

## Parent Care: Cost of aging

by Marsha\_Kay\_Seff

An analysis of expenses for health care from a variety of sources discovered that medical costs soar with age. The Lifetime Distribution of Health Care Costs Health Services Research found that of the people who live past 85, nearly 60 percent of their total lifetime health care costs are spent after they turn 65.

Even worse news for older folks, the study found that more than one-third of the average 85-year-old's lifetime health care expenses are still ahead of him or her. The bright side: At least people are living that long to keep the health care industry alive and well.

### EXPECTATIONS

According to a recent survey, some of today's workers might have unrealistic expectations about how long they will continue to work. While the average worker plans to retire at age 65, the average retiree today stopped working at 62, according to the 16th annual Retirement Confidence Survey by the Employee Benefits Research Institute. It found that while two-thirds of today's workers expect to work in retirement, only 27 percent of current retirees say they've worked during their retirement.

### ABCs OF INSURANCE

For those of you confused by the alphabet soup of insurance providers, HMO stands for Health Maintenance Organization; PPO is short for Preferred Provider Organization.

PPOs are a hybrid between original Medicare and an HMO. As with original Medicare, the beneficiary of a PPO has the freedom to choose providers without requiring a referral from a primary-care physician. Under an HMO, you need the referral.

The PPO beneficiary may see providers contracted by the network or pay a slightly higher out-of-pocket charge for the out-of-network providers. As with the HMO, the PPO beneficiary has co-pays for a number of services in or out of the network, rather than the 20 percent cost under original Medicare. HMOs and PPOs both offer slightly more coverage than original Medicare, including routine vision exams and hearing care.

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