



The hidden side of healthcare costs for aging farmers or ranchers

*The following information is provided by Nationwide, the #1 farm and ranch insurer in the U.S.**

For many farmers, retirement is just not something they intend to do. While the average age of a U.S. farmer continues to climb and now stands at 57.5 years,¹ health issues may force some operators to retire or semi-retire from the day-to-day farm activities earlier than intended. A large consideration facing aging farmers or ranchers is the health care options available to them. . . and how they will pay for these services. For many Americans 65 and older, the answer is Medicare.

Individuals are entitled to Medicare so long as they are a U.S. citizen or permanent legal resident of the U.S. who has lived in the U.S. for at least five years. The program's benefits can be great but determining the participation level to elect can be somewhat confusing.

Most farmers qualify for Part A coverage under Medicare at no out of pocket expense so long as either the individual or their spouse has paid Medicare taxes for at least 10 years. Care under Part A only covers inpatient hospital stays and/or a skilled nursing facility. This leaves many individuals seeking additional coverage for doctor services, outpatient care, vision, dental, hearing, and potentially other care needs not covered under Part A. These additional services are generally covered though Part B and Part C of Medicare. However, unlike Part A, individuals wishing to participate in these additional coverages will be required to pay the additional premiums associated with those plans. Combined costs could be hundreds of dollars monthly and prove to be burdensome to not only the individual but potentially the farm as well.

One way to plan for these costs is to set aside funds to provide the additional level of income that will be needed to pay for these premiums. To determine the appropriate amount of funds to set aside, it is critical to determine what coverage is desired and its associated cost. Nationwide, in partnership with leading physicians and other professionals, created a tool that analyzes your personal health and lifestyle information, healthcare costs based on your region, actuarial data and medical coverage to estimate the additional costs of healthcare beyond your Medicare Part A coverage.

To learn more, register for one of our online learning sessions at www.nationwide.com/cfba.

¹2017 Census of Agriculture, USDA NASS, April 2019

²P.L. 89-97

*A.M. Best Market Share DWP 2017. Based on statutory data

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