



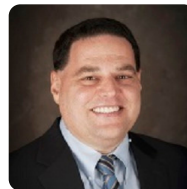
THE RETIREMENT REPORT

Monthly Medicare & Retirement
Planning Newsletter



Your July Health Update: Staying Well This Summer

By Ken Keplinger



This month's newsletter brings together helpful and timely insights to support your health, finances, and overall summer lifestyle. Learn about rising prescription drug costs and how pricing trends differ across countries, along with what that may mean for consumers and everyday decision-making.

We also break down what happens to a health savings account after death and why proper planning can make a meaningful difference for your loved ones and their financial future.

In addition, you will find practical tips for staying active safely in warm weather, including how to recognize signs of heat-related illness and protect your health while enjoying outdoor activities.

To round it out, we are sharing a simple and refreshing homemade popsicle recipe with fresh flavor ideas, perfect for staying cool and enjoying a light treat during the summer months.

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Prices for Popular Prescription Drugs Rise in the U.S., Decline in Other Countries

A recent report shows that many widely used prescription drugs have become much more expensive in the United States over time, even as prices for the same medications have stayed steady or declined in other high-income countries.

According to the findings, the 25 most commonly used brand-name drugs have increased in price by an average of 81 percent since they first entered the U.S. market. In contrast, prices for these same medications have dropped by about 13 percent on average across 19 other developed countries.

These medications are commonly used to treat conditions such as type 2 diabetes, blood clots, and cancer. Together, they accounted for more than \$100 billion in Medicare prescription drug spending in 2024 and were used by nearly 15 million Medicare beneficiaries.

One key reason for the difference in pricing is how drug costs are determined. In many countries, governments or health systems can negotiate prices soon after a drug is approved. In the United States, pharmaceutical companies set their own prices and may increase them over time. Other countries often have policies that gradually reduce prices after a drug becomes available.



The report found that nearly all of the drugs studied saw price increases in the U.S., with some rising significantly. One example is Enbrel, a medication used to treat autoimmune conditions, which experienced one of the largest price increases. In comparison, most of these drugs became less expensive in other countries over the same period.

The rising cost of medications can be especially challenging for older adults. Research shows that most people age 65 and older take at least one prescription drug, and many take several. Some estimates suggest that over 40 percent of older adults take five or more medications regularly.

Concerns about affordability are widespread. Surveys indicate that many adults worry about their ability to pay for prescription drugs in the coming years. A significant number of adults report skipping doses or not taking medications as prescribed because of the expense. This type of behavior, often referred to as medication nonadherence, can have serious consequences. Studies suggest it may contribute to a substantial number of hospitalizations each year and is linked to poorer health outcomes overall.

There have been efforts at the federal level to address rising drug costs. A law passed in 2022 allows Medicare to negotiate prices for certain high-cost medications. As part of this process, prices for some commonly used drugs have already been lowered. While some medications have seen price adjustments after being included in negotiations, others have not experienced the same level of reduction. This suggests that lowering costs across the broader healthcare system may require additional approaches.

Some ongoing policy discussions focus on aligning U.S. drug prices more closely with those in other developed countries. Possible approaches include expanding price negotiations or introducing new pricing strategies based on international benchmarks. These ideas are still being considered as part of broader efforts to improve access and affordability. Overall, the report highlights the continued challenges surrounding prescription drug costs in the United States and the differences in how prices are managed around the world.

A Milestone Worth Celebrating— Natalie's Graduation

Our youngest daughter, Natalie, graduated, with honors from Tampa Catholic High School.



What Happens to Your HSA When You Die?

Health savings accounts (HSAs) are popular because they offer several financial benefits. Contributions are tax-deductible, the funds can grow over time, and the money can be used for qualified medical expenses both now and in retirement. Unlike some other accounts, the money in an HSA is yours to keep and does not expire over time.

However, what happens to an HSA after you pass away is not always straightforward. The way the account is handled depends largely on who you name as the beneficiary, and the tax implications can vary significantly.

Why Beneficiaries Matter

The way an HSA is handled after death depends largely on who you name as the beneficiary. This decision can have a meaningful impact on how the account is taxed and how easily the funds are transferred.

Taking time to review and update your beneficiary designation can help avoid confusion and unexpected tax consequences later on.

When a Spouse Is the Beneficiary

If your spouse is listed as the beneficiary, they receive the most favorable treatment. In this case, the account transfers smoothly, and the surviving spouse can treat the HSA as their own.

This means the account continues to operate as it did before. The spouse can make tax-free withdrawals for qualified medical expenses and may continue contributing if they meet eligibility requirements.

There are no required withdrawals, which allows the account to keep growing if it is not immediately needed. Because of the flexibility and continued tax benefits, naming a spouse is often considered the most seamless and tax-efficient option.

It also allows the account to continue growing without interruption. This can provide added financial stability for future medical expenses.

Current Annuity

Rates

July 2026

5.90%

3 Year Fixed Annuity

6.20%

5 Year Fixed Annuity

*To find out more,
contact me: 813-541-1776*

What Happens cont'd...

When the Beneficiary Is Not a Spouse

The situation changes significantly when the beneficiary is someone other than a spouse, such as a child, relative, or friend. In these cases, the account no longer keeps its HSA status once the original owner passes away. Instead, the funds are treated as taxable income. The beneficiary must report the full fair market value of the account on their tax return for the year of the account holder's death.

There is one adjustment that may help reduce the tax burden. If the account holder had unpaid qualified medical expenses at the time of death, those expenses can be used to offset part of the taxable amount. Even with that adjustment, the remaining balance is still subject to ordinary income taxes, which can be a significant expense depending on the size of the account.



When the Estate Becomes the Beneficiary

If no beneficiary is named, or if the estate is listed instead, the HSA becomes part of the estate. In this scenario, the account's value is included as income on the final tax return.

Beyond the tax implications, the funds may also go through probate. This process can take time and may delay when beneficiaries receive the money. It can also add an extra layer of complexity, especially if the estate includes multiple assets or beneficiaries.

In some cases, administrative fees and legal costs may further reduce the amount that is ultimately distributed. This can make the final value of the account less predictable for those expecting to inherit it. Taking the time to name an individual beneficiary can help avoid these complications and create a more direct transfer of the funds.

Planning Ahead Matters

An HSA can be more than just a savings tool for medical expenses. It can also play a role in your broader financial planning. Taking the time to understand how the account is treated after death allows you to make more informed decisions about how to structure it. It can also help ensure your savings are passed on in a way that aligns with your intentions. Having a clear plan in place can also reduce uncertainty for your loved ones during an already difficult time.

Simple steps like naming the right beneficiary and reviewing your account regularly can make a meaningful difference. These decisions can help reduce potential tax burdens and make the process easier for the people who will eventually handle your affairs. Keeping your information up to date as your life changes can further ensure everything is handled as expected. Taking time to revisit your choices after major life events, such as marriage, divorce, or the birth of a child, can also help keep your plan aligned with your current situation in life.



Even small updates can go a long way in avoiding confusion and ensuring your wishes are carried out clearly. This added clarity can make a difficult time a little easier for those responsible for managing your affairs. It can also help prevent unnecessary delays or complications when important decisions need to be made.

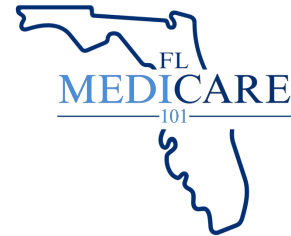
Making Medicare Clear, Simple, and Personal

In May and June, I hosted 7 Medicare Educational Workshops throughout the Tampa area. Attendees learned about Initial Enrollment and the different parts of Medicare. They also discovered they could receive free guidance from an Independent Medicare Specialist- me!

Land O'Lakes Library

2818 Collier Pkwy
Land O' Lakes, FL 34639

Tuesday
Aug. 18th
1:00pm



Zephyrhills Public Library

5347 8th St
Zephyrhills, FL 33542

Saturday
Aug. 22nd
9:30am

Space is Limited!
Register Today:

usamedicare101.org/kkep

Staying Active Safely in Warm Weather

Making the Most of Warm Days

Warmer weather brings longer days and more chances to spend time outside. Activities like walking, swimming, biking, and even simple tasks such as gardening or walking the dog are great ways to stay active during the spring and summer months.

Understanding the Challenges of Heat

However, exercising in the heat can present some challenges. When temperatures rise, it becomes easier for the body to overheat, especially in direct sunlight. Humidity can make things even more difficult because it slows down how quickly sweat evaporates, making it harder for the body to cool itself.

Choosing the Right Time of Day

Taking a thoughtful approach to outdoor activity can help you stay safe while still enjoying the season. One of the most important factors is timing. The middle of the day, especially between noon and mid-afternoon, is typically the hottest. Planning activities in the early morning or later in the evening can make a noticeable difference.



Staying Hydrated

Staying hydrated is essential. Drinking water before, during, and after activity helps replace fluids lost through sweat, even if you don't feel thirsty. Carry water or plan places to stop and hydrate.

Dressing for the Heat

Clothing can help keep you cool. Lightweight, loose-fitting, light-colored clothes are more comfortable, and moisture-wicking fabrics can help. Protect yourself with a hat, sunglasses, and sunscreen when outdoors.

Listening to Your Body

Pay attention to how your body feels. Take breaks in the shade and allow time to adjust to warmer temperatures. It may take a few days to adapt, so lowering the intensity or duration of activity can help prevent overexertion.

Staying Active Safely cont'd...

Smart Ways to Refuel and Cool Down

Choosing lighter foods and cool snacks can also make a difference when being active in warm weather. Options like fresh fruit, smoothies, cold salads, and chilled vegetables can help provide energy while also helping you stay cool. Even simple refreshments like cold water with slices of fruit can be a refreshing choice in the heat.

When It's Too Hot Outdoors

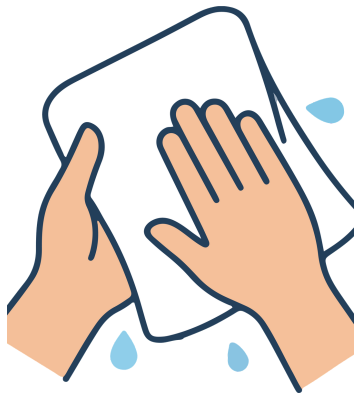
If the heat becomes too much, it is perfectly fine to move your activity indoors. Walking in a shopping center, visiting a gym, or finding simple exercises to do at home can help you stay consistent without overexposing yourself to high temperatures.



Recognizing Heat-Related Illness

It is also important to recognize the signs of heat-related conditions. Dehydration can develop when the body gradually loses more fluids than it takes in over time. Early signs may include thirst, dry mouth, headaches, muscle cramps, and darker urine. More severe dehydration can lead to dizziness, confusion, rapid heartbeat, and extreme fatigue.

Heat cramps are often one of the first signs of heat-related illness and may include muscle pain, heavy sweating, and fatigue. Heat exhaustion can follow, bringing symptoms such as weakness, nausea, dizziness, and cool, damp skin.



What to Do If Symptoms Occur

If you begin to notice any of these signs, it is important to stop activity right away. Moving to a cooler place, drinking water, and using cool cloths or water on the skin can help bring body temperature down. If symptoms do not improve or worsen, medical attention may be needed.

Understanding Heat Stroke

Heat stroke is the most serious heat-related condition. It occurs when the body can no longer regulate its temperature. Signs may include a very high body temperature, hot or dry skin, confusion, rapid breathing, or loss of consciousness. This is a medical emergency and requires immediate attention.

Staying Safe All Season Long

By planning ahead and paying attention to your body, it is possible to stay safe and active, even during the warmest months of the year. Simple choices like adjusting your schedule, staying hydrated, and taking breaks when needed can make a noticeable difference.

Conclusion

Staying active during the warmer months can be both enjoyable and beneficial when the right precautions are in place. Being aware of the weather, recognizing your limits, and making small adjustments to your routine can help reduce the risk of heat-related issues.

With a little preparation, you can continue to enjoy outdoor activities while protecting your health and maintaining a consistent, active lifestyle throughout the season.



Easy Homemade Popsicles

These easy homemade popsicles come together with just a few simple ingredients and about 10 minutes of preparation. Made with fresh fruit and creamy yogurt, they are a refreshing and lighter treat that is perfect for warm summer days.

Equipment:

Popsicle mold

Ingredients:

2 cups fresh berries

1 cup vanilla Greek yogurt, or your favorite flavor

3 tablespoons honey, with more added if you prefer extra sweetness

Optional: 1 to 2 tablespoons sugar



Directions:

Blend the berries until smooth. Add sugar if you prefer a sweeter taste.

In a separate bowl, mix the yogurt and honey until well combined.

Layer the berry purée and yogurt mixture into your molds, alternating for a swirled effect.

Insert sticks and freeze for at least 4 hours, until solid.

To serve, run molds under warm water for easy release.

Quick Tips:

Use ripe, fresh fruit for the best flavor.

Greek yogurt adds creaminess and keeps popsicles from becoming icy.

No mold? Use a muffin tin and popsicle sticks instead.

Other Flavor Combinations to Try

If you want to switch things up, these simple variations use the same method with different fruits and flavors:

Tropical: Pineapple, mango, or a mix of both with coconut Greek yogurt and honey for a refreshing taste.

Peach: Fresh peaches blended with vanilla Greek yogurt and honey for a smooth, classic flavor.

Kiwi: Kiwi paired with vanilla or coconut yogurt and a touch of honey for a slightly tangy twist.

Cherry: Cherries combined with vanilla Greek yogurt and honey for a richer, slightly sweet option.

Source: Nye, J. Easy 3-Ingredient Homemade Popsicles. I Heart Naptime.

Client Spotlight -

I recently guided a client through the Retirement process with the Florida Retirement System (FRS). They were grateful for the guidance I gave them. Our planning journey included developing a retirement expense plan, reviewing health insurance options, and evaluating important retirement decisions every step of the way. Comprehensive planning includes helping clients understand where their income will come from throughout retirement and creating strategies designed to provide guaranteed income for life.

Since 1989, I have been assisting FRS members with retirement planning. Through a personalized, step-by-step process, my clients are able to retire with clarity, confidence, and peace of mind as they transition into this new chapter of life.



Ken Keplinger

17522 Willow Pond Drive
Lutz, FL 33549

813-541-1776

ken@kensafemoney.com



**Thanks for reading! Please contact me with any questions about
Medicare or your retirement planning.**

Happy
4th of July