Health & Retirement Services of Illinois
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OUR NEWS LETTER HRSI

HOW DOES YOUR HOSPITAL MEASURE UP?

Trying to find a hospital nearby with doctors that accept Medicare? Or, perhaps you're planning to have surgery or are thinking about your future needs? **Visit Medicare.gov to compare hospitals in your area.**

Understanding your choices will help you have a more informed discussion with your doctor or other health care provider — and choose the hospital that's best for you.

Make the most out of your hospital search:

- **Look at a hospital's overall and patient star ratings.** The overall rating is based on how well a hospital performs across different areas of quality, like treating heart attacks or safety of care. The patient survey star rating measures patients' experiences of their hospital care.
- **Compare a hospital's performance against national averages** for patient experiences, timely and effective care, complications, and more.

In Our Newsletter

TAKE EARLY ACTION TO PROTECT YOUR BONES

Don't wait for a bone to break — get tested for osteoporosis. Your risk of osteoporosis grows as you get older, so it's important to **take early action to help protect your bones.**

Talk with your doctor about whether a bone mass measurement is right for you. This test can help prevent or detect osteoporosis at an early stage, when treatment works best. **Medicare Part B covers a bone mass measurement** once every 24 months (more often if medically necessary) — at no cost to you when your doctor orders it.

MILLENNIALS LIKELY TO FEEL BIGGEST BURDEN OF FIXING SOCIAL SECURITY

Millennials likely to feel biggest burden of fixing Social Security, report finds

Without changes to Social Security before 2035, millennials and subsequent generations will have to pay the full cost of fixing the program.

A recent report on Social Security, which forecasts that the combined retirement and disability trust fund reserves will be depleted in 2035, but will still have money to pay reduced benefits, leaves unanswered the critical question of how much benefits — or benefit cuts — Americans can expect.

The longer Congress puts off shoring up the shortfall, boomers and Gen Xers will avoid tax hikes or benefit cuts. Meanwhile, the generation likely to feel the biggest financial burden of fixing Social Security will be millennials.

“Further delay has real costs: The burden of tax increases or benefit cuts fully shifts to millennials and subsequent generations,” according to Alicia H. Munnell, director of the Center for Retirement Research at Boston College and author of a new report analyzing the program’s funding.

'A great source of concern'

That would be a significant blow to millennials — those born between 1981 and 1996, ranging in age from 28 to 43 this year — who are well behind in saving for retirement compared to the rate of earlier generations due to student debt, Munnell said.

“Millennials’ lack of wealth in their 30s relative to earlier cohorts should be a source of great concern, given that they will live longer than previous cohorts and will receive less support from Social Security,” Munnell told Yahoo Finance.

More than 7 in 10 millennials are already concerned that Social Security could run out during their lifetime, according to Bank of America's Workplace Benefits Report.

Waiting to fix Social Security “undermines Americans’ confidence in the backbone of our retirement system and causes some to claim their benefits early, hoping that those on the rolls may be spared future cuts,” Munnell said.

Half of Americans turning 65 this year are already retired and claiming Social Security and about a third are doing so because of “fear of missing out” on receiving their share of benefits.

Avoiding 'draconian benefit cuts'

The 2024 Social Security and Medicare trustees report projects insolvency one year later than last year’s estimate. That’s due to low unemployment, which has meant that more workers are adding to the program, the trustees said. There will still be funds to pay benefits — though only 83% of what’s been promised to current and future beneficiaries. In other words, without a fix, beneficiaries could see a 17% cut in benefits.

"Fixing Social Security is not a big deal," Munnell said. "The shortfall equals only 1 percent of GDP, and the changes required are well within the bounds of fluctuations of other programs."

Making changes sooner rather than later would "keep more options open, distribute the burden more equitably across cohorts, and avoid draconian benefit cuts," she added.

For instance, if the change had been made in the early 1990s, baby boomers would have shared more of the burden, she said.

"At this point, the youngest boomer is age 60, so the boomer cohort will not be affected by any increase in the payroll tax, and they are almost certainly protected from any benefits cuts," Munnell wrote.

Millennials and generations after will 'pay the full cost of fixing Social Security'

If Congress fails to act until 2035, the youngest member of Generation X will be 55 and will most likely be grandfathered from benefit reductions, according to Munnell's analysis.

"The result of the good fortune accorded to boomers and Gen Xers is that millennials and subsequent generations will have to pay the full cost of fixing Social Security," Munnell wrote. This would require a tax increase of more than 4% or a 25% reduction in all benefits.

The somewhat good news, depending on your perspective, is that millennials already don't expect Social Security to be around for them, Lorna Sabbia, head of workplace benefits at Bank of America, told Yahoo Finance.

They are thinking holistically, she said, and "leveraging all of the savings tools available to them, including 401(k)s and health savings accounts."

They're wise to do so. Even without cuts to Social Security, saving for potentially longer life spans in a world without traditional pensions should be on everyone's radar.

"Americans need to realize how little of their current income would be replaced by Social Security even if there isn't a reduction," Mary Johnson, a Social Security and Medicare policy analyst, sad. "That sum comes to roughly 40% for average earners, less for higher earners. That's the reason to save.

"Could you live on only 40% of your current income?"

How Americans view the economy depends on whether they rent or own

How's the economy doing? Your answer may depend on whether you own your home.

The newest data shows that renters are struggling more financially, while homeowners continue to reap the rewards of refinancing during the pandemic when mortgage rates were at historic lows.

The growing divide has complicated the Fed's efforts to bring down inflation, with homeowners propping up consumer prices with their discretionary spending power.

"The post-pandemic economy is treating people very differently, creating a headache for central bankers," Jeffrey Roach, chief economist of LPL Financial, wrote in a research note this week. "The extreme differences can often get traced back to living situations, as renters have a very different experience than homeowners."

'Unbearable for renters'

Since the start of the pandemic, rents have increased by more than 20%, Roach noted, with renters paying about $370 more each month on average.

"A difficult housing market for people across the country became, in many cases, almost unbearable for renters across the country," Shamus Roller, executive director of the National Housing Law Project, told Yahoo Finance.

How unbearable? Nearly 1 in 5 renters (19%) reported being behind on their rent at some point in the past year, a Federal Reserve report this week found, up from 17% in 2022.

They were also more likely to report not paying all their bills in the previous month than homeowners, even when controlling for income. Across each bill type — water, gas, or electric bill or a phone, internet, or cable bill — renters had higher rates of nonpayment.

"Even if they're not struggling to pay rent, rent is consuming such a large part of their income because they have very little left over for the other things in life and that creates anxiety," Roller said.

"They feel a level of economic insecurity … in the midst of an economy that's doing very well."

'If you own a home, you feel better'

The fortunes of homeowners look a lot different.

Roughly a third of homeowners who had a mortgage refinanced in 2020 or 2021 when mortgage rates hovered around 3% or lower, Roach wrote. As a result, they saved approximately $220 per month on average, with their mortgage payments taking up a nearly historically low share of their disposable income.

And unlike for renters, a mortgage payment is a "fairly predictable cost" going forward, Roller noted, making it easier to budget for future expenses.

"I think if you own a home, you feel better about that," Roller said.

At the same time, home prices have only gone up since the pandemic, creating a record level of home equity that owners can tap through refinancing or home equity loans and credit lines.

That extra cash "added to the spending splurge," Roach wrote, "and created a headache for policymakers dealing with an economy less sensitive to interest rate policy."

Homeowners are more likely to own stocks than renters, so they have also benefited from the handsome gains in the stock market over the last year and a half.

To be sure, homeowners have had to absorb higher homeowners insurance costs.

And those who purchased in the last two years when mortgage rates doubled during the Fed's inflation-fighting campaign are shelling out $2,100 on average per month on their mortgage payment, or $700 more than those who bought before the pandemic, the Fed study found.

But more homeowners remain in a better financial position than before the pandemic and that has "kept the economy out of the doldrums," Roach wrote.

The question remains how long that will last.

WHAT TO KNOW ABOUT MEDICARE COVERAGE DURING A NATURAL DISASTER

It's a good idea to be prepared in case a natural disaster strikes near you. Learn more about how to get the care you need if an emergency is declared in your area and you have to move to a safe area with available medical services.

Seeing a doctor during a disaster or emergency: If you have Original Medicare, you can always see any doctor who accepts Medicare. If you have a Medicare Advantage Plan or other Medicare health plan, contact your health plan about making temporary changes, like using an out-of-network doctor during an emergency or disaster.

Getting your prescription drugs during a disaster or emergency: You can move most prescriptions to another nearby in-network pharmacy, and back to your regular pharmacy when the emergency or disaster ends. Contact your Medicare drug plan if you need to use an out-of-network pharmacy.

Accessing critical care or replacing durable medical equipment during a disaster or emergency: Learn how to replace **durable medical equipment** (like wheelchairs and walkers), or **get dialysis** or **cancer treatments** in case of a disaster or emergency.

Save this email in case you need it as a reference later. If you need other resources or help after an emergency, **visit DisasterAssistance.gov.**