

ESSENTIALS BY DEBI & JIM BOWMAN

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Total

Benefit

Services

New for 2004 – H.S.A

Last year, Congress passed legislation authorizing Health Savings Accounts (HSA's) for 2004 and forward. Most do not know what this means or why this needed Congress's approval. Although we wrote about them in our past newsletter, this will provide more details. We will focus on individual policies, they are available in group plans for employers to sponsor.

First, these can be set-up by individuals and employers. There are 2 parts to the HSA's: 1) health insurance policy and 2) tax deductible bank account.

With HSA's anyone can have one. All you need is a health plan with a minimum of \$1,000 deductible for individuals and \$2,000 for a family plan. This is a pure deductible plan with no office visit co-pay (you pay the insurance company's negotiated rate in network) and no prescription drug card co-pay. All qualified medical expenses are subject to deductible (includes office visit and prescriptions). Once the deductible is met, the insurance company pays 100% of all medical costs for the remainder of the year. (Some plans pay 80% after deductible up to 2,000 co-insurance maximum).

Because the insurance does not offer first dollar coverage, the premiums are lower. You are self-insuring until the deductible is met. However, with the 100% co-insurance, out-of-pocket maximums can be lower.

Here is the big issue. HSA's permit tax deductible money to be set in a H.S.A bank account to pay out-of-pocket medical expenses. You can put in an amount equal to your in network deductible and you get a tax deduction (think of it as a medical IRA). When a qualified medical expense is incurred, you simply pay from this H.S.A bank account. This makes the out-of-pocket expense tax free. This money can be used also to pay dental and vision expenses. Funds can also be used to pay LONG TERM CARE premiums.

There is no requirement to spend this money. Money not spent in one year is carried over to the following year and you can contribute each year. It is possible to grow this tax deductible account over the years without any limits. At age 65, you can receive the money without penalty, but will be taxed as income (similar to an IRA).

Individuals with MSA's accounts can roll them over tax free into HSA's. Remember, the tax deduction occurs when the money is put into the H.S.A bank account, not when it is used. The bank also provides a debit card and on-line banking to pay qualified expenses.

These plans are not for everyone and plans with co-pays may better suit your needs. Let us know if you want to discuss this option.

Congratulations

In the past few months we have received feedback and information from several of our clients regarding positive health issues. We congratulate you for your efforts and the results obtained.

Weight loss has been the focus for many of you. Most of you reported it was just a matter of changing what and how much you ate. Besides feeling better, you also report better results on medical tests such as lower cholesterol and blood pressure. Some have been able to decrease or eliminate medications, because the cause has been reduced/removed.

KEEP up the effort. We are always glad to hear from you and sharing your success story.

Ways to Reduce Allergies

Allergy season is here. Be sure to clean you home's air filters. The more often they are cleaned the better its effects. Clean your carpets and rugs, these hold pollens. Be sure to wash blankets and comforters before storing away. Wash towels and wash clothes frequently. Wash/change pillow covers frequently. Helpful to wash hair in the evening to rinse out pollens.

More Reasons to buy Long Term Care

The two main reasons people do not buy Long Term Care (LTC) insurance is presumed unaffordability and the concern that the policies may not have to pay benefits. Both are myths. Failure to recognize the enormity of the cost associated with long term care will cost many Americans to spend what money they have saved. The spouse or family members not in long term care will pay the price in terms of lost savings, lost time at work, sacrifices not envisioned and increased stress. If you do not believe us, ask someone who has gone through this. It is a case would of, could of and should of.

When LTC insurance is purchased at a young age, the cost is less. It is age and current health condition driven. Those that recognize the savings to buy now rather than later, will benefit the most. You will also be in the (envious) minority. Do not make the mistake to think that our government, health insurance or Medicare pay for long term care. It is a myth and the only way not to pay it yourself is to buy insurance and pass the risk to the insurance company. AND, do it before you do not qualify. We have had many contact us for coverage when they no longer qualified due to their current health condition.

LTC policy's do pay for your care and permit you to choose how and where you receive long term care. Since the qualifying events to activate your LTC policy benefits are certified by your physician, it is not the insurance companies decision as to when benefits are paid. Since you choose how to receive benefits, quality of care issues are at stake. Most (80%) people are receiving this care at home through home health care. The more the policy pays, the more and better care you can receive. LTC insurance costs pennies per dollar of benefit.

Without LTC insurance, you will pay the bill dollar for dollar (ie. 100% of the cost). When this is the case, lack of funds will dictate the quality and quantity of care. It may also dictate lack of care. Is this where you want to be when you need it? Current statistics show over 60% of us are in a long term care situation once we reach age 65. Considering current statistics say over 96% will reach that age, it is easy to see the need for LTC insurance.

It is a myth to think our government can cover these costs (currently around \$50,000 per year in the DFW area) for long term care term care. With an ever tightening budget and tax base and the increase number of seniors, the system is severely underfunded and will not be able to sustain itself. Social Security and Medicare are the primary focus, and efforts to keep these entitlements going is of primary concern to our government. Other entitlements will be sacrificed to keep this going.

Did you see Jim on TV ?

In March, Jim was interviewed by the senior citizen advocate; Dee Taylor. The interview was taped and shown on local Comcast cable during the month of March. Jim was asked about issues relevant to seniors such as Medicare, Prescription Drugs, Long Term Care, Annuities and Income.

Liver Damage

More and more people are developing liver disease. An increasing cause is from Acetaminophen, the active ingredient in Tylenol and other pain relievers. The FDA will begin a public campaign to warn of the dangers of misusing over the counter medications containing this ingredient.

Best to limit the amount of this ingredient. Current recommended dosages may be too high based on the increasing number of liver damage cases being diagnosed. If you a regular user of any medication with Acetaminophen, it is recommended to reduce your intake.

Obesity and Disability

Obesity is accounting for 50% of the increased disability cases for ages 20-29, 25% for ages 30-39 and 10% for ages 40-49. The only increase in age 50-59 was due to obesity. All this from a study conducted from 1984-2000. It is presumed the increase would be more significant if data from 2001-2003 were included as the trend to being more overweight continues to be a problem in the US, especially with those under age 40.

With the associated costs of disability and health care for the obese, this will continue to add to the health care costs of the American system and further strain treatment centers focused on this problem.

Identity Theft

This has become a major area of concern for us. There are many things you can do to protect yourself.

- * Shred all documents not needed. You are tossing a lot of information into the trash. Shredders are inexpensive and very effective.
 - * Consider getting a (secure) private mail box (PMB) or PO Box. Especially if you get lots of mail or do not access each day. DO NOT (leave) send outgoing mail from your mailbox, take to the Post Office or put in a drop-off mail box.
 - * Consider getting an in-house safe or using a bank lock box for valuables and documents.
 - * Do not write credit card account numbers on checks (use last 4 digits only). Same for social security numbers. We wrote more on this on page 2, October 2003 newsletter. Visit www.bowmanbenefits.com and click on newsletters.
 - * Passwords for internet use should contain letters and numbers.
 - * Do not respond to any email where you do not recognize the sender. This is how they get your email identity.
 - * Do not respond to requests via telephone or internet to verify any personal information. Better that you call the business/institution directly. Be sure it is a viable institution that needs this information.
- * Purchase an identity theft program for \$10/month. With this service your credit files are monitored daily and any suspicious activity reported to you. You are provided an 800 number to report any potential identity theft issues. Provides for Fraud Restoration assistance and \$25,000 in fraud benefits for lost wages, document and filing fees, and legal costs.

Contact Jim for more details or to enroll.

Medical Information Bureau (MIB)

This is where information is stored about you regarding your medical history if you (or the provider) filed a claim with an insurance company and the insurance company in turn posted this information. Insurance companies have access to this reporting (a history of the claims filed, not specific diagnosis or doctor records) when you apply for life, health or disability insurance.

If you would like a copy of this report the cost is \$9. Call 617-426-3660 or visit www.mib.com or mail to: MIB, INC. PO Box 105, Essex Station Boston, MA 02112

Hypertension

Over 50 million Americans have high blood pressure, the LEADING CAUSE of stroke and cardiovascular disease. For those with moderately high blood pressure in the 140-179 (systolic) over 90-109 (diastolic) readings often can achieve normal blood pressure with a low-salt diet, exercise and weight loss. There are natural treatments as well as medications that can bring these readings to the normal range.

Try the herb Hawthorne. It dilates arteries and improves coronary blood flow, thus reducing blood pressure. Also, Magnesium can help achieve positive results.

Remember, medications treat the symptom, not the cause. Your long-term health is in your control.

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Total Benefit Services

Have a new email? If so, please send it to us so we can update our files.

Web-Sites of Interest

www.webmd.com – excellent place to go if you any chronic (on-going) condition. Learn about the disease and treatments.

www.nihseniorhealth.gov – National Institute for Health website for seniors and their health issues.

Canadian Prescriptions

We have been made aware of 3 different on-line Canadian prescription drug plans. This may be the place to purchase your prescriptions at a cost less than buying in the US either at the pharmacy or by mail. Savings vary by drug and so you must go on-line or call toll-free to see if it works for you.

www.crossborderpharmacy.com or 1-888-626-0696

www.tcds.com or 1-888-372-2252

www.thecanadianconnection.net or 1-800-498-8425

This is a good option for those without a prescription drug plan, such as those on Medicare, those with riders for certain conditions or for those who do not have any drug benefit at all.

Summer 2004 Class Schedule

Tuesday, June 22 – Plano Senior Center 10am – 11:30am
Long Term Care

This newsletter intends to offer factual and up-to-date information on the subjects discussed, but should not be regarded as a complete analysis of these subjects. Professionals should be consulted before implementing any option presented. It is meant for informational use only.

This is a Christian business based on the teachings of the Bible, with a strong belief in the Holy Spirit. We believe that God has blessed each of us and assigned us the task of stewardship during our lifetime. All efforts are focused towards this walk.

As it is written, “Minister to one another, as good stewards of the manifold grace of God”

1 Peter 4:10