

# Healthcare Can Destroy Retirement. Here's the Solution.

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Retirement Rehab



According to [Merrill Lynch research](#), serious health problems are retirees' greatest worry about retirement. And it's easy to see why.

You never know if and when you'll fall ill, or how much treatment will cost, even if you have insurance.

According to the [National Conference of State Legislatures](#) (NCSL), insurance premiums averaged \$18,142 for the average family in 2016. That already sounds like a lot, and it's not the reality for many. The cost of healthcare can vary widely by state, for example. And then there's the reality of aging — your healthcare costs are very likely to go up during retirement.

Even with insurance coverage, health care can become your biggest expense during retirement. And the worst part is, there's no way to prepare for this now. Say you calculate your expected medical expenses for 20 years of retirement. Next year, those numbers won't be accurate.

## Why?

Insurance premiums aren't going anywhere but up. [NPR reported](#) health insurance premiums will go up by 22% in 2017. So that average family is now paying \$22,133 annually. You're probably paying even more.

Thanks to Obamacare, many impoverished Americans now have healthcare. But the system comes with a big flaw: there's no cap on how high insurance premiums can go. They will continue to go up every year. How can you plan your savings for retirement in that environment?

In my opinion, most people, even corporate executives with a sizeable nest egg, can't.

To show just how messed up the US system is, let's take a look at the cost of healthcare in a few other countries around the world:

## Thailand

Thailand has developed quickly. Today, it's a country full of top-rate hospitals and western trained doctors equipped to do all sorts of complicated medical procedures. And they cost way less than the US. [One source](#) did a price comparison of a few of these:

- Coronary Angioplasty: \$28,200 in the US, \$4,200 in Thailand
- Hip Replacement: \$40,364 in the US, \$17,000 in Thailand
- Gastric Bypass: \$25,000 in the US, \$16,800 in Thailand

And you don't have to pay out of pocket. [According to Pacific Prime](#), international medical insurance plans in Thailand cost \$7,861 on average. That includes all sorts of coverage and premiums, but you can actually shop around for much cheaper plans based on your needs.

**Here are the cost ranges for different plans in the country:**

- Inpatient only coverage: \$1,532-\$3,071
- Inpatient and outpatient coverage: \$2,618-\$6,216
- Outpatient, inpatient and extended benefits: \$4,408-\$7,462

## Spain

Spain is ranked among the best in the world for healthcare. They offer universal healthcare to Spanish citizens and EU citizens through their General Social Security Fund (TGSS). In general, people pay [4.7 percent of their annual salary](#) into the system. Remember that average family paying \$18,142 in insurance premiums in the US? One person in Spain would have to earn \$386,000 a year in order to pay that much into the system.

Non-EU expats are required to purchase private health insurance in order to gain residency. Sanitas, the largest private insurer in Spain, [offers a mid-range plan](#) for 65-year-olds for less than \$150 a month. If you're 10 years younger, the premiums can run under \$100.

## Mexico

There's a lot of variation in healthcare costs in Mexico, but none of it gets even close to reaching US standards. Nearly all cities have at least one premium hospital with all the amenities you need. In general, the cost of services are half or less than in the US. That includes prescription drugs, consultations, lab costs, surgeries, you name it.

Insurance premiums are also way cheaper than in the US. Part of this is because the cost of services are low in general, and part of it is because their system isn't setup to send premiums through the roof. [One expat-retiree](#) living in Mexico said that health insurance for him and his spouse cost about \$1,700 per year with a \$5,000 deductible. And it covered care inside or outside of Mexico.

## The Bottom Line

US insurance premiums are outrageous compared to the rest of the world, and it's only going to get worse as you age.

In my opinion, there is no better argument out there for moving abroad for retirement. Even if you've done everything right and built a healthy nest egg, there will always be three variables you can't control:

- How long you live (Will your retirement last 15 years or 35?)
- How much your medical care you'll need (What if your spouse gets cancer at 68?)
- How much American insurance companies will expect you to pay.

The smart thing you can do is protect your retirement savings and move to a place where people don't go bankrupt over health care. So basically, go anywhere but here.



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