

Retirement Health Care Costs: What You Should Know

Keep In Mind...

- **Health care costs increase 6.1% 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 around \$690,000 to cover health-care expenses, including Medicare Parts B and D.¹
- Pre-retirees age 50+ cite healthcare costs as their top money-related retirement concern, ahead of inflation and paying off debt.²

Health Care Cost Drivers



Current Age



Gender



Health Conditions



Residency



Income

Retirement Health Care Breakdown

Medicare

Private

Other

<p>Medicare Part A</p> <ul style="list-style-type: none"> • Hospitalization • No premiums for most people with Medicare 	<p>Medicare Part B</p> <ul style="list-style-type: none"> • Doctor Visits & Tests • Standard premium: \$170.10³ 	<p>Medicare Part D</p> <ul style="list-style-type: none"> • Prescription Drugs • Varies by State • (Avg \$59/month) 	<p>Supplemental Insurance</p> <ul style="list-style-type: none"> • Doctor Visits & Tests • Varies by State, Plan and Coverage 	<p>Out-of-Pocket Expense</p> <ul style="list-style-type: none"> • Copays, Deductibles, etc. • Varies based on need
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Anticipated Average Monthly Health Care Costs in Retirement ⁴

Healthy 30-Year-Old Male (Includes Medicare Surcharge)			Healthy 50-Year-Old Male (Includes Medicare Surcharge)		
Hawaii	Michigan	Louisiana	Hawaii	Michigan	Louisiana
\$1,341	\$1,450	\$1,524	\$804	\$890	\$949

¹ HealthView Services data. ² The Motley Fool, *This Is Pre-Retirees' Top Retirement Concern*, <https://www.fool.com/retirement/2021/06/17/this-is-pre-retirees-top-retirement-concern/>. 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- Net Present Value.