

Case Study

Healthcare Financial Planning for a couple in their 60's

OVERVIEW

Jim and Susan* live in Nashville, TN. Through a combination of hard work and careful saving, they were financially prepared for Jim to retire in 2017. Susan, self-employed, loves what she does and wants to continue working. For years, they felt like they were spending too much on healthcare - over \$24,000 per year in premiums alone. But after researching alternative health plans on their own, Jim and Susan were convinced a less expensive option didn't exist, especially with Jim's pre-existing conditions.

Jim would be turning 65 in the spring of 2019 and felt confident he'd get access to good health coverage through Medicare, but Susan was just 63.

In the fall of 2018, Jim and Susan met with their financial advisor to discuss final plans for retirement, and they learned about Bernard Healthcare Financial Planning.

WHAT HEALTHCARE NEEDS NEEDED TO BE MET?

Susan is pretty healthy. She'd had a few surgeries over a decade ago, but wasn't currently on any prescription drugs.

Jim is another story. He has a pituitary gland condition and takes eight prescription drugs. Because of his complex healthcare needs, he felt that he was in a position where it was critically important to make the right decisions, but it would be almost impossible to feel confident choosing the right Medicare strategy on his own. To make matters more complicated, as he neared his 65th birthday he was inundated with mailers advertising various Medicare products. He admitted that he was frustrated and confused.

WHY IS THIS WITHIN THE SCOPE OF THEIR COMMONWEALTH ADVISOR?

*According to a new study from HealthView Services, a healthy 65-year-old couple retiring this year will spend, in today's dollars, **\$363,946 on healthcare in retirement.***

Because healthcare is becoming increasingly material to the financial well-being of their clients, more and more financial advisors are recognizing that it's within their fiduciary scope to address it. Bill Peerman, Jim and Susan's advisor at Commonwealth, is no exception. And because he didn't feel confident providing this type of advice in-house, Bill decided to partner with healthcare advisory firm Bernard Healthcare Financial Planning to give his clients ongoing, white-glove, fee-only healthcare financial planning support.

**All client names have been changed.*

WHAT DID BERNARD HEALTHCARE FINANCIAL PLANNING DO?

To start, Jim and Susan had an initial 30-minute phone call with their dedicated Bernard Health advisor in October of 2018. In that call, the Bernard Healthcare Financial Planning advisor went through a healthcare questionnaire in order to gain an in-depth understanding of Jim and Susan's respective healthcare needs. This included gathering information like prescriptions they take, doctors that are important, healthcare issues they have, and income. With that information at hand, the Bernard HFP advisor researched all of available options in the couple's zip code.

Using our proprietary algorithm, the Bernard HFP advisor was able to identify the three best options for Jim and Susan. She took her findings and created two healthcare financial plans, one for Susan and one for Jim. These healthcare financial plans, which are digestible deliverables designed to make it easy for clients to understand our recommendations, were delivered and implemented in a second call between the couple and the Bernard HFP advisor.

WHAT WAS THE OUTCOME?

The Bernard Healthcare Financial Planning advisor not only helped Jim navigate a complex Social Security issue, but she enrolled him in a Medicare strategy that saved him over \$7,500 on his annual healthcare expenses. After their meeting, he emailed the Bernard HFP advisor and said,

"I want to thank you for your excellent service, care, and especially patience with me for my Social Security enrollment. I can be a high maintenance client, especially when it comes to the complications of healthcare. It has been more a part of my life than I would have wished for 15 years and it is a devil of complexity when it comes to the finances. You have been patient, professional and knowledgeable every step of the way. I could not ask for more. Please pass this along to the higher-ups, or send me their contact info. They should hear what great work you do."

And while Susan's healthcare situation wasn't as complicated as Jim's, the Bernard HFP advisor was able to have just as significant of an impact on her healthcare costs and peace of mind. The advisor enrolled Susan in an underwritten, off-exchange health insurance plan for \$260 a month. In a follow up email, Susan commented,

"I was approved. Thank you so much for your help! You saved me over \$600 a month. I'm thrilled."

On a scale of 1-100, do you feel like your advisor should continue to make a Healthcare Extension available to clients?

Average response:



96%

96 percent of clients helped through a Healthcare Extension were **"very satisfied"** with the service provided.

Interested in learning more about how a Healthcare Extension can benefit your firm? Call 1-800-505-0750 or visit www.BernardHFP.com.