Curbing the Costs of Health Care

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Health care expenses are a major concern for people of all ages, from recent college graduates to those nearing retirement. While it's impossible to predict how much health care will cost in the future, there are a number of strategies that may help reduce the financial burden, whether you're close to retirement or have many years left to work.

Planning ahead for retirement
To help minimize your health care expenses in retirement, here are some tips to consider now:

- **Review your current benefits.** Coverage, deductibles, and benefits change regularly, so be sure you're up to speed on the details of your current plan. Knowing where you stand today will give you a head start in planning for retirement and may help you trim costs.

- **Research insurance to supplement Medicare.** While basic Medicare hospital insurance (Part A) is free for most retirees age 65 and older, medical insurance (Part B), which covers doctors' services and other day-to-day medical needs, isn't. Although it can be time consuming to review all the options, purchasing private insurance to supplement basic Medicare may help you offset expensive premiums. To compare coverage in your state and find insurers that offer the best value, visit www.medicare.gov.

- **Assess your employer's benefits.** Employer-provided retirement benefits are becoming less common, so be sure to find out whether your company offers a health plan for retirees and if you are eligible.

- **Retiring early? Look into your options.** Since Medicare isn't available until you reach age 65, consider other possibilities, such as joining your spouse's health care plan, continuing your current employer coverage under COBRA, purchasing your own medical policy, or, if you're a veteran, using Veterans Administration benefits.

- **Consider other ways to save.** Other ideas for covering health care costs in retirement include health savings accounts (HSAs) and voluntary employees' beneficiary association (VEBA) plans. Working part-time in retirement in order to keep your health insurance benefits is another option.

Saving tips for everyone
No matter where you are in life, the commonsense strategies below may help you save money on health care costs.

- **Choose the right provider.** Should you go to the ER if you break your arm? Most would say yes, but an urgent care facility may offer the same treatment for $1,000 less. Determining when you should visit your primary care physician, a specialist, an urgent care provider, or a full-service hospital can play a big role in reducing costs.

- **Cut out unnecessary tests.** Imaging tests such as MRIs, X-rays, and ultrasounds can be costly and are often unnecessary to treat simple aches and pains. If you or a family member suspects a more serious condition that may require one of these tests, visit www.healthcarebluebook.com to compare prices.

- **Buy generic drugs.** Buying generic-brand drugs may be one of the easiest and most effective ways to cut back on your health care spending. A great resource for researching lower-priced pharmaceuticals is www.goodrx.com, where you can compare drug prices and find the best deals near you.
Refining your health care strategy

It's never too early (or too late) to review your personal health care plan. There are many ways to create a cost-effective strategy, and, given the ever-changing health care landscape, it's wise to be aware of what you can do to reduce your risk and protect your savings.

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