

Keeping You Informed

News You Can Use ... from Andrea Hoxie

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What's The Big Deal About Issue Age vs. Attained Age?

Which is right for you?

During the first week of March I spent three days learning about new ways to help my clients. One discovery I made was that while all Medicare Supplement Plans ("Medigap") of a particular design provide the same coverage, the costs can vary widely from one company to another, and all rates are not created equally. There are three different ways to rate premiums for Medigap: 1) community, 2) attained age, and 3) issue age.

CMS publishes an informative book entitled "Choosing a Medigap Policy" which explains each of these. You will find an explanation for each of the three types of rates on pages 17 and 18 of the current edition. Contact me if you do not have a copy of "Choosing a Medigap Policy."

If you have a Medigap, undoubtedly you have been faced with periodic rate increases – sometimes a little – sometimes a lot. Of the three, it is rare to find a company that uses "issue age" rates. "Issue age" rating means that the premium is based on the age you are when you buy ("are issued") a Medigap policy. What this means is that Premiums are lower for people who buy at a younger age and won't change as you get older. Premiums may go up because of inflation and other factors but not because of your age. Want more information?

What about dental?

Well, what about it? Got teeth? Need dental! As with Medigap, all dental plans are definitely not the same. For years I have shied away from offering dental insurance plans. After *doing the math* I could not, in good conscience, make any recommendation. It appeared to me that one would be better starting a "dental fund" via a savings account.

But, finally, I have found dental insurance that makes sense. It is affordable – coverage for about a dollar a day – and pays prescribed amounts for each covered procedure with NO annual or lifetime maximums of what it will pay to the extent of the coverage. There is no waiting period for preventive care; a three-month waiting period for basic care (i.e., extractions, fillings); and a 12-month waiting period for major care (i.e., root canals, crowns, etc.). So . . . *what about dental?*

ObamaCare: Which Part Don't You Like?

It's really The Patient Protection and Affordable Care Act. And, yes, people either love it or hate it. There are some decent factors in it, however, like *Essential Health Benefits*.

The Affordable Care Act ensures Americans have access to quality, affordable health insurance. To achieve this goal, the

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law ensures that health plans offered in the individual and small group markets, both inside and outside of Health Insurance Marketplaces, offer a core package of items and services, known as “essential health benefits.” Under the statute, EHB must include items and services within at least the following 10 categories:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

(Source: CMS.gov)

There is nothing like having insurance and still lacking any of these 10 categories of coverage. I cannot think of anyone who has *never needed* some aspect of at least one of these. Can you?

There are some things I don't like about The Affordable Care Act; then again, there are some things that I do ... like.

Creating a Life Documents File

Life documents file? So . . . what's that?

Glad you asked! A life documents file is a collection of important legal papers from identification records and major contracts one has signed to legal documents one has prepared or has had prepared by an attorney.

Identification records: that's the easy part! What documents establish your identity?

- birth certificate
- driver's license
- passport
- Social Security card
- death certificate

Another easy part would be contracts and related documents:

- military records
- vehicle titles
- insurance contracts (life, health, property, etc.)
- property deeds
- loan documents

The other part is not so easy; it takes a little more effort than just gathering documents. It requires careful thought and making decisions about who you would want to take care of your affairs if you could not ... and how to wind up your affairs upon your demise. Have you had any of these documents prepared

- Last Will and Testament
- Statutory Durable Power of Attorney
- Medical Power of Attorney
- HIPAA Authorization
- Directive To Physicians, Family & Friends (“Living Will”)
- Statutory Declaration of Guardian in the Event of the Later Incapacity or Need of Guardian
- Statutory Declaration of Appointment of Guardian for My Child in the Event of my Death or Incapacity

If you need to have these documents prepared, and find it hard to get started, try using a worksheet to guide you through the decision-making process. Need a worksheet?