THE NEW FINANCIAL LONGEVITY BUNDLE©

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A Lifeline Letter from Universal Wealth Management

Lots to Beware of While Waiting for "Repeal and Replace"

Hold the champagne. The Affordable Care Act (Obamacare) has been "repealed and replaced". We await the final details and advise you to STAY ALERT.

This was valid counsel before Congress failed in the first attempt to repeal and replace the Affordable Care Act (ACA). While the House of Representatives has passed a bill and sent it to the Senate, ACA continues to be in effect.

Pay no attention to hyperventilated screams of alarm. **Do Not Panic.**

In the coming months, the Trump Administration is planning some changes that are possible through executive action. But many of Obamacare's complex regulations can be expected to remain in place for a while and changes that might affect your retirement planning due to healthcare costs take time to implement.

Obamacare is embedded into the healthcare system for 2017 and to a large extent 2018. Whatever new legislation that finally emerges from Congress cannot be expected to affect major changes until 2019.

Meantime, here are some of the principal areas to be alert:

- Action by the Independent Payment Advisory Board (IPAB), the so-called "death panels", that seek to save money by cutting your healthcare benefits, is unlikely. But the concept of the Board, authorized by Obamacare, to make "fast track" changes to Medicare payment rates, program rules and eligibility for benefits that go into effect automatically unless countermanded by Congress, is still alive and may be employed to counter skyrocketing premiums, deductibles and copays.

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- U.S. healthcare costs are expected to increase approximately another 6.5 percent this year – matching 2016 and again exceeding general inflation. Average per capita healthcare spending for every man, woman and child in the United States is expected to exceed $10,000. The health share of US gross domestic product is projected to rise from 17.4 percent in 2013 to 19.6 percent in 2024. One current example of this is the state of Maryland, in which insurers have already set rates for 2018 with a 15 - 22% increase. Accordingly, it is imperative to review and understand your current premium costs and how these costs affect each individual plan and your projected retirement cash flow.

- An increasing number of doctors and hospitals are reacting to further reduction of payments for services to the greatly increased population of Medicare and Medicaid patients by refusing to accept them. At the same time, 2017 will be the first performance year for the new Merit-Based Incentive Payment System under MACRA (Medicare Access & CHIP Reauthorization Act), a challenging and potentially transformative system in which many providers have yet to be educated on implementing due to its 2400 pages. The Federal Department of Health and Human Services (HHS) and the Center for Medicare and Medicaid Services (CMS) are continuing to draft rules based on legislation. These rules will continue to be drafted and finalized and implementation of these rules will continue to move forward. But as we all are aware, these changes do not happen overnight and take time to impact you.

- The $5 trillion US Health ecosystem is set for a radical change at the hands of many emerging technologies, especially involving the introduction of new products and services that are created for the evolving healthcare market of 2018 and beyond. Finding gaps in care is a tedious task and many insurance providers face challenges in identifying them. Emerging technologies including clinical data analysis are beginning to remake business operations, reduce healthcare costs and become an integral part of consumers' lives at all ages.

- Increases in mandated "free" services from insurance companies are being passed along to their customers to help them make healthy choices, coordinate healthcare services, assure medical compliance, get and stay fit and save money along the way. The primary focus will continue to remain on these free services that bring your health and wellness to the forefront with technology expansion

- We will continue to see in the healthcare industry a growth in partnerships, joint ventures, mergers, acquisitions, strategic alliances and clinical affiliations - all with a joint mission and goal to shift from pay-for service to pay-for performance.

- Expect considerable reorientations in the pharmaceutical industry and many regulatory and reimbursement changes. At the present we continue to be financially concerned with rising drug costs, rising Part D copays along with changes to the tiered pricing structures of medications, and the "Donut Hole" - costs that continue to affect millions of Medicare patients.

- Medicare plans to reduce rising healthcare costs by reducing payments for hip and knee replacements and heart disease (to name a few) – principal drains on Medicare funds as people grow older and live longer. New surgical procedure codes continue to develop for distinguishing between inpatient and outpatient care. There are many studies already taking place to review the principal procedures affecting patients and the extensive rising costs. These studies will continue. Many of these changes have been on the fast track and potentially have led to beneficiaries being shortchanged on

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care, for example rehab care and concerns on billing statements. Expect that much of the same can continue and can hold concerns affecting overall care, but also keep in mind that the mission for all is coordinated care and follow through by patients. Significant to note that yes by patient, I mean you! Stay alert and aware!

- Expect further skyrocketing increases in deductibles and copays at least through 2018 as Obamacare services continue to disintegrate in individual states. With coordinated care and overall incentives still the focus on care and all hospitals, doctors, patients are continuing to work together to address both sides of the concerns. One can be sure cost sharing to the patient remains and you must be informed and part of your plan selection. Choosing the best plan for you, your individual healthcare needs, a plan that is affordable to you and your family will remain imperative as new plans begin to enter the market in the years to come.

- Long-term care hospitals face 25 Percent Rule relief for another year. The hospital rule establishes a 25 percent limit on the proportion of patients a long-term care hospital can admit from one hospital during the long-term care hospital's cost reporting period. Any long-term care hospital that exceeds the 25 percent threshold will face Medicare reimbursement cuts.

We are absolutely moving forward quickly into a new, charging and different Healthcare World with an increasing effect on retirement cash flow.

Healthcare companies need to continue to adapt to these changes. There will be some variables, and the fate of some changes remain uncertain, but there is no doubt this year and the years to come will see opportunities in many areas. You, of course, need to be kept aware of both pitfalls and possibilities.