



# HEALTH INSURANCE IN RETIREMENT

Running out of money pales in comparison to running out of family, friends, good health, and time. —Robert Laura\*

## LEARN

Retirement is a milestone that most people look forward to their whole lives. But it also comes at a time when your health may start to decline. Often the biggest expense retired people face is for health care. A good insurance plan can help to ease the financial burden and keep you healthier for longer.

### How much health coverage do I need?

According to Fidelity, the average couple will need

# \$285,000

IN TODAY'S DOLLARS

for medical expenses in retirement, excluding long-term care.\*\*

### What options do I have?

Your DMBA-participating employer may offer post-retirement medical plans to you and your eligible family members.

#### HOW TO QUALIFY

# 10

YEARS

fulltime service

# &

work past age

# 55

OR 60

depending on your hire date

If you do not qualify for a DMBA medical plan in retirement, you may be able to find affordable, or even subsidized, coverage from other sources.

### What about Medicare?

You can enroll in Medicare beginning three months before the month of your 65<sup>th</sup> birthday. However, most retirees need additional health insurance, known as a Medicare supplement plan.\*\*\*

## DO

### Compare commercial insurance providers

Local providers and national carriers may be good options to consider if you do not qualify for a DMBA medical plan. Choose a reputable company with a history of financial stability. If you don't recognize the name of a company, it's likely it has not been in business long. Compare premium costs, covered services, and deductibles.

### Consider how to balance premium and deductible payments

If the monthly premium is low, you may end up paying more for your care with a high deductible and out-of-pocket maximum. Typically, high premiums mean a lower deductible. You may want to look for moderate premiums, deductibles, and out-of-pocket maximums in the middle ground between the two.

### Schedule an appointment

DMBA financial planners are available to coach you if needed. Contact them at 801-578-5600 or 800-777-3622.



### Resources

#### IMPORTANT TERMS

**Covered services:** Specific health benefits included in a plan, such as exams, tests, treatments, and supplies.

**Deductible:** An annual amount the participant pays for covered services before insurance begins paying.

**Out-of-pocket maximum:** The most a participant has to pay for covered services in a plan year, after which the health plan pays 100%. Does not include monthly premiums or services the plan doesn't cover.

**Premium:** The payment for health insurance, typically charged monthly.

#### INSURANCE PROVIDERS

- SelectHealth (Intermountain West)
- Kaiser Permanente
- Blue Cross Blue Shield
- UnitedHealthcare
- Aetna
- Federal options for health plans and subsidies

\* Robert Laura, "7 of the Best Retirement Quotes to Get You To and Through it," Forbes, May 26, 2017, <https://www.forbes.com/sites/robertlaura/2017/05/26/7-of-the-best-retirement-quotes-to-get-you-to-and-through-it>.

\*\* "How to plan for rising health care costs," Fidelity Viewpoints (blog), Fidelity Investments website, April 1, 2019, <https://www.fidelity.com/viewpoints/personal-finance/plan-for-rising-health-care-costs>.

\*\*\* "What's Medicare Supplement Insurance (Medigap)?" Medicare website, accessed February 27, 2020, <https://www.medicare.gov/supplements-other-insurance/whats-medicare-supplement-insurance-medigap>.

*This information is provided as a service to help you make informed decisions. Nothing in this information should be considered legal, financial, or investment advice. We provide links to websites that contain information that may be useful or interesting to you. We do not endorse, and are not responsible for, the content of these third parties.*

