- Evaluate your Medicare Part D plan to see if there are other Part D options with lower OOP costs.

Check your Medicare supplement policy. Most Medicare members pay deductibles, co-payments and other gaps in Medicare with a Medicare Supplement policy Plan F. New policies such as Plan N, have lower premiums in exchange for higher OOP costs. Be sure to evaluate what supplement plan best fits your needs from a health perspective as well as a financial perspective.

Educate yourself and plan for the cost of long-term-care. National medial rates for long term care are as follows.

- \$87,600 per year for a private room in a nursing home.
- \$45,000 per year for a home-health aid (\$20 per hour, 44 hours per week).
- \$42,000 per year for an assisted-living.

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