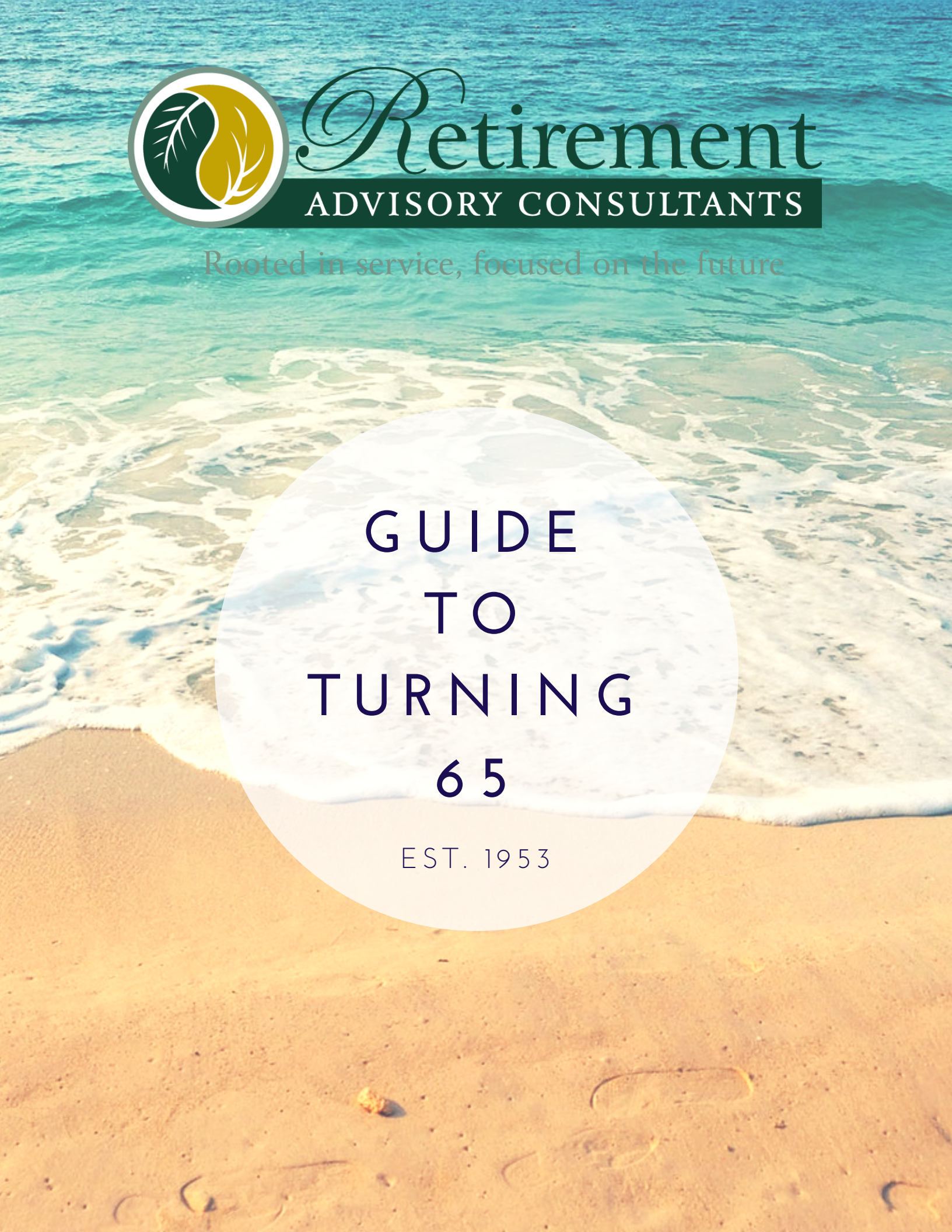
Retirement
ADVISORY CONSULTANTS
Rooted in service, focused on the future
GUIDE
TO
TURNING
65
EST. 1953

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Introduction

Retirement Advisory Consultants was compelled to compile this annual Guide to Turning 65 after seeing a need in the community. While Medicare is the most talked about benefit of reaching the big 65, there are a host of other benefits that are often get buried or aren't advertised. Homestead property tax exemptions often increase at the age of 65. Those locked out of Medicaid in the state of Florida now have a chance to participate.

Sometimes we meet with Medicare beneficiaries who can't afford their Medicare premiums. What happens next, and where can they turn for assistance? Many people feel as if there is no help for them, which simply isn't true. We hope to spell out the next steps in this book, as well.

So much information and importance is impressed upon this one birthday. Beyond the endless supply of postcard and mail one receives gearing up to it, where is the information that will empower YOU to make the right decisions for yourself?

In an effort to present this information with full transparency, here is a little about us. Retirement Advisory Consultants is a financial planning and insurance agency located in New Port Richey, FL. We've been serving the community for over 15 years, and hope to serve as an impartial guide as you are navigating all of the options and opportunities laid before you.

Please keep this guide as a reference point and know that if at any time you need further information or help, we are always available to assist you.

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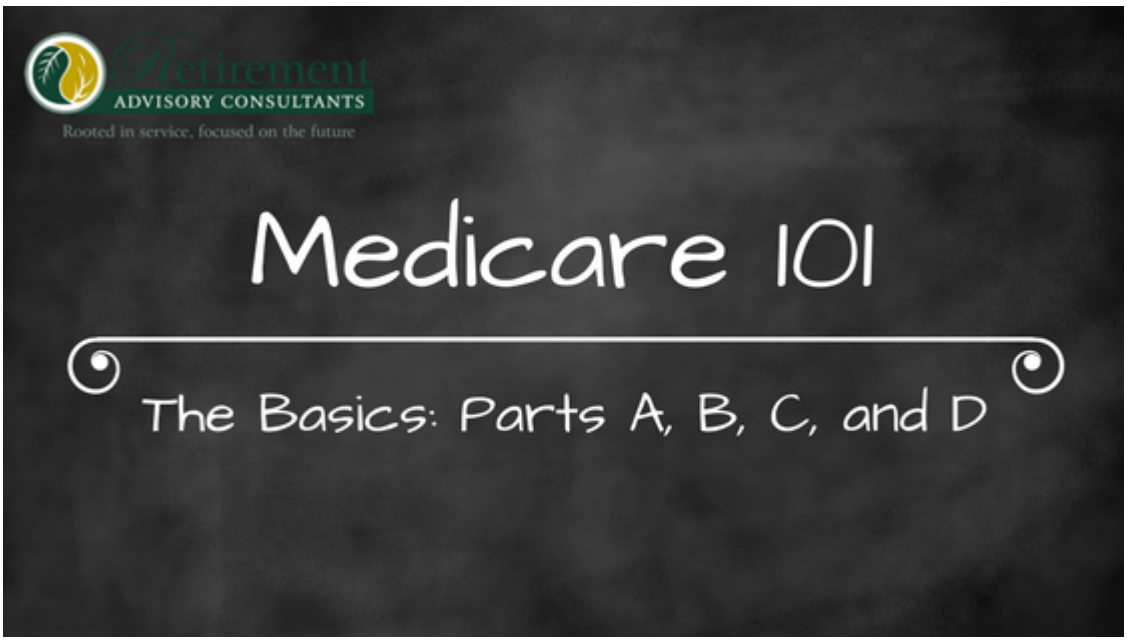
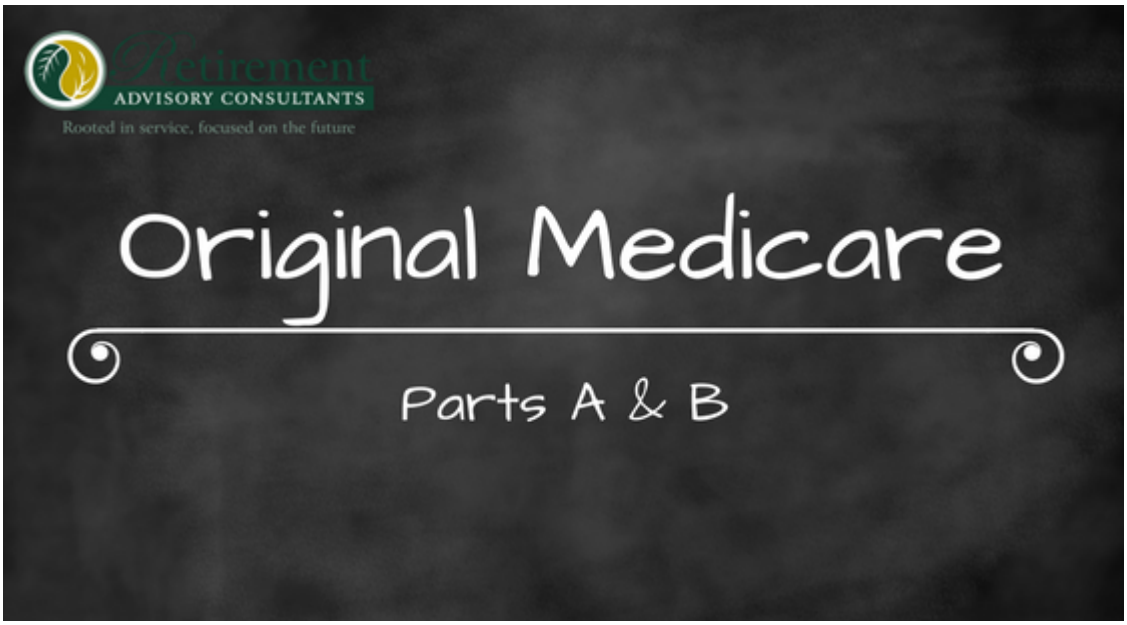


For the uninitiated, Medicare can seem like a complicated and confusing program. Maybe you're used to employer-sponsored medical coverage, an HMO or PPO, where you go to doctors in a network, pay set co-pays, have a deductible and out-of-pocket limit. Maybe you had supplemental insurance that paid a fixed benefit for certain services. Perhaps you were uninsured, and major medical coverage is a whole new world for you.

However you came to Medicare, there are decisions you need to make about your coverage once you become eligible. While Original Medicare works pretty much the same for everyone, paths start to diverge once we delve into Medicare Advantage (MA and MAPD plans) and Medicare Supplements.

Over the next few pages, you'll find information on the different parts of Original Medicare (Parts A and B), Medicare Advantage Plans (Part C), Medicare Prescription Drug Plans (Part D) and Medicare Supplements.



Original Medicare consists solely of Medicare Part A and Part B. When you receive your Red, White and Blue Medicare Card, you will notice a Part A and Part B effective date. Most people do not have to pay a Part A premium and are automatically enrolled when they turn 65. Some people delay enrollment in Part B, which most people pay a premium for, because they still have medical coverage through an employer or through other means.

Part A is known as your Medicare hospital coverage. It is funded through the payroll taxes you may have seen taken out of your paycheck during your working life. It covers things like inpatient hospital care, limited home health services, skilled nursing facilities and hospice care. There is a $1,260 deductible per benefit period, then $0 coinsurance for days 1-60 per benefit period. Days 61-90, there is a $315 daily co-insurance per benefit period.

Part B is known as your Medicare medical coverage. There is generally a monthly premium attached to this, $134 or higher depending on your income, in 2018. Part B covers things like most medically necessary doctors' services, preventive care, durable medical equipment, hospital outpatient services, laboratory tests, x-rays, mental health care, and some home health and ambulance services. There is a $183 annual deductible for Part B services and a 20% coinsurance after that.

It is important to enroll in both Part A and Part B when eligible, if you don't have other existing coverage. In most cases, if you don't sign up for Part B when you're first eligible, you'll have to pay a late enrollment penalty. You'll have to pay this penalty for as long as you have Part B. Your monthly premium for Part B may go up 10% for each full 12-month period that you could have had Part B, but didn't sign up for it.

Why choose Original Medicare coverage? By far, one of the largest benefits of sticking with Original Medicare coverage is not having to deal with network of providers. Most doctors and hospitals accept Original Medicare, so you have the freedom to choose which providers you wish to work with and receive care from.

What can you do to help shield yourself from the deductibles and coinsurances of Original Medicare Parts A and B? This is where Medicare Supplement insurance comes in.

Medicare Supplements, also called MediGap insurance, cover the gaps left in Original Medicare. There are ten different Medicare Supplement plans that offer varying degrees of coverage. They are listed in the chart below:

Medigap Plans A-N

Medicare Supplement Insurance Plans	A	B	C	D	F[1]	G	K[2]	L[2]	M	N
Basic Benefits*	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	Copay[3]
Skilled Nursing			✓	✓	✓	✓	50%	75%	✓	✓
Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B Deductible			✓		✓					
Part B Excess					100%	100%				
Foreign Travel Emergency			✓	✓	✓	✓			✓	✓
Preventive Care Part B Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

There is always an extra premium associated with Medicare Supplements. Generally the least expensive with the least amount of benefits associated is Plan A, while the most comprehensive coverage plan (Plan F) is associated with the highest premiums. Keep in mind that every carrier that offers Medicare Supplement insurance must offer the same benefits for each plan type, so when selecting a Medicare Supplement plan, it is best to find the carrier offering the cheapest type of plan you want in your area.

Additionally, Medicare Supplements have a guaranteed issue period during your Medigap Open Enrollment Period, which begins on the first day of the month you turn 65 and are enrolled in Part B and ends after six months. This means any insurance carrier must allow you to enroll in a Medigap plan and can't charge you higher premiums or deny enrollment due to pre-existing health conditions. Outside of this window, insurers can medically underwrite those attempting to enroll in a Medigap plan and can deny coverage or raise premiums based on your health. There are additional Medigap guaranteed issue right periods outside of open enrollment, which can be found at www.medicare.gov.

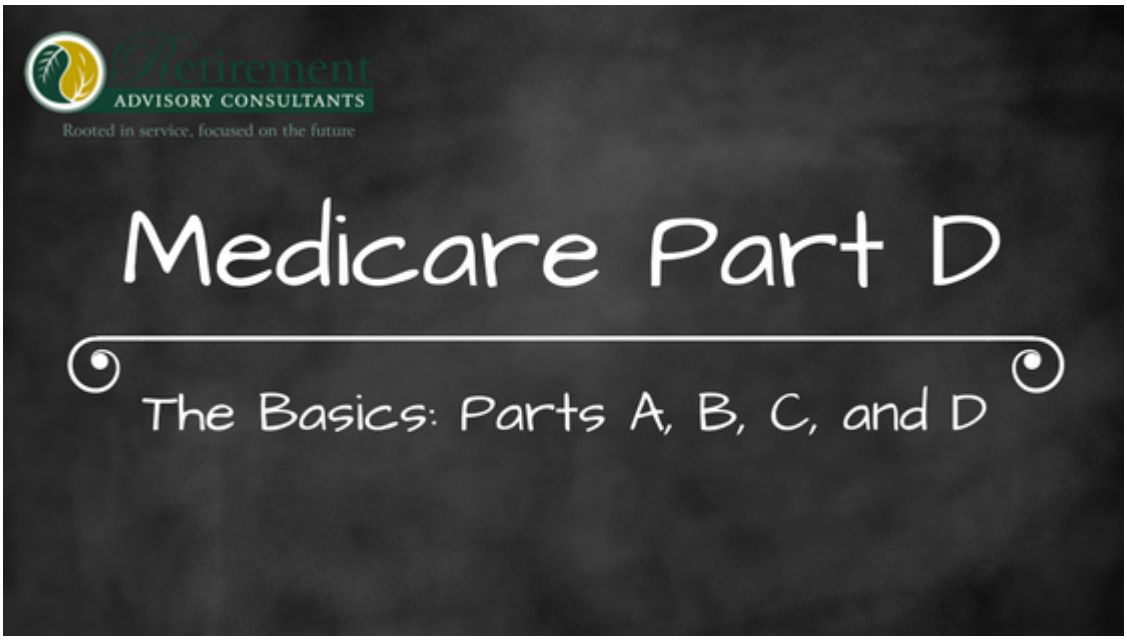
Medicare contracts with private insurance carriers to provide your Medicare benefits for them. While you continue to pay your Part B premiums, Medicare Advantage plans (Part C) effectively replace Parts A and B of Medicare (MA-only plans), and oftentimes are bundled with your Part D prescription drug coverage (MAPD) to create an HMO or PPO that operates similarly to group coverage you may have had with an employer.

Medicare Advantage HMOs and PPOs generally change the pricing and out-of-pocket structure of Medicare. While Original Medicare has a Part A deductible and coinsurance and a Part B deductible and coinsurance, there are often no deductibles associated with Medicare Advantage plans. Instead you pay fixed copays for the services you use within the plan. For example, you may pay a $10 copay to see your primary doctor, $30 to see a specialist, and $100 a day for the first few days that you are in the hospital. While Medicare Advantage plans are required to cover at least as much as Original Medicare, many Medicare Advantage plans also offer additional benefits such as Dental, Vision, Hearing, OTC medications and fitness memberships. Some plans even lower what you pay as your Part B premium when enrolled in the plan. So what are the differences between an HMO and a PPO?

PPO stands for a Preferred Provider Organization. While you do have a network of providers in a PPO, you may go outside of this network, generally by paying higher copays to those providers who are not in the network. While some PPO plans charge an additional premium to enroll in their plan, the majority in the Tampa Bay area do not.

HMO stands for a Health Maintenance Organization. With an HMO, you must stay in the plans network of providers to receive your care, as you are not covered (except for in emergencies) outside of the network. Generally copays are lower in an HMO plan than a PPO plan as the trade-off for more limited access to care. As of this writing, there are no Medicare HMO plans in the Tampa Bay area that charge an additional premium to enroll in their plan.

What are the benefits of enrolling in a Medicare Advantage Plan? A Medicare Advantage plan can be a cost-effective way of managing care for many people. However, careful attention should be made in selecting a plan. While Medicare beneficiaries may change their plans from year-to-year during the Annual Enrollment Period (AEP), generally you are locked into a plan from January 1st to December 31st of each year. Medicare Advantage plans are often bundled with your Medicare Part D prescription drug coverage, meaning you don't need a separate prescription drug policy. When looking into Medicare Advantage plans, focus on the plans network (are your current providers included), the plans copays (don't just look at doctor copays, hospital and lab copays are important too), and the prescription drug coverage (are your current medications on the formulary and what are the copays).



Medicare Part D was created to help subsidize the cost of prescription medication and prescription insurance premiums as part of the Medicare Modernization Act of 2003 and went into effect on January 1, 2006.

If you have Original Medicare (Parts A and B) with or without a Medicare Supplement, you are required to enroll in a Part D plan when you enroll in Part B. If you do not enroll in a Part D plan, you could face a penalty for late enrollment. The cost of the late enrollment penalty depends on how long you went without Part D or creditable prescription drug coverage.

Medicare calculates the penalty by multiplying 1% of the "national base beneficiary premium" ($35.02 in 2018) times the number of full, uncovered months you didn't have Part D or creditable coverage. The monthly premium is rounded to the nearest $.10 and added to your monthly Part D premium. The national base beneficiary premium may increase each year, so your penalty amount may also increase each year.

If your prescription drug coverage is not included with a Medicare Advantage plan, you also will need to enroll in a Part D prescription drug plan.

The easiest way to find the most appropriate Part D plan for yourself is to use Medicare's free Part D drug cost calculator at the following link: www.medicare.gov/find-a-plan/

There you will find a tool that allows you to input all of the prescription drugs that you currently take along with the pharmacy you currently use and medicare.gov will list all of the Part D plans available in your area in order of least to most expensive.

While MediCARE is the federal program for seniors that everyone over the age of 65 is eligible for, MediCAID is a state run program for those with limited income to help pay for the cost of healthcare. As Florida did not accept the Medicaid expansion as part of the Affordable Care Act, many people are locked out of the Medicaid program until they reach the age of 65. Most people enrolled in Medicare use Medicaid in the form of the Medicare Savings Program, also known as Extra Help. These Medicaid beneficiaries are split into different categories, based on income. These categories offer different levels of benefits, such as paying your Part B premium, limiting the amount you pay for prescription drugs and sharing the cost of your out-of-pocket expenses.

You will find the Florida Medicaid Financial Eligibility Standard chart on the next page, but we'll briefly discuss some levels of Medicaid coverage here.

QMB - QMB stands for Qualified Medicare Beneficiary. This is the highest level of Medicaid coverage in the Medicare Savings Program (full Medicaid). This level of Medicaid pays your Medicare Part A (if you have one) and Part B premiums, deductibles and coinsurance. This level of Medicaid also allows you to enroll in Dual Eligible Special Needs Medicare Advantage Plans.

SLMB - SLMB stand for Specified Low-Income Medicare Beneficiary. This level of Medicaid pays for your Part B premiums only.

QI - QI stands for Qualifying Individual. It is an extension of SLMB. It is for those who are slightly above the income limits for SLMB. Unlike SLMB, these individuals must reapply for these benefits every year. A certain allocation of the state budget is set aside for QI individuals each year. Once the state reaches that budget, even those who would normally qualify will be unable to get into the program.

After viewing the chart on the next page, I encourage you to apply for Medicaid benefits if you believe you might be eligible. The application is simple to fill out and can be filed at your local Medicaid or Social Security office or online via ACCESS Florida.

SSI-Related Programs -- Financial Eligibility Standards: January 1, 2018

PROGRAMS & TYPES OF COVERAGE	INCOME		ASSETS	
	Individual	Couple	Individual	Couple
PROGRAMS MANAGED BY SOCIAL SECURITY				
***Supplemental Security Income (SSI)** Federal Benefit Rate (FBR) Cash payment of SSI from SSA; Includes Full Medicaid	**$750** **(FBR)**	**$1,125** **(FBR)**	**$2,000**	**$3,000**
***Low Income Subsidy (LIS) or Extra Help** **(150% FPL)** Helps with costs associated with Medicare Prescription Drug Plans Automatic with full Medicaid or Medicare Savings Programs (QMB, SLMB, QI1). Income limits change yearly	**$1,508**	**$2,030**	**$13,640**	**$27,250**
PROGRAMS FOR PEOPLE 65+ OR DISABLED (Community Medicaid Programs)				
***MEDS-AD (MM S)** **(88% FPL)** Full Community Medicaid	**$885**	**$1,191**	**$5,000**	**$6,000**
***Medically Needy** **(No Income Limit)** Medically Needy Income Level (MNIL) Full Community Medicaid **when** Share of Cost is met	**Subtract $180 from gross income**	**Subtract $241 from gross income**		
PROGRAMS FOR PEOPLE WITH MEDICARE (Medicare Savings Programs/Buy-In)				
***QMB** **(100% FPL)** Pays Medicare **A & B** premiums, coinsurance & deductibles **only**	**$1,005**	**$1,354**	**$7,390**	**$11,090**
***SLMB** **(120% FPL)** Pays for Medicare **Part B** premium **only** (PBMO)	**$1,206**	**$1,624**		
***QI1** **(135% FPL)** PBMO	**$1,357**	**$1,827**		
***Working Disabled** **(200% FPL)** Qualified Disabled Working Individuals (QDWI) Program Pays for Medicare **Part A only.** Must have lost SSDI due to employment	**$2,010**	**$2,707**	**$5,000**	**$6,000**
PROGRAMS BASED ON INSTITUTIONAL POLICY – Patient Responsibility and Income Trusts may apply.				
Institutional Care Program (ICP) Pays Nursing Home (NH) room, board & care Pays Medicare A & B premiums, coinsurance & deductibles	**$2,250** (MEDS-AD Institutional Income Limit $885)	**$4,500** (MEDS-AD Institutional Income Limit $1191)	**$2,000** ($5,000 if MEDS-AD eligible)	**$3,000** ($6,000 if MEDS-AD eligible)
Hospice Pays Hospice services related to terminal illness Pays Medicare A & B premiums, coinsurance & deductibles				
Home and Community Based Services (HCBS) or Waivers Pays Medicare A & B premiums, coinsurance & deductibles				
STATE FUNDED PROGRAMS				
OPTIONAL STATE SUPPLEMENT (OSS) REDESIGN **Maximum Payment = $78.40 single / $156.80 Couple** Assists with paying room & board at alternate living facilities	**$828.40**	**$1,656.80**	**$2,000**	**$3,000**
PROTECTED OSS **Maximum Payment = $239 single / $478 Couple** Assists with paying room & board at alternate living facilities	**$935**	**$1,870**		
HOME CARE FOR DISABLED ADULTS (HCDA) Pays small stipend to caregivers of disabled	**$2,250**	**$4,500**		

MAINTENANCE NEEDS STANDARDS / OTHER

Disregards:
*Standard Disregard = **$20**
*Earned Income Disregard = **$65 + 1/2**
Student Earned Income Disregard = **$1,820** monthly, maximum **$7,350** for calendar year

Ineligible Spouse Deeming:
½ FBR = **$375**
Child Allocation = **$375/child** (Difference between the couple and single FBR)

Parent to Disabled Child Deeming:
Parent Allocation = **$750**

Disability Substantial Gainful Activity (SGA) = **$1,180** non-blind **$1,970** blind

Medicare Part B Premium = **$134.00**, Part A free for most **or $422**

** A $20 General Income Disregard applies to these programs. $20 will be subtracted from the total of all income not based on need before comparing the income to the income limit. In addition, $65 is subtracted from the total of all earned income, and ½ the remainder is subtracted before comparing the income to the income limit.*

PERSONAL NEEDS ALLOWANCE	
Individual	**Couple**
$105	**$210**
Community $1,005 **NH $105**	**Community $1,354** **NH $210**
PACE / SMMC-LTC in ALF: R&B+ $201 / $402 **PACE / SMMC-LTC at home: $2,250 / $4,500** **PACE in NH: $105 / $210** **iBudget : $2,250 / $4,500** **References: 2640.0117.01 & 2640.0118**	
$54 Provider rate $774.40	**$108** Provider rate $1,548.80
$54 Provider rate $935	**$108** Provider rate $1,870

SSI Individual $30 only in NH = **$75** (SPS)

Transfer of Asset Divisor = **$8,944** (eff 6/1/2017)

Community Hospice Allocations:
Spouse only = **FBR ($750)**
Spouse + Dependents or Dependents Only = **CNS Standard**

Spousal Impoverishment:
MMMNA = **$2,030**
Excess shelter = **$609**
Standard Utility Allowance = **$347**
Maximum Income Allowance = **$3,090**
Community Spouse Resource Allowance = **$123,600**
Family Members Allowance with Spouse = **(MMMNA-income) divided by 3**
Dependents with no Spouse = **CNS Standard**

Home Equity Interest Limit = **$572,000**

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Homestead Property Tax Exemptions

Florida is a state that offers Homestead Property Tax Exemptions to Permanent Residents. The first and third $25,000 of assessed property value is exempt from taxation as part of this program.

For example, if your home is assessed at $65,000, the first $25,000 would be exempt from taxation. The next $25,000 would be taxable, while the remaining $15,000 would be exempt.

If your home is assessed at $85,000, the first $25,000 would be exempt from taxation. The next $25,000 would be taxable, the next $25,000 would be exempt, and the remaining $10,000 would be taxed.

Residents in Pinellas and Hillsborough counties are also eligible to up to $50,000 additional in homestead property tax reductions for those over the age of 65 and who have limited income (this amount is determined by local ordinance, but is generally around $28,000). There are additional benefits for widows and certain veterans.

In Pasco, an additional exemption is available for the assessed value of living quarters associated with live-in parents and grandparents.

Applications for Homestead Property Tax Exemptions are to be filed with the county property appraiser each year before March 1st. Pasco, Pinellas and Hillsborough counties allow for applications to be submitted online, although paper applications may still be submitted (Florida Department of Revenue Forms DR-501 and DR-501SC).

Pasco County Property Appraiser Gary Joiner - (727)847-8151 - www.pascopa.com
Pinellas County Property Appraiser Mike Twitty - (727)464-3207 - www.pcpao.org
Hillsborough County Property Appraiser Bob Henriquez - (813)272-6100 - www.hcpafl.org