

Subject: Greenleaf Newsletter: Should You Change Your Medicare Selection? Plus, Where to Get More Interest for Your Cash Reserve.

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From: Greenleaf Financial Group

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*Hello Greenleaf,
Welcome to Our Client Newsletter*

In the October Issue:

- **Medicare Open Enrollment: The actions (if any) you should take.**
- **Question: My emergency cash reserve isn't earning much. Where should I move it to get a better rate?**
- **Market News: A strong month for stocks.**

Medicare Open Enrollment:

The Actions (If Any) You Should Take

Medicare's open enrollment lasts from October 15th through December 7th. During this time, you can change your current overall Medicare selection or add new coverage for 2023, such as a Part D plan. If you are happy with your current selections, you likely do not need to do anything.

Medicare Advantage: Worth Considering?

Question:

My emergency cash reserve of about \$25,000 still isn't earning much at my bank even with the year's interest-rate increases. Should I move this money to get a better rate elsewhere?

Answer:

Although many savings accounts are only paying interest rates of around 0.25%

Market News:

A Strong Month for Stocks

Stocks have been on a strong run recently with the S&P 500 Index rising 4.5% over the trailing month. Value stocks and small-company stocks have been the best performers recently, while developed international markets and some segments of the bond market also rose.

The recent shift away from growth stocks -- which

For our clients, Traditional (or Original) Medicare paired with the right supplemental Medicare plan (also known as a Medigap policy) has been the best choice.

However, Medicare Advantage plans offered by Medicare-approved private companies have been heavily marketed recently, leading to more interest in these plans. Should you consider switching from Traditional Medicare to Medicare Advantage?

Medicare Advantage offers a simplified approach. Parts A, B, and D (prescription drug plans) are bundled together. In addition, some plans include vision, hearing, and dental coverages.

However, although Medicare Advantage plans promise lower premiums and out-of-pocket expense caps, they often have higher deductibles and copayments. Some coverages turn out to be less than plan holders anticipate.

Most importantly, you'll want to be certain that your doctors are within your Advantage plan's network. Since these plans are HMOs, any out-of-network visits will not be covered.

Lastly, Medicare Advantage plans often require patients to obtain a referral to see a specialist, as well as prior authorization for certain drugs and services. Traditional

0.25%, online banks such as **Ally** and **Marcus** have raised the stakes with highly competitive rates.

Ally Bank has no branch locations, but it is highly rated for its no-fee, no minimum balance accounts. Checking and money market accounts come with free ATM transactions, but the attraction for you is their 2.35% interest rate for savings accounts.

Marcus by Goldman Sachs matches Ally in its 2.35% rate, while also offering no fees and no minimum balance requirement.

Another option, **Citizens**, has a \$5,000 savings account minimum, but they now pay 3%. Citizens promises that this is not a teaser rate.

If you prefer a credit union, then **Alliant Credit Union** is a safe choice with a savings account rate of 2.2%.

Alliant is NCUA insured, while Ally, Marcus, and Citizens are FDIC insured for up to \$250,000 per depositor.

Since this is your emergency reserve that you may need to tap into, one of these savings accounts should be a good

have dominated the market for many years -- into value stocks has been a welcome one for risk-averse investors and our diversified portfolios.

Overall, investors appear to have accepted the likelihood of a 0.75% (75 basis point) rate rise by the Federal Reserve at their upcoming November 2nd meeting. This will take the Fed's target range to 3.75% to 4%.

Looking beyond that point, what can we expect? History suggests that stocks bottom out once a recession has begun. The economic data does not point to a current recession, so this jump may be temporary.

On the other hand, stocks have also -- historically speaking -- performed well after a midterm election regardless of party outcomes.

We are currently experiencing the happy side of volatility with gains of 1% or more on some days. This market is reacting strongly to every bit of new economic data. Consequently, good or bad surprises will have an outsized impact on short-term results.

Timing the bottom is about

Medicare typically has no such requirements.

Where to Research and Compare

You can compare both types of Medicare options, as well as part D prescription drug plans, and Medigap plans at the ***plan finder and comparison site at Medicare.gov.***

This site will help you determine what's most important to you, as well as your available choices.

If you don't have a Medicare account, set one up for the most personalized information.

Consider Your Options, but Be Cautious When Switching

Changing to Medicare Advantage is not difficult, but switching back to Original Medicare and a Medigap policy in the future may be difficult and costly. Medigap providers are allowed to ask medical health questions when applying for a policy at any time ***except when you first enroll in Medicare.***

Consequently, changes you make after your initial enrollment can result in a higher premium or even a denial of your application.

Medigap Plan Changes

Perhaps your Medigap selection has benefits you don't need or benefits you don't have that you do need. If your Medigap plan isn't the right fit for you, consider changing to one with better costs or coverage by the same provider. If you are one of the rare individuals with no pre-existing conditions, this change can be done at any time during the year by contacting your

match.

If you keep your cash reserve in a brokerage account, you have additional options. Money market funds now offer attractive yields. Fidelity Government Cash Reserves (FDRXX) now yields 2.5%.

Additionally, if you have cash that you don't readily need, then CDs are attractive options. We will gladly review Fidelity's wide range of brokered CDs with you. Many six-month CDs are now paying rates just above 4%.

as easy as winning the lottery. As we mentioned last month, the market's path often changes very quickly. Your portfolio is already positioned for these rapid changes and your October-end statement should be a welcome sight.

Medigap provider.

If you have pre-existing conditions, then your options are limited. Your new Medigap policy may not cover pre-existing conditions for six months.

Part D -- Worth Checking

Our advice for those with Original Medicare is to use this open enrollment period to make sure you have the right Part D - - prescription drug -- coverage based on your medical needs for the coming year.

Part D plan coverages can change and there are no restrictions that would prevent you from ending one Part D plan and buying another.

To review available Part D plans, go to the official Medicare website [here](#).

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