



# NORTHWEST SENIOR INSURANCE

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## NWSI NEWS

SPECIALIZING IN MEDICARE SUPPLEMENTS,  
Medicare Advantage, & PART D PRESCRIPTIONS  
Volume 1. 2017

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### Looking Ahead for 2017



We want to thank all of you that came on board with Northwest Senior Insurance in 2016. Likewise, for those of you that have been with us prior to 2016, we thank you for your continued business.

We have been emailing our monthly e-letter, *Northwest Senior News*, for 3 1/2 years. We're continuing the review and digest of *The Great Cholesterol Myth* by Dr. Steven Sinatra.

We cover four themes in *Northwest Senior News*.

- Medicare and Medicare related topics
- Prescription information and ways to save
- Health and wellness
- Lifestyle

If you have an email address and are not receiving *Northwest Senior News*, please let us know, and we will happily add you to our list.

*Lance D. Reedy and Isaac Reedy*

### 2017 Medicare Changes

Here are the Medicare changes for 2017. These are the Part A deductible, extended hospitalization, the skilled nursing facility co-insurance, the Part B deductible, and the Part B premium.

The 2016 changes	2016	2017
Part A deductible	\$1,288	\$1,316
Days 61-90 hospital co-insurance	\$322/d	\$329/d
Lifetime Reserve days 91-150	\$644/d	\$658/d
Skilled nursing co-insurance	\$161/d	\$164/d
Annual Part B deductible	\$166	\$183
Medicare Part B Premium (see below)	\$121.90	varies

### Your 2017 Medicare Part B Premium

We ran an article about this in our January 2017 edition of our e-letter, *Northwest Senior News*. Here is what we know.

Those people already on Medicare and drawing Social Security (SS) prior to 2016 will see their Part B premium increase to around \$109-110/month.

Most people drawing SS and starting Medicare in 2016 will likely see around a 4-5% increase. As of this writing, we

have not found anything specific on the government websites other than, "The SS Administration will let you know."

The people that are new to Medicare in 2017 will have a minimum \$134 for their Part B premium.

Those people in higher income groups will pay a higher Part B premium, depending on their income level. Additionally, this group also has an extra surcharge added to their Part D Prescription plan.

Lastly, if you are on Medicare but *not* drawing SS as of 2016, you may see your Part B premium increase to the current \$134/month rate. If you think it's confusing, you are correct! It is.

### The 2016 Fall Annual Election Period (AEP)

This past fall we kept extremely busy during the AEP. We hope that we contacted everyone that we were supposed to and apologize to anyone that we missed. Here are a few things to keep in mind for this year.

**Changing your Part D Prescription (PDP) plan:** If you are on extra help or in Montana and on Big Sky Rx, you can change your PDP any month of the year. We're not saying that you should do this, but rather we're reminding you that a certain group can change their PDP if their prescription needs change during the year.

**Changing your Medicare Supplement plan:** Please keep in mind that you can change your Medicare supplement plan any month of the year, *if you medically qualify*. If your Medicare supplement rates have gone up too much, please give us a call and we'll do our best to shop for a lower cost plan.

**Annual Disenrollment Period (ADP):** Medicare allows a person in a Medicare advantage (MA) plan to disenroll from his/her plan. The ADP runs from January 1 through February 14 each year. Doing so puts you back on original Medicare, and you can enroll in a stand-alone PDP if your MA plan had a drug plan connected to it.

### Product Spotlight

We work with most of the insurance products connected with life and health. This includes the following

- Life insurance
- Short Term Care Insurance
- Long Term Care Insurance
- Fixed and Indexed Annuities

**Annuities --** Annuities come in three basic flavors, Fixed, Indexed and Variable.

We'll concern ourselves with the first two. A variable annuity is essentially a mutual fund with an insurance wrapper

around it. It is subject to the ups and downs of the financial markets.

A *fixed* annuity is essentially like a tax-deferred CD but pays a better rate of interest. Because it is an insurance product, your interest is tax deferred. At some point when you pull your money out of the contract, you are subject to paying taxes on your gains, but not on your original principal. This is assuming that it is not in a *qualified* retirement account.

Pros

1. Safety of your principal. Like a CD, your principle is not subject to the whims of the financial markets. Your principal won't go down; it's guaranteed.
2. Guaranteed interest for the life of the contract.
3. Tax deferral
4. Much better rate of return compared to CDs.
5. Excellent safety history of insurance companies.

Cons

1. Low rate of return compared to variable investments.

If you are looking for safety, guaranteed principal, and a contractually guaranteed interest rate, a fixed annuity may be the right investment vehicle for you. Currently, interest rates for a five-year contract are running slightly above 3.00%.

An *indexed* annuity is similar to a fixed annuity in that you have safety of principal. Your principal cannot drop; you won't have a negative return. The difference is that the interest rate is based on a stock market index.

There are some advertisements that attempt to tantalize you with verbiage such as "Earn up to 12%." Run fast from these guys. Realistically, you can expect an average rate of return anywhere from 3-7%, depending on how the financial markets do. If the financial markets are flat or even negative, you could have some years with a 0% return. The important thing is that your principal is always safe

Pros

1. Safety of your principal. Like a CD, your principle is not subject to the whims of the financial markets. Your principal won't go down; it's guaranteed.
2. Opportunity to earn a higher interest compared to fixed annuities.
3. Tax deferral.
4. Much better rate of return compared to CDs.
5. Excellent safety history of insurance companies.

Cons

1. You do *not* have a guaranteed interest rate. You could have a 0.00% year.
2. If the stock market has a banner year, you will capture a certain percent of that gain but not all of it.

*Please contact us for more information.*

## **Would You Like to.....**

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- Find it easier to maintain your normal weight?
- Have more energy and live a more vibrant life?
- Have fewer illnesses?
- Reduce the chances of becoming diabetic or getting diabetic complications if you already are a diabetic?
- Reduce the chances of becoming a victim of one of the big three big killers, cardiovascular disease,

cancer and strokes?

- Reduce or even eliminate your need for prescription medications and/or reduce the cost of your prescriptions?
- Reduce the need for surgeries such as knee and hip replacements?

You can. It's easy in one way, but difficult in another.

Before I spell out the quick answer, consider these scenarios.

#1 — I recently was talking with "Joe", a diabetic, and he told me that he buys bread made with *unbleached, enriched* flour. I explained to him that whether the flour is bleached or unbleached, it's still a refined carbohydrate that does an excellent job of spiking his blood sugar.

#2 — I recently had the occasion of sitting at the kitchen table with "Shirley," a diabetic. She had a bowl of leftover Halloween candy and a package of opened store-bought cookies sitting right on her table. Does she eat that stuff?

#3—I was at another kitchen table with "Jill", and there were two opened packages of store-bought cookies, again sitting on her table. Her husband is diabetic and taking Victoza, an expensive diabetic prescription.

Last year I wrote:

I have been in many homes where I have seen packages of junk food sitting on kitchen countertops. Invariably, those people are also taking many prescriptions. The most common of these are blood pressure, cholesterol, type 2 diabetes, and acid reflux pills. Additionally, they are overweight to varying degrees. They get poorer in paying copays for prescriptions and the pharmaceutical companies' profits increase, especially for brand name prescriptions.

### **Problem #1: Consuming refined carbohydrates.**

Consuming refined carbs spikes your blood sugar, which then forces your pancreas to raise your insulin levels. If you keep on doing that, you are on the road to insulin resistance and then diabetes.

Diabetes is not something to be trivialized; it's serious stuff. I have run into two parties as of late that are facing partial amputations due to diabetic complications.

### **Problem #2: Consuming refined seed (vegetable) oils.**

Chapter 5 in *The Great Cholesterol Myth* authored by Steven Sinatra MD and Jonny Bowden PhD is titled *The Truth About Fat: It's Not What You Think*. For those of you following along in our monthly e-letter, *Northwest Senior News*, we learned in this chapter that these highly refined oils processed out of seeds are inflammatory to your coronary arteries. Not good!

Going back to...*Would you like to....* Answer: Avoid refined carbohydrates and refined seed oils like the plague. Saying it is the easy part. It's difficult to do it. These refined products are everywhere in our culture, and they are making people sick. If you are an average person buying your groceries from the typical supermarket, you likely have many items in your kitchen that contain these unhealthy, refined ingredients. The more you avoid them, the better off you'll be. End