

## Health & Retirement Services Of Illinois

September 2010 Newsletter

### OUR NEWS LETTER



## Seniors see negatives for Medicare in health care law

A new poll out Thursday from the Kaiser Family Foundation shows that senior citizens remain more negative than younger adults toward the health care overhaul passed earlier this year and are more apt to say that the bill will have a negative effect on Medicare and those in their age group.

The poll, conducted July 8-13, finds unfavorable views of the new law easing among all adults, dropping from 41 percent in June to 35 percent in the new survey, though with deeply unfavorable views holding steady at 25 percent.

Seniors have long been more negative than younger adults toward the changes, and the new poll takes a deeper look at the reasons behind their opposition to the bill. A majority (52 percent) of seniors describe themselves as "disappointed" about the bill; 45 percent say they are "confused" by it and 42 percent are "anxious."

The poll suggests that older Americans' negative feelings about the bill may rest on perceptions that it will make it more difficult and expensive for those on Medicare to access health care. More than three-quarters of those age 65 and over who hold negative views of the new law say it will weaken the Medicare system and its financial backing, make it harder for those on Medicare to find a doctor who is willing to see them or to get needed health care, and increase out of pocket costs for seniors.

Among all seniors, nearly half (48 percent) say the new law will make those age 65 or over in general worse off, but fewer (35 percent) think it will negatively impact themselves or their families.

The survey includes interviews with 1,504 randomly selected adults, including 406 age 65 or over. The margin of sampling error for results from the full survey is plus or minus three percentage points, it is four points for senior citizens.

## Losing weight beats fitness in controlling your blood pressure

9:39 a.m. CDT, August 3, 2010 NEW YORK.

If you're trying to bring your blood pressure to a healthy level, a study suggests that how much you weigh is more important than how fit you are.

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### Dental Coverage for as

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As expected, the University of Texas Southwestern Medical Center study found that overweight or obese people were more likely to have high systolic blood pressure — the top number in a blood pressure reading. But for those with a high body mass index, or BMI — a measure of weight and height — how in shape they were had only a small impact on blood pressure.

The researchers said those results suggest that people who are trying to decrease their risk for high blood pressure should focus on losing weight, and increasing physical fitness should be a secondary goal.

" Obesity is such a strong predictor of blood pressure or hypertension risk that having a normal body weight is really what's going to drive your blood pressure" rather than your fitness level, said Dr. Susan Lakoski, a cardiologist at the University of Texas Southwestern Medical Center.

In the end , she added: "It's not realistic to be fit and fat."

One in 3 American adults have high blood pressure — above 140/90 — including more than half of those older than 55. Having high blood pressure puts a person at greater risk for stroke, heart attack and kidney disease.

For the study, published in the American Heart Journal, Lakoski and colleagues analyzed data from about 35,000 patients, mostly white men, collected over the last 20 years at the Cooper Clinic in Dallas.

When patients came into the clinic, doctors measured their body composition, blood pressure and fitness levels.

Researchers compared BMI, fitness levels and systolic blood pressure of all patients to see if the three were linked.

Among all participants, having a higher BMI was associated with having a higher systolic blood pressure. But being fit had less of an effect on systolic blood pressure readings than BMI, and when researchers looked at people of the same age and sex, fitness didn't seem to have any effect on blood pressure.

But Lakoski said for overall health and mortality risk, fitness is a key issue.

a month!

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## Medicare Rebates Lead to Fraud Alert

**The Centers for Medicare and Medicaid Services is warning seniors to protect themselves from potential scams when it comes to Medicare benefits.**

Jane Glenn Haas McClatchy Tribune July 23, 2010

Medicare recently mailed \$250 rebate checks to about 80,000 people.

Over the course of the year, the Centers for Medicare and Medicaid Services (CMS) estimates 4 million seniors, about 10 percent of those covered by Medicare, will receive the rebate checks. The checks are

one-time rebates for eligible seniors who have entered the Medicare Part D doughnut hole.

But along with the mailings, CMS is spending \$1 million on radio, TV and print messages to warn these seniors to protect themselves from potential scams and fraud when it comes to Medicare benefits.

So it seems like a good time to talk about Medicare fraud and about Part D overall. David Sayen, Medicare Administrator for California, agrees.

"We know whenever change occurs in Medicare benefits, there are people out there who try to take advantage of seniors in some way. They may say, 'I'll file for your benefits,' for example, or come up with some other scam to get part of your rebate.

"The important thing for Medicare recipients in the Part D doughnut hole to know is that this rebate is automatic."

Q. OK, but what is this "doughnut hole"?

A. Most seniors with Medicare have Medicare Part D for prescription drug coverage.

Some Medicare insurance plans, HMOs for example, could offer different benefits. But most plans offer standard benefits for Part D.

Part D is only for prescription drug coverage. Under the current plan, after the Medicare recipient has paid a \$310 deductible, a percentage of prescription drugs are covered until the beneficiary spends \$2,830 out-of-pocket.

At that point, the beneficiary is in the "doughnut hole" and pays the full price for all prescription drugs until the out-of-pocket reaches \$4,550.

At that point, a more catastrophic coverage plan, one that is more generous, kicks in.

Under new healthcare legislation, the \$250 rebate goes to all Medicare

Part D participants in 2010 after they reach the "doughnut hole." The first checks, going out now, will be sent to those who reached the "hole" in the first quarter.

Q. But then the coverage changes next year?

A. Yes. New legislation reduces the impact of the coverage gap, or doughnut hole, in 2011 by offering a 50 percent discount on all drugs once the \$2,830 limit is reached. There are additional discounts in subsequent years until the entire "doughnut hole" is eliminated by 2020.

Q. Your radio spots are bilingual?

A. Thirty-second and sixty-second spots will be produced in English, Spanish, Korean and Armenian initially.

Audio spots can be heard at [cms.gov](http://cms.gov) and scripts can be found under [medicare.gov](http://medicare.gov).

Q. What should seniors or their family members do to get the rebates?

A. Eligible seniors should expect the checks to come directly to them at the same address Medicare has now to send them information. They don't need to do anything special.

(In addition to Medicare, some seniors are receiving Medicare Extra Help, a low-income subsidy. People in Extra Help already have assistance with prescription drugs. For information, go to [ssa.gov](http://ssa.gov).)

(To report fraud attempts, call (800) MEDICARE or go to [stopmedicarefraud.gov](http://stopmedicarefraud.gov).)

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## New health-care law provides free preventive care for many seniors.

### Insuring Your Health.

By Michelle Andrews Tuesday, August 10, 2010.

Preventive health care is important at any age, but never more so than as we get older. Many of the major cancers that can be screened for -- such as breast and colorectal cancer -- are typically diagnosed at about age 70. After age 55, people have a 90 percent chance of developing high blood pressure, putting them at higher risk for heart disease and stroke.

"The payoff in terms of prevention in geriatrics is more upfront and more immediate," says geriatrician Peter Hollmann, chairman of the public policy committee for the American Geriatrics Society.

Starting in January, the new health-care law will make it easier and cheaper for seniors to get preventive care. Medicare beneficiaries will be able to receive for free all preventive services and screenings that receive an A or B recommendation for seniors from the U.S. Preventive Services Task Force, an independent panel of experts in primary care and prevention. These measures include mammograms and colorectal cancer screening, bone mass measurement and nutritional counseling for people at risk for diet-related chronic diseases such as diabetes.

Medicare beneficiaries will also get a free annual wellness visit under the new law. The visit will cover a number of services, including a health risk assessment and a review of the person's functional and cognitive abilities.

The goal is to identify and to address declines in physical or mental capacity early on, say experts -- before someone takes a fall, for example, or starts to forget to pay his bills.

Currently, seniors in traditional Medicare pay 20 percent of the cost for most covered preventive services. The new requirements for free preventive coverage don't apply to enrollees in Medicare Advantage plans, although many of those plans already offer free preventive services.

Cost can be a big stumbling block to getting preventive care.

A co-payment of just \$12 for a mammogram in Medicare's managed-care plans resulted in screening rates that were 8 to 11 percentage points lower than those for women in plans that didn't require a co-payment, according to a 2008 study published in the New England Journal of Medicine. Another study found that an increase of \$10 in a co-payment for physician office visits led to a 20 percent decline in appointments among elderly patients.

"A lot of these screenings aren't something somebody wakes up and says, 'Wow, I'm going to have a flexible sigmoidoscopy today,'" says Cheryl Matheis, senior vice president for health strategy at AARP.

To encourage seniors to get that test, one of a number of approved screenings for colorectal cancer, and other important preventive services, "we have to educate people about the value and then eliminate the cost and make it convenient," she says.

The new law envisions the free annual wellness visit as an opportunity for seniors to develop a "personalized prevention plan" with their physician and plot out appropriate services and screenings for the next five to 10 years.

There hasn't been much research on people in their 80s or older, so it's hard to calculate the risk/benefit ratio of preventive tests and screenings in this group, say experts.

"It gets a little murky when people get older," says Hollmann. Among other things, "you have to consider their practical life expectancy."

Many people who work with seniors hope the annual wellness visit will provide an opening to also discuss preventive activities not covered by Medicare.

"We can use it as an opportunity to educate people about community activities like healthy eating or falls-prevention programs," says Nancy Whitelaw, a senior vice president at the National Council on Aging.

Some insurance plans offer their own programs that encourage "healthy aging." Eight years ago, Tom Cajski joined the Kaiser Permanente Senior Summit program at a clinic near his home in Kailua, on the island of Oahu in Hawaii. Among other things, the program aims to stay in touch with seniors who are relatively healthy and don't visit clinics often to make sure they're getting the preventive care they need, says Sandi Brekke, who runs the program.

Every month, members attend lectures or demonstrations on health topics from foot care to acupuncture. Twice a year they get physical evaluations to test their strength, flexibility and balance, among other things.

Cajski, 73, says he thinks the program helps him take better care of his health.

"I'm surrounded by people who give me health hints and keep me thinking about something that would otherwise recede," he says.

Advocates for seniors say the new law's provisions make it clear that prevention is important at any age. And about time, too.

"It's awfully nice to see Medicare catch up to where the rest of the world has been for some time," says Hollmann.

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## When long-term care threatens spouse's assets

August 05, 2010 By Janet Kidd Stewart, The Journey, Tribune Newspaper

Paula Castleton is 80 years old and healthy. Her husband, Arthur, is 85 and in a nursing home suffering from Alzheimer's disease.

Beyond worrying about his care, Paula is on her own in negotiating through the final stretch in retirement: making sure the couple doesn't outlive their savings.

They purchased a long-term care insurance policy several years ago, and that has been paying all but about \$12,000 a year in those expenses, she said, but the benefits will run out in a little more than two years. When that happens, the annual bill will soar to more than \$72,000.

At that rate, the Illinois couple's savings will be wiped out fairly quickly, and then her husband's nursing home bills would transition to Medicaid.

"I've been advised that I can shield some assets by putting them in an irrevocable trust," she wrote in a letter to this column, asking if that would, indeed, protect their nest egg.

So-called Medicaid planning is a controversial area of estate law because the social program was intended to pick up the health care tab only for the nation's poorest. Protecting assets for a spouse, critics argue, adds to the already staggering cost of care.

But elder-law attorneys contend that impoverishing spouses doesn't benefit society, particularly because our retirement system has been encouraging individuals to amass lump sums to finance their own old age. (See [donthurtgrandma.com](http://donthurtgrandma.com), a Web site opposing recent tougher standards on qualifying for Medicaid.)

Where does that leave the Castletons? After all, Paula is healthy and could live many more years.

#### Financial options

There are some moves she can make now to make the best of her situation if the long-term care benefits run out, said Diana Law, managing partner with Law Elderlaw in Aurora, Ill.

First, she said, the irrevocable trust probably isn't the best option because there will be a look-back period that will apply that could make her husband ineligible for Medicaid benefits for a lengthy period.

It's also too late to consider a state partnership program. Long-term care policies that allow participants to keep some level of assets if they must turn to Medicaid after exhausting their policies are available in 37 states, but her state isn't one of them, according to the Center for Health Care Strategies Inc., a nonprofit health policy group.

Instead she should review the ownership of the couple's assets, Law said.

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## Modest premium increase for Medicare drug plans.

By RICARDO ALONSO-ZALDIVAR, Associated Press Writer – Wed Aug 18, 6:08 pm ET

WASHINGTON – Seniors will see a modest increase in their Medicare prescription premiums next year but benefits will also improve, federal health officials said Wednesday.

The average monthly premium charged by Medicare drug plans for standard coverage will rise to an estimated \$30 in 2011, an increase of \$1 over 2010, or about 3 percent, said Medicare administrator Don Berwick.

But since Medicare drug plans vary widely in coverage and costs, consumer advocates cautioned that seniors need to check their particular plan to avoid unpleasant surprises that may not be revealed in a such a broad estimate of average premiums.

Nonetheless, seniors with high drug costs can look forward to a noticeable improvement next year.

That's because the new health care law will begin to close the coverage gap known as the doughnut hole. Medicare recipients in the gap will get a 50 percent discount on brand name drugs, and 7 percent off on generics. The discounts will gradually increase until the gap finally closes in 2020.

"These very modest increases in premiums, along with the new discounts...are going to make medications more affordable to Medicare beneficiaries," said Berwick.

About 27 million beneficiaries are signed up for the prescription benefit, delivered through private insurance companies. The premium estimate released by Medicare on Wednesday represents only the broadest measure of pocketbook impact.

In practice, Medicare prescription plans vary widely in costs and benefits. Standard coverage that Medicare's premium estimates are based on remains the exception. Consumer advocates recommend that seniors and family members use Medicare's online plan finder to see which insurer provides the best deal for an individual's medications.

"It's always good news when premiums don't go up by leaps and bounds, but seniors in some of the most popular plans may see higher premiums," said Tricia Neuman, the top Medicare expert at the Kaiser Family Foundation. "They need to check their plans so they don't have unpleasant surprises."

Premiums can vary by tenfold or more.

In Baltimore, for example, 45 Medicare drug plans are currently available with premiums ranging from under \$12 to more than \$120 a month. And that doesn't take into account deductibles and co-payments, or whether a plan provides some coverage in the doughnut hole.

Then there's another factor to consider: Medicare Advantage plans that combine prescription and medical coverage may be a better deal overall for some people than traditional Medicare. Nationally, about 9 million beneficiaries are getting their drug coverage through such plans.

The administration's estimate of \$30 a month seems to acknowledge that some seniors will get sticker shock. Paul Spitalnic, with the Medicare's costs estimates office, said the figure is based partly on an assumption that seniors will be enrolling in lower cost plans.

If seniors stay in their plans and don't shop for bargains, the average premium will be somewhat higher — \$32.34 a month — Spitalnic said.

Details on coverage for 2011 will be available on Medicare's plan finder during open enrollment season this fall. Medicare covers 47 million elderly and disabled people. The government pays part or all of the premiums for many low-income beneficiaries.

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## New health insurance plan for the uninsured launches in Illinois.

### Illinois joins 30 states starting high-risk pools for the uninsured

By Judith Graham, Tribune reporter 7:38 PM CDT, August 19, 2010

A new health insurance option for people with pre-existing conditions and without medical coverage launches in Illinois on Friday, but only a fraction of the uninsured will benefit.

Enrollment in the Illinois Pre-Existing Condition Insurance Plan (IPXP) will proceed on a first-come, first-served basis. It's one of the first major programs to be rolled out in Illinois under recently enacted national health legislation.

Funding comes from premiums and from the federal government, which is giving the state \$196 million to run the plan until 2014, when a much more extensive program for people without insurance will begin.

IPXP benefits kick in Sept. 1 for those lucky enough to be accepted by the plan. The state estimates that only 4,000 to 6,000 people will qualify because of funding restrictions. That's a small slice of 1.7 million people without health insurance in Illinois.

"This program is not a silver bullet that will solve all health insurance problems in Illinois," said Michael McRaith, director of the Illinois Department of Insurance. But for thousands of people "it will provide a lifeline" to needed health care, he said.



About 30 states across the country are establishing similar "high-risk pools" under national health legislation passed this year. Congress has allocated \$5 billion for the pools, not nearly enough to cover existing needs, experts note. Nationally, as many as 400,000 people are expected to enroll.

McRaith provided some details about how Illinois' plan will operate:

**Q. Who qualifies for IPXP coverage?**

**A.** Anyone who has been uninsured for six months, who has a pre-existing condition, who is a U.S. citizen or legal resident, and who can't obtain insurance from another source.

**Q. Is the list of pre-existing conditions limited?**

**A.** No.

**Q. What kind of plan is being offered?**

**A.** A preferred provider organization plan will cover doctors' visits, hospitalizations, surgeries, outpatient services, prescription drugs and mental health. Dental and basic vision care will be excluded. People will pay a \$2,000 deductible before coverage kicks in.

**Q. Are dependents eligible?**

**A.** No. This plan provides individual coverage only.

**Q. Does this plan make sense for children?**

**A.** Children will be eligible to enroll, but coverage through Illinois' All Kids plan is likely to be less expensive. Also, under health reform, health insurance plans must cover children with pre-existing medical conditions beginning Sept. 23. That should open new insurance options for many kids with pre-existing conditions.

**Q. What will this coverage cost?**

**A.** Premiums will vary based on a person's age, where she or he lives and tobacco use. In Chicago, a 25-year-old non-tobacco user will pay \$149 a month. (Premiums rise to \$192 monthly for age 35, \$280 for age 45, and \$408 for age 55 — all in Chicago.)

**Q. How do I enroll?**

**A.** Enrollment opens at 10 a.m. Friday. People applying will need to provide proof of citizenship or immigration status, evidence of being uninsured for six months, and documentation indicating that they have a pre-existing condition. Also, people may be asked for proof that they do not have other insurance options.

Applications will be available at [insurance.illinois.gov/ipxp](http://insurance.illinois.gov/ipxp). They can be submitted online, printed out and mailed, or personally delivered to IPXP offices in Chicago, Springfield and Champaign. Check the Web site or call 877-527-9431 (toll free) for more information.

**Q. What happens to people who get shut out when the plan fills up?**

**A.** They can apply for coverage through a separate program in Illinois, known as the Illinois Comprehensive Health Insurance Plan. Premiums for ICHIP are higher than those for IPXP, under state law. Like IPXP, ICHIP is for people with pre-existing medical conditions who don't have other insurance options.

The Insurance Department's Office of Consumer Health Insurance will work with other residents to help them find other insurance options.

**Q. What if someone is enrolled in ICHIP currently? Can he shift over to IPXP to reduce his premiums?**

**A.** No. If you have ICHIP coverage, you have insurance and won't qualify for IPXP. (McRaith said officials

do not recommend that anyone deliberately drop insurance in the hope of joining IPXP.)

**Q. If I'm accepted by IPXP, can I keep that coverage?**

**A.** Yes, but only until 2014. The plan will phase out at that time, and the state will start a new "health insurance exchange" offering coverage to everyone who's uninsured. Lower-income Illinoisans will get subsidies, and members of IPXP will be able to join the exchange, just like everyone else.

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## Pesticides & Hyperactivity

### More evidence links pesticides to hyperactivity

12:59 PM CDT, August 19, 2010.

A growing body of evidence is suggesting that exposure to organophosphate pesticides is a prime cause of attention deficit hyperactivity disorder, ADHD. The findings are considered plausible to many experts because the pesticides are designed to attack the nervous systems of insects. It is not surprising, then, that they should also impinge on the nervous systems of humans who are exposed to them.

Forty organophosphate pesticides are registered in the United States, with at least 73 million pounds used each year in agricultural and residential settings.

ADHD is thought to affect 3% to 7% of American children, with boys affected more heavily than girls. Many experts believe its incidence has increase sharply in recent decades, but critics attribute the increased incidence to over-diagnosis. Some attribute the increase to the greater use of pesticides.

The newest study, reported Thursday in the journal *Environmental Health Perspectives*, examines the effects of both prenatal and childhood exposure to the pesticides, which are widely used in the United States to control insects on food crops. Epidemiologist Brenda Eskenazi of UC Berkeley and her colleagues have been studying more than 300 Mexican American children living in the heavily agricultural Salinas Valley. Because they live in a farming community, the children are more likely than others to be exposed to the pesticides, but the problems resulting from environmental exposure are often first seen in those with the highest exposure.

Eskenazi and her team tested for levels of pesticide metabolites in urine in the mothers twice during their pregnancies and several times in the children after birth. They then tested the children at ages 3 1/2 years and 5 years for attention disorders and ADHD, using the mothers' reports, performance on standardized computer tests and behavior ratings from examiners. After correcting the data to account for lead exposure and other confounders, they found that each tenfold increase in pesticide levels in the mothers' urine was associated with a fivefold increase in attention problems as measured by the assays. The effect was more pronounced in boys than in girls.

The study comes only three months after a Harvard study, looking at much lower levels of malathion in urine, found that a tenfold increase in pesticide levels was associated with a 55% increase in ADHD. The researchers believe that most of the children in the study were exposed to the malathion through food.

"It's known that food is a significant source of pesticide exposure among the general population," Eskenazi said in a statement. "I would recommend thoroughly washing fruits and vegetables before eating them, especially if you are pregnant."

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## 5 GREAT CITIES FOR RETIREES.

By Caitlin Dewey, Kiplinger.com Aug 10, 2010

Striking a balance between a high quality of life and low cost of living can be a difficult challenge for retirees. With that in

Striking a balance between a high quality of life and low cost of living can be a difficult challenge for retirees. With that in mind, we offer five destinations that seniors might find attractive places to live in the second half of their lives.

We started our search for top retirement destinations using the criteria we used to select our overall list of Best Cities for the Next Decade. What more are seniors looking for? Retiree-friendly factors such as a high number of doctors and large percentages of populations over 65 helped to drive a unique list of 20 growing cities.

Then we dug deeper into issues most critical to retirees, including state tax rates and exemptions for various types of retirement income, low crime rates, access to airports, local transportation, and access to leisure activities, from libraries and theaters to hiking and golf. Take a look — and tell us what you think is the best place for you to retire.

## Charlottesville, Va.



**City Population:** 41,225

**Metro Population:** 196,766

**Cost-of-Living Index:** 107.5 (national average = 100)

**Median Household Income:** \$56,833

**Income-Tax Exemptions:** No state tax on Social Security benefits; income deductions of up to \$12,000 for residents 65 and older, subject to income-eligibility limits

**Proximity to Airport:** Charlottesville-Albemarle Airport (10 miles from downtown)

Home of Thomas Jefferson and the University of Virginia, Charlottesville is a charming Southern city with an impressive array of cultural draws. Several prime art museums and a pedestrian mall can be found in the city's neo-Classical downtown, while the Monticello Wine Trail and Shenandoah National Park are close by. It's also two hours from Washington, D.C.

**PROS:** Mild climate, proximity to golf courses, parks and wineries, active art and theater scenes, developed downtown district

**CONS:** Above-average cost of living and moderate tax breaks, mid-sized public transit system

Dothan, Ala.

## Dothan, Ala.



**City Population:** 63,892

**Metro Population:** 142,693

**Cost-of-Living Index:** 89.4

**Median Household Income:** \$40,728

**Income-Tax Exemptions:** No state tax on Social Security benefits and military, civil-service, and state- and local government pensions

local-government pensions

**Proximity to Airport:** Dothan Regional Airport (11 miles)

This friendly Dixie city — the self-proclaimed Peanut Capital of the South — is an up-and-coming destination for retirees looking for quality health care and mild winters. Its exceptionally low cost of living and real estate taxes and generous retiree exemptions make it much cheaper than many retirement destinations in Florida.

**PROS:** Proximity to parks and golf courses; two-hour drive from the Florida Gulf Coast, four hours from the Atlantic Coast

**CONS:** No regularly scheduled public transit, high tornado risk, limited cultural offerings  
Palm Bay-Melbourne-Titusville, Fla.

## Palm Bay-Melbourne-Titusville, Fla.



**City Population:** 99,159

**Metro Population:** 536,357

**Cost-of-Living Index:** 100

**Median Household Income:** \$49,411

**Income-Tax Exemptions:** No state income tax

**Proximity to Airport:** Melbourne International Airport (8 miles)

The Space Coast may lack substantial cultural or artistic attractions, but it more than makes up for them with low taxes and beautiful beaches. Palm Bay is a hotspot for seaside activities such as boating and fishing, as well as the more land-locked hobbies of hiking, tennis and golf.

**PROS:** Warm climate, proximity to international airport and major cruise port, huge range of outdoor activities

**CONS:** Small public transportation system, high hurricane risk  
Pittsburgh, Pa.

## Pittsburgh, Pa.



**City Population:** 295,988

**Metro Population:** 2,354,957

**Cost-of-Living Index:** 91.5

**Median Household Income:** \$47,755

**Income-Tax Exemptions:** No state tax on Social Security benefits, public or private pensions, distributions from 401(k)s, IRAs, deferred-compensation plans or other retirement accounts

**Proximity to Airport:** Pittsburgh International Airport (20 miles)

Consistently ranked one of the country's most livable cities, Pittsburgh has traded its Rust Belt past for a thriving arts scene and excellent health care. And of course, the Pittsburgh Steelers play here. It also boasts some of the country's best art museums and libraries, so there's plenty to do indoors in winter besides watch football.

**PROS:** Low cost of living, low housing costs, low taxes for retirees, proximity to international airport, stunning

**PROS:** Low cost of living, low housing costs, low taxes for retirees, proximity to international airport, stunning downtown riverfront, strong art and sports scenes, large public transit and library systems

**CONS:** Snowy winters, less-than-glamorous reputation (which you'll soon forget about)  
San Francisco, Calif.

## San Francisco, Calif.



**City Population:** 798,176

**Metro Population:** 4,317,853

**Cost-of-Living Index:** 162.1

**Median Household Income:** \$76,848

**Income-Tax Exemptions:** No state tax on Social Security benefits

**Proximity to Airport:** San Francisco International Airport (13 miles)

Yes, the Bay Area can be an expensive place to live. But retirees willing to bear the high cost of living will find pleasant weather year-round and an eclectic, cosmopolitan atmosphere. Noted for its 200-plus stunning parks and beaches, San Fran also has plenty to offer in the way of art, sports, dining and theater. Nearby Oakland and Fremont offer similar vistas and easy city access at half the cost.

**PROS:** Proximity to international airport, unparalleled leisure and lifestyle, efficient mass transit, huge network of beaches and parks, wide range of leisure activities

**CONS:** High taxes, high cost of living, high crime rate, a rainy season

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[www.healthcareil.com](http://www.healthcareil.com)

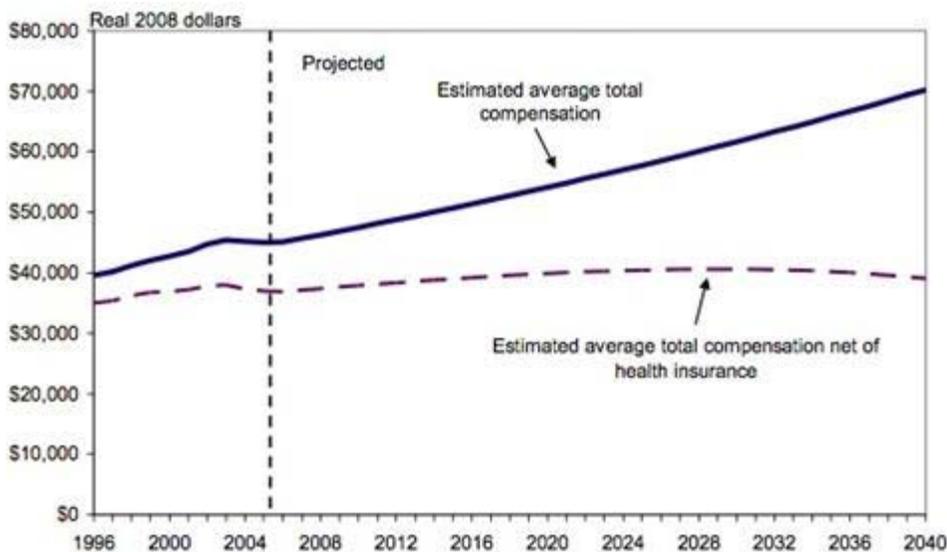
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## Health Insurance Costs to Rise Sharply in 2011: How to Cope

By Carla Fried | Aug 23, 2010

Well, there's one area where deflation will definitely not be at play in 2011: health insurance. A survey of large businesses reports that employers expect their health care insurance costs to rise by an average of 8.9 percent in 2011. And to help cover those rising health insurance costs, more than six out of 10 employers also expect to raise their employees' share of the premium cost. Given that the average salary raise for 2011 is expected to be in the vicinity of 3 percent, it's likely many Americans are going to see any bump in their compensation eaten up by having to pay more for health insurance.

As Derek Thompson laid out in a post last week at The Atlantic we may need to get used to that sad fact. Thompson highlighted this 2009 chart from the President's Council of Economic Advisers:



Source: CEA calculations.

Source: CEA

Yes, the chart was ginned up pre-health care reform, but the final legislation pretty much punted on health care cost containment, so there's no reason to expect the trajectories in the chart will change anytime soon.

**Paying More for the Less Coverage**

According to the National Business Group on Health survey, paying more of your overall premium is just one extra cost you may face in 2011; out-of-pocket maximums and bigger in-network deductibles are the next two "most popular" options employers will enlist to share the pain of rising insurance coverage.

<b>% of Employers Increasing Cost-sharing for:</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Employee percentage contribution to the premium cost	63%	57%	62%
Out-of-pocket maximums	46%	36%	32%
In-network deductibles	44%	45%	38%
Out-of-network deductibles	40%	47%	35%
Co-pay/co-insurance for specialist care	21%	13%	15%
Co-pay/co-insurance for primary care	6%	11%	15%
<b>Sample Size</b>	<b>52</b>	<b>47</b>	<b>34</b>

Source: National Business Group on Health, *Large Employers' 2011 Health Plan Design Changes*, August 2010.

**A Coping Strategy for the Healthy**

With open enrollment season just around the corner, this may be the year to consider a high deductible health insurance plan that you can then pair with a Health Savings Account. More firms are offering these plans; if you are in relatively good health, you can reduce your premium by opting for a high-deductible plan. For this year that means a family deductible of at least \$2,400, or \$1,200 for an individual policy.

Once you enroll in a qualifying high-deductible plan you're then eligible to contribute to your own HSA. You get a tax break on contributions into the HSA and withdrawals used to pay for medical expenses are not taxed. The maximum family contribution to an HSA this year is \$6,150. (\$3,050 for individuals.) The maximums for 2011 have yet to be announced; they probably won't budge given the low general rate of inflation.

You can also let the money sit in the HSA and grow; unlike a flexible spending account there is no "use it or lose it provision." Your balance can be used for future medical expenses decades from now. Or once you turn 65 you are free to use your HSA balance for anything, though you will owe income tax on your withdrawals. Just like with a Traditional IRA.

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## Live Well, Age Well.

You can spread expensive crèmes on your face, dye your hair and even get plastic surgery. However, there's a much more cost-effective and natural way to get an age 'lift'; it's called living well. Our physical, mental and emotional habits all contribute to how gracefully we enter our twilight years.

Numerous studies have connected a healthy lifestyle with feeling and looking young. Eating plenty of fruits and vegetables means you'll be filling your body not only with energy, but you will be absorbing loads of disease-fighting antioxidants that also slow the aging process. However, eating healthy is based on conscious decision-making. Truth is there is no one forcing you to put that cigarette in your mouth, or to eat those potato chips and wash it down with a chocolate bar. The choice is yours.

Another important habit that will help you feel younger is exercise. Not only does exercise keep your bones and muscles strong, but reduces stress and releases natural 'feel good' endorphins. Exercise does not have to be rigorous, and a 30-minute walk, three times a week can be sufficient. However, exercise again is a habit that you have to decide to make. You are in control and only you can make changes to your lifestyle. Keep in mind that new habits take approximately 30 days to develop, so don't get discouraged!

Being social also contributes to long life. A sense of belonging and purpose keeps your mind alert. Centenarians often play a significant role in the family or community. They maintain a healthy weight, do not smoke, handle stress well, are able to cope with loss, have a high degree of self-sufficiency, have a great sense of humour and look forward to the future. They often stay engaged in hobbies, volunteering and maintain plenty of interests. Many experience the ability to relax and sleep better, which consequently slows down the aging process and keeps energy levels up.

Some studies have suggested that adults over the age of 75 identify the following factors as important to aging: family and friends, health and wellbeing, spirituality, community involvement and new learning experiences. Social stimulation is a very important aspect of increasing your life expectancy. In fact, those who are socially isolated have a mortality rate that is more than two times as great as those who are socially active.

Making an effort to live healthy not only has immense personal benefits, but can also benefit our country as a whole. As our population ages, the demands that we will place on our health care system will be heavily taxed. As responsible citizens we need to start looking at ways that we can assist and ease this burden.

Henry Ford once said, "Whether you think you can, or whether you think you can't, either way you are right." Choosing to be healthy and to age well is a conscious decision. One that enhances quality of life, reduces stress, improves memory, and keeps you feeling more energetic and happier. And, if it means less visits to the doctor and less money spent on anti-aging products, it could mean a fuller wallet!

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