

September 1, 2019

### **States Woo College Grads With Pledge To Pay Off Debt**

Nearly 20 states are trying a new legislative tack to address workforce shortages in fields ranging from nursing to teaching by offering debt student loan forgiveness as a perk of relocating to a state (or not leaving it). Utah, for example, forgives 25% of a college graduate student's loans for each year the graduate remains in state and works in a field where the state faces a workforce shortage.

Texas offers loan forgiveness to psychologists or other mental health professionals. Delaware covers loans up to \$10,000 to residents teaching in high need areas. Mike Grant, a Florida state representative whose district spans a rural swath south of Tampa (an area where I had the opportunity to visit clients) is sponsoring legislation offering to pay down loans of dentists who work in rural areas. He said people come out of Florida dental schools deeply in debt and rather than settling in a low-income area, they are incentivized to set up private practices to pay off that debt.

Check with your state to see if they have any programs. *Wall Street Journal* 4/23/19 p. A3.

### **IRS Telephone Scams Surge**

The callers, who claim to be Internal Revenue Service employees alter the caller ID readout to show IRS, or in some of the more recent scams, the agency's Taxpayer Advocate Service Offices. Victims are told they owe taxes and must pay up through a wire transfer, gift card, or prepaid debit card. They are threatened with arrest, foreclosure or deportation.

Seniors and low-income individuals are especially at risk from these scams.

If you get one of these calls, do not give out information. Hang up immediately and notify Treasury Inspectors at 800-366-4484 and IRS at [phishing@irs.com](mailto:phishing@irs.com). *Kiplinger Tax Letter* 3/22/19.

### **Medical Tourism**

or medical travel, has appealed to either wealthy travelers or those unable to access experimental treatment in the U.S. Medical travel falls into three basic buckets: domestic, foreign and pharmaceutical.

Domestic travel offers the most immediate opportunity with the emergence of Centers of Excellence, (COEs) such as the Mayo and Cleveland Clinics. Unpredictable pharmaceutical prices are also propelling services that offer cheaper foreign-sourced drugs. Although foreign travel for surgery and treatment are still seldom used, more people want to know how it works and are educating themselves about the details of foreign medical travel.

Foreign medical travel, or medical tourism, is on the rise. A recent article in The American Journal of Medicine, “Medical Tourists: Incoming and Outgoing,” by two doctors with the University of Arizona predicted a 25% annual increase in foreign medical tourism by U.S. citizens.

According to the authors: “Of course, U.S. hospitals and physicians have also long cared for medical tourists from other countries.” Now, many medical tourists are going the other way – from the United States to other countries to receive health care.” For example, they cite the increase in Americans traveling to other countries for health care between 2007, when an estimated 750,000 Americans did so, and 2017, when more than 1.4 million Americans sought health care abroad.

“The reason more Americans have become medical tourists is simply that they are seeking less expensive medical care.” “Because we have the most expensive health care system in the world, it is not difficult to find countries that offer various procedures at 30 to 65 percent of the cost of care in the U.S. Other countries can charge less because of lower pay to physicians and other health care workers, much less overhead because patients pay cash and subtraction of the substantial cost of malpractice insurance.”

There are companies that can provide a complete service for patients from booking flights and surgical time to managing patient travel to and from the airport, hotel and medical facility.

In one case involving a coronary bypass that Blue Cross quoted a price of \$127,000 it would cost \$23,000 in El Salvador. When checked, medical facilities were clean and modern, security was first rate, the staff spoke English, and the cost of a variety of basic surgical procedure was far lower than a patient would pay in the U.S. The company that was used is SkyMedicus (which only works through brokers and advisors).

In another case, a company manages pharmaceutical travel for a number of self-funded plans. Patients who have been prescribed an expensive drug have flown to San Diego, been put up in a hotel, been transported across the border to Tijuana, Mexico, been supervised in their purchase of the drug, and flew back home.

The patients allegedly saved 70 cents on the dollar, a considerable sum in the case of a patient whose medication costs \$100,000 a year or more. Prescription travel is not without its risks. The foreign manufacturers say they monitor production and distribution. They say the drugs are from the same manufacturer. But, how do you know? You are in a foreign country with different licensures.

The trouble with medical tourism is that you are taking a risk. But that risk must be weighed against the potential reward if a savings of, potentially, hundreds of thousands of dollars on behalf of a seriously ill person who might not otherwise get the proper treatment anyway. *BenefitPRO Magazine January/February 2019 p. 12-15.*

As always, if you have any questions about these or any other matters, do not hesitate to call us.

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