



KOVITZ INVESTMENT GROUP
Intrinsic Values®

Financial Planning Corner
Summer 2017

There are many uncertainties to contend with when you are planning for the future. For many, one of the most worrisome is managing healthcare costs, which is why understanding Medicare is a crucial piece of financial planning for anyone nearing age 65. Unless an eligible individual is still working and obtaining health insurance through an employer-provided plan, the enrollment period for Medicare encompasses the three months preceding and the three months following the month of an individual's 65th birthday. Late enrollment could result in paying higher premiums for as long as an individual is enrolled in Medicare, so it's important to have a plan in place ahead of time.

Medicare is a federal health insurance program available to qualified individuals, regardless of their employment status, which has four basic components: Part A, B, C, and D; often referred to as "alphabet soup." Medicare Part A covers inpatient care, some nursing facility care, hospice care, and limited home health care. Part A is free for most people, provided they or their spouse have sufficient employment history. Part B covers doctor's visits, outpatient services, clinical and lab testing, durable medical equipment, and preventative health services. There is a monthly premium for Part B based on your income which in 2017 ranges from \$134 per month to \$428.60. Parts A and B are considered "Original Medicare" and are government plans. Part D is prescription drug coverage designed by the government, but offered through private prescription or insurance companies. Part C is more commonly known as Medicare Advantage, and these are plans run by private insurance companies which replace Parts A, B, and often D. These plans are required to cover all of the services covered by Original Medicare, and may include additional coverage such as dental or vision. A Medicare Advantage plan can choose not to cover services that are not deemed "medically necessary" under Medicare. One important note for both Part D and Medicare Advantage plans is that they generally require you to stay in their "network," which can vary widely depending on the plan. It's crucial if you are a resident of more than one state that you check to make sure the plan you select provides the coverage you need.

In addition to the monthly premiums associated with Medicare, there are deductibles, co-payments, and/or co-insurance costs, which can be significant. One of the options for covering these additional costs is to purchase Medicare Supplement Insurance, more commonly known as "Medigap." These policies are offered through private insurance companies, but the plan offerings and coverage are exactly the same regardless of the company offering the plan. The plans do vary by state, so, similar to Parts C & D, it's important to make sure the plan has the coverage you need if you are selecting a Medigap policy and are a resident of more than one state. We can help you understand the differences among the coverage options so that you can determine which policy might best fit your individual needs.

At Kovitz Investment Group, our Financial Advisors and Planners help clients think through complicated topics, such as navigating Medicare, on a daily basis. Our primary goal is to provide our clients with the resources they will need to make the best decisions for their individualized situation. If you have any questions on this topic or on any other topic related to your personal finances, please don't hesitate to ask your Kovitz Financial Advisor.

This newsletter has been prepared by Kovitz Investment Group Partners, LLC[®] (KIG), an investment adviser registered under the Investment Advisers Act of 1940, and is a quarterly newsletter for our clients and other interested persons. Within this newsletter, we express opinions about direction of the market, investment sectors and other trends. The opinions should not be considered predictions of future results. Discussion in this newsletter relating to a particular company is not intended to represent, and should not be interpreted to imply, a past or current specific recommendation to purchase or sell a security, and the companies discussed do not include all the purchases and sales by KIG for clients during the quarter. A list of specific recommendations made by KIG over the past year can be made available upon request. In addition, please note that any performance discussed in this newsletter should be viewed in conjunction with complete performance presentations that we update on a periodic basis. Such presentations are available at www.kovitz.com, or by calling us at 312-334-7300. Information contained in this newsletter which is based on outside sources is believed to be reliable, but is not guaranteed or not necessarily complete.

Past performance does not guarantee future returns.