



*Solutions For Seniors is a Quarterly Newsletter Dedicated to Keeping You Informed of the Most Up-to-Date Health and Medicare Information Available.*

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# Solutions

FOR SENIORS

## When To Start Receiving Retirement Benefits (Part One)

*At Social Security, we're often asked, "What is the best age to start receiving retirement benefits?" The answer is that there is no one "best age" for everyone and, ultimately, it is your choice. You should make an informed decision about when to apply for benefits based on your individual and family circumstances. We hope the following information will help you understand how Social Security can fit into your retirement decision.*

### Your decision is a personal one

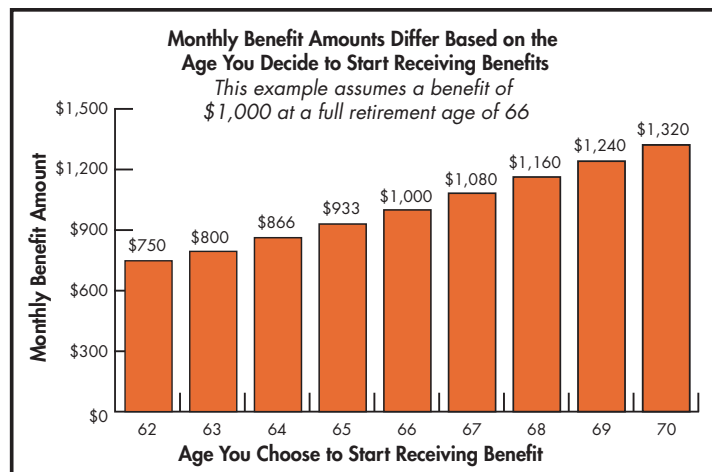
Would it be better for you to begin receiving benefits early with a smaller monthly amount or wait for a larger monthly payment later that you may not receive as long? The answer is highly personal and depends on a number of factors, such as your current cash needs, your health and family longevity, whether you plan to work in retirement, whether you have other retirement income sources, your anticipated future financial needs and obligations, and, of course, the amount of your future Social Security benefit. We hope you will weigh all the facts carefully and consider your own circumstances before making the important decision about when to begin receiving Social Security benefits.

### Monthly payments differ substantially based on when you start receiving benefits

If you live to the average life expectancy for someone your age, you will receive about the same amount in lifetime benefits no matter whether you choose to start receiving benefits at age 62, full retirement age, age 70 or any age in between. However, monthly

benefit amounts can differ substantially based on your retirement age. Basically, you can get lower monthly payments for a longer period of time or higher monthly payments over a shorter period of time. The amount you receive when you first get benefits sets the base for the amount you will receive for the rest of your life, though you do receive annual cost-of-living adjustments and, depending on your work history, may receive higher benefits if you continue to work.

The following chart provides an example of how your monthly benefit amount can differ based on the age at which you decide to start receiving benefits.



Source: [www.socialsecurity.gov](http://www.socialsecurity.gov)

# Understanding the Medicare Part D Pharmacy Donut Hole

## Hitting the Donut Hole

The donut hole, or coverage gap, is one of the most controversial parts of the Medicare Part D prescription drug benefit and of concern to many people who have joined a Part D drug plan.

Although all prescription drug plans must explain the coverage gap in their literature and advertising, the donut hole comes as a shock to many enrollees when they go abruptly from making co-payments for their drugs to paying 100% of the cost.

In addition, you may be confused about the \$2,700 limit for 2009 in your initial coverage period, thinking it is the only amount of money you would have to pay out-of-pocket. In fact, the amount includes the total cost of your drugs, meaning what you paid plus what the prescription drug plan paid.

## How the Donut Hole Works in 2009

This is the **standard** Part D drug prescription plan for 2009 required by Medicare.

- If you join a Medicare prescription drug plan, you pay the first \$295 of your drug costs. This is known as the deductible. **(Please note: Your plan may or may not include a deductible.)**
- During the initial coverage phase, your drug plan pays 75% of the covered prescription drug costs after your deductible is met, and you pay 25% until the total drug costs (including your deductible) reach \$2,700
- Once you reach \$2,700 in total drug costs, you will be in the donut hole and you must pay the full cost of prescription drugs until your total out-of-pocket cost reaches \$4,350. This annual out-of-pocket spending amount includes your yearly deductible and copay amounts.
- When you spend more than \$4,350 out-of-pocket, the coverage gap ends and your drug plan pays most of the costs of your covered drugs for the remainder of the year. You will be responsible for a copay of \$2.40 for each generic drug and \$6.00 for other drugs. This is known as catastrophic coverage.

## Creating a healthy, well-balanced diet

*The first step to eating well is to learn what your body needs right now. Knowing what to eat, and how much or little, is key to achieving and maintaining nutritional health. Begin by familiarizing yourself with the general dietary guidelines and recommendations in “Healthy Eating: New Food Pyramids” and “Tips for a Healthy Diet.”*

It may also be wise to consult your health care professional, who can evaluate your specific nutritional needs based on your medical history and current health profile, assess whether you need to follow a special diet, and recommend any necessary supplements.

### Commit to making dietary choices that are:

- nutrient-dense: low in fat and sodium, high in fiber and calcium, with a moderate calorie content;
- flavorful, so you’ll look forward to mealtimes;
- easy to chew, swallow and digest;
- simple to prepare;
- appealing to the eye as well as the palate.

### Sound like a tall order? Eating well as you age is easier than you think. Here’s how:

- **Focus on good carbs.** Opt for whole grain nutrition (brown rice, whole wheat bread, rolled oats, barley, millet), not refined “white” products, such as white bread, white rice, or products made with white flour.
- **Raw equals roughage!** Aim to eat at least one daily serving of your fruits and vegetables raw. This not

only preserves their nutritional value, it’s an easy way to eliminate constipation. Raw fruits and veggies are loaded with fiber, vitamins, minerals, and enzymes to aid digestion. If you have difficulty



The expenses outlined above only include the cost of prescription medications. It does not include the monthly premium that you pay to the prescription drug plan.

### Donut Hole Examples Charlie Jones

Charlie Jones takes three medications to treat his high blood pressure and high cholesterol. These medications will cost him about \$1,200 in 2009. Charlie is switching to a Medicare prescription drug plan that has a low premium and offers the standard Medicare drug benefit, including a deductible and no drug coverage in the donut hole.

This is what his prescription medications will cost in the plan he has selected:

- Charlie will pay a deductible of \$295
- He will then pay 25% of the remaining \$905 cost of his medi-

cations ( $\$1,200 - \$295 = \$905$ ). His out-of-pocket cost during this initial coverage period will be \$227 ( $\$905 \times 25\% = \$227$ )

- Since Charlie did not reach the \$2,700 initial coverage limit, he will not enter the donut hole.

Charlie's total estimated annual out-of-pocket prescription drug cost with his Medicare Part D plan will be  $\$295 + \$227 = \$522$  (plus his monthly premiums for the Medicare Part D plan).

### Mike Smith

Mike Smith takes five medications to treat his type 2 diabetes, high blood pressure, and high cholesterol. These medications will cost him about \$3,800 in 2009. Mike is planning to join a Medicare prescription drug plan that offers the standard Medicare drug benefit, including a deductible and no drug coverage in the donut hole.

This is what his prescription medications will cost in the plan he has selected:

- Mike will pay a deductible of \$295
- He will then pay 25% of the cost of his medications for the next \$2,405, until he reaches the coverage gap. His out-of-pocket cost during this initial coverage period will be \$601 ( $\$2,405 \times 25\% = \$601$ )
- He will then enter the donut hole and be 100% responsible for the remaining cost of \$1,100

Mike's total estimated annual out-of-pocket prescription drug cost with his Medicare Part D plan will be  $\$295 + \$601 + \$1,100 = \$1,996$  (plus his monthly premiums for the Medicare Part D plan).

Source: Michael Bihari, MD, for About.com

biting or chewing, cut your apple or carrot into bite-sized pieces. Or try a green salad with grated zucchini.

- Steaming is the best way to cook vegetables; it preserves nutrients. Light sautéing is next. Boiling leeches nutrients—but you can use the leftover cooking water as soup stock!

- Go lean on protein. Fish, poultry, eggs, beans, peas, nuts and tofu all count as protein, so it's easy to vary your healthy protein choices. Try skinless turkey or chicken, or fish, baked, broiled, grilled, steamed or poached, and you'll savor the flavor while adding healthy, low-fat, low cholesterol nutrition to your diet.
- Bone up on calcium. All dairy products are not created equal. Milk, cheese and yogurt retain their calcium content; cream cheese, cream and butter do not. As part of a healthy senior diet, choose fat-free or low fat dairy products.

- Choose first-rate fats. Get your "good" fats from oils such as olive oil and sunflower oil, avocados and avocado oil, nuts and seeds.
- Keep it moist. In addition to drinking enough water each day, aim to consume foods with a high water content. Staying properly hydrated flushes toxins from your body, relieves constipation, helps keep your joints flexible and your mind clear. High water content foods include melons, grapes, cucumbers, onions, apples, cabbage, and, of course, soup!

Source: [www.helpguide.com](http://www.helpguide.com)

*Try skinless turkey or chicken, or fish, baked, broiled, grilled, steamed or poached, and you'll savor the flavor while adding healthy, low-fat, low cholesterol nutrition to your diet.*



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## 2009 Medicare Rates

### 2009 Medicare premiums, deductibles, and co-payments.

Each year Medicare sets how much you pay for its premiums, deductibles, and co-payments. Here are the rates for 2009:

#### Part A Premiums

Most people do not pay for Part A, because they have paid Medicare taxes for 40 or more quarters while working. Those with 30 to 39 quarters of covered employment can buy Part A coverage. It costs \$244 a month. Those who have less than 30 quarters of covered employment will pay \$443.

#### Part B Premiums

Most people on Medicare will pay \$96.40 a month for Part B in 2009. That's the same as the Part B premium for 2008. Higher-income people will pay even more.

#### Deductibles and Co-payments

**Part A Deductible:** The 2009 Part A deductible is \$1,068 per illness, up \$44 from 2008.

**Part B Deductible:** The 2009 Part B deductible is \$135, the same as it was in 2008.

**Part A Co-payments:** The Part A deductible covers the first 60 days of a Medicare-covered hospital stay. Then you pay \$267 a day for days 61 through 90. After the 90th day, your co-pay for lifetime reserve days is \$534 a day.

Source: [www.aarp.org](http://www.aarp.org)

Tax Return Income (Individual)	Joint Tax Return Income (Married Couples)	2009 Monthly Part B Premium
Up to \$85,000	Up to \$170,000	\$96.40
\$85,001 to \$107,000	\$170,001 to \$214,000	\$134.90
\$107,001 to \$160,000	\$214,001 to \$320,000	\$192.70
\$160,001 to \$213,000	\$320,001 to \$426,000	\$250.50
Over \$213,000	Over \$426,000	\$308.30