

Retirement Health Care Costs: What You Should Know

Keep In Mind...

- **Health care costs increase 4.9% on average each year.** If you are on an employer-sponsored health plan, you know premiums can rise sharply. Unfortunately, retirement health care costs are no different
- **Costs are in future dollars.** Over time, inflation reduces the value of the dollar, so when you're at Medicare age, you will not perceive these costs to be as high as you do right now
- A healthy 65-year-old couple will need just over \$600,000 to cover health-care expenses, including Medicare Parts B and D.¹
- Over a third of US adults are more concerned about covering health costs in retirement than paying off debt and affording lifestyle expenses.²

Health Care Cost Drivers



Current Age



Gender



Health Conditions



Residency



Income

Retirement Health Care Breakdown

Medicare

Private

Other

Medicare		Private		Other
Medicare Part A <ul style="list-style-type: none"> • Hospitalization • No premiums for most people with Medicare 	Medicare Part B <ul style="list-style-type: none"> • Doctor Visits & Tests • Standard premium: \$144.60³ 	Medicare Part D <ul style="list-style-type: none"> • Prescription Drugs • Varies by State • (Avg \$54/month) 	Supplemental Insurance <ul style="list-style-type: none"> • Doctor Visits & Tests • Varies by State, Plan and Coverage 	Out-of-Pocket Expense <ul style="list-style-type: none"> • Copays, Deductibles, etc. • Varies based on need

Anticipated Average Monthly Health Care Costs in Retirement⁴

Healthy 30-Year-Old Male (Includes Medicare Surcharge)			Healthy 50-Year-Old Male (Includes Medicare Surcharge)		
Hawaii	Michigan	Louisiana	Hawaii	Michigan	Louisiana
\$5,228	\$5,677	\$6,040	\$1,944	\$2,134	\$2,273

¹ HealthView Services, 2019 Retirement Healthcare Costs Brief. ² BusinessInsider.com, 4 healthcare costs in retirement no one warns you about, <https://www.businessinsider.com/personal-finance/healthcare-in-retirement-overlooked-costs-medicare-2019-4>. ³ (or higher depending on your income). Late enrollment penalties may apply. ⁴ Calculated by HealthView Services using the following assumptions: Life Expectancy- 87; Retirement Age- 67; Assumed Annual MAGI for Surcharge Example - 2nd Income Bracket; Premium Coverage- Medicare Part A (no cost in retirement), Medicare Part B, Medicare Part D, Supplemental Insurance; Out-Of-Pocket Coverage- Hospitalization, Doctors, Tests, Prescription Drugs; Cost Projections- Future Value.