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Retirement Millionaire

The Retirement Cheat Sheet for the
U.S. Health Care System



Stansberry & Associates
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Doctors killed more than 7,000 people last year... with their handwriting!

That's right. Sloppy, illegible writing on prescriptions, hospital charts, and other medical documents killed over 7,000 patients in 2008.

This is criminal.

Worse, the medical community laughs about the problem. It's treated like a joke. I can't tell you how many hundreds of times I've heard fellow doctors laugh at comments like: "He sure does write like a doctor, I can't read his writing." To me and you, this just isn't funny.

Any time you hear a quip like that, remember this sad story:

A young pregnant woman's doctor used an abbreviation "PTU" for a thyroid drug. Apparently, the doctor was too lazy to write out the drug's whole name, *propylthiouracil*.

Instead of getting the prescribed medication, her pharmacist mistakenly filled it with *Purinethol*, a strong anticancer drug. Within six weeks, she was sick and bleeding in her rectum and vagina. Shortly thereafter, her baby aborted and she died during the surgery required to remove the dead fetus.

As shameful as that one case is, it gets worse. Last year, more than 12,000 people died after having unnecessary surgery.

Read that again.

Every year, 12,000 patients die from surgery that is not warranted medically, but is performed anyway. How can this be? Easy, go to a surgeon and guess what they want to do? Yep, surgery. In fact, during my medical training, I often heard the old adage from surgeons: "When in doubt, cut it out."

Five years ago, I became so fed up with the system that I started writing *The Health Report* for S&A subscribers and sharing what I knew. I wanted our readers to know what the insiders weren't telling them... and how to protect themselves. Today, I feel the need to share the kind of secrets only an insider understands.

I want to show you how to take control of your health and stop relying on these institutions to look after you... because they won't.

The truth is, once I started researching and writing about the health care system, I quickly discovered how much more dangerous the problems are than I ever thought.

Stories abound of inappropriate testing and questionable surgeries. Consider this: The U.S. leads the world in performing hysterectomies – a surgery to remove a woman’s uterus (and sometimes her ovaries and fallopian tubes as well). It’s the second-most common surgery in the U.S. – after cesarean-section child deliveries.

More than 700,000 women undergo hysterectomies every year in the U.S. In fact, about 33% of U.S. women have one by the age of 60. Yet, in the U.K., only 20% have one by 60. Worse, the hysterectomy rate varies three- to fourfold by region and even by hospitals and doctors. Why are these surgeries so much more common in the U.S? Clearly, the medical community has no standard of care or measurement of outcome for this procedure. Otherwise, how could such a huge variation in surgical rates exist?

It’s senseless surgery. But you can find plenty more examples of this nonsense in surgery and medicine.

I’ve seen insurance companies cheat policyholders... I’ve seen doctors prescribe absolutely worthless drugs and tests ... and I’ve seen older folks literally die because of incompetent medical treatment.

Does any of this scare you? It frightens me.

The point is, the U.S. health care system is primarily set up to benefit drug companies... insurance companies... and the countless middlemen who have weaseled their way into your medical system.

That’s how this report comes in. In addition to putting your well-being back in your own hands... These tips will also save you lots of money.

What most Americans don’t realize is that you can get the best health care in the world, very cheap... many times for free. In this report and in your upcoming monthly issues of *Retirement Millionaire*, I’ll show you how to:

- Save literally thousands of dollars on your insurance costs,
- Cut prescription costs by at least half, and
- Use a new government health program to put tens of thousands of extra dollars in your pocket over the next few years.
- Improve your health without medicine or a doctor.

These are a few of the absolutely legal and incredible opportunities I’m going to share with you.

Readers of my *Health Report* have been seeing this stuff for years. And now, you can enjoy the same insight and secrets about health and wellness through every issue of *Retirement Millionaire*. With these insights, you can stop relying on drug makers, insurance companies, and self-important physicians to act in your benefit. **You can take control of your own health.** Here’s how...

Four Cost Cutters to Save on Prescription Drugs

Cost Cutter No. 1: Until recently, insurance companies and the Medicare system determined the prices you paid for drugs of all kinds. Now, you can set the prices you pay just by talking to your doctor.

You can determine with your doctor if the medication you take can be changed to a so-called “generic” medication. You see, when a pharmaceutical company develops a drug, it creates patents to protect its

product for several years. But eventually, those patent protections expire and other companies are free to develop so-called “generic” versions of the same medicine. In many cases, the generic drugs are just as good at treating what ails you. And because they are no longer under patent (and therefore other companies can make them), the prices are much lower.

To protect their profits, drug companies often develop “new” (patent-protected) versions of an old drug. Frequently, these newer version aren’t any better at treating you than the old stuff. For example, doctors prescribe drugs known as statins for heart disease. The No. 1 selling statin is the drug Lipitor. In fact, the original statin was called Mevacor, but it went off patent in 2001. If you buy the generic version of Mevacor, you might pay only \$4 per month total for it. Ask your doctor if Lipitor is really better for you than Mevacor.

In fact, if your doctor is unsure or hesitates, ask him to research the science and get back to you once he can explain the differences – in a way you understand. It’s your health, and it’s your money. Bottom line, many of the drugs you take can be substituted for cheaper generics.

However, it is true that a few drugs have a very narrow “window” of safety and usefulness (the so-called “therapeutic index”). You should discuss this with your doctor too. If they feel the drugs you take should be brand name drugs because of safety and efficacy (how well the drug works), then by all means don’t switch to the generic.

To know if a generic is a smart, safe option, make sure your doctor can answer these questions:

- 1) Which of my drugs comes in a generic? (Your doctor probably won’t know, but you should ask your pharmacist.)
- 2) What is the effectiveness of the old generic drug in this class of drugs versus the one you currently have me taking?
- 3) What is the therapeutic index of the drugs I am taking? Is it narrow?
- 4) What site can I go to online to learn about the safety of the drugs I am taking? The answer is: MedWatch at the FDA’s site.

Now, you may be wondering how to get drugs so cheaply. The answer is a capital “W.” Both Wal-Mart and Walgreens now provide hundreds of drugs (many generics) for only \$4 per month... or \$3.33 per month if you buy a 90-day supply.

Cost Cutter No. 2: Tired of being ripped off by U.S. pharmaceutical companies? If you can’t cut costs with generics, then you should try buying foreign. Until Wal-Mart and Walgreens launched their dirt-cheap plans, many smart Americans were buying from companies outside the U.S. In fact, Canada is a great place to buy brand-name drugs.

Don’t worry, buying prescription drugs from Canada via the mail is perfectly legal. It’s also safe and a great way to pick up the brand-name drugs you need. Be sure and deal with a reputable company like one of the three companies I list below. And price shop among them. Even among the online mail-order companies, prices can vary drastically. For example, I just priced a 90-day supply of Lipitor through four online distributors. Prices ranged from \$173 in Canada to \$442 in the U.S.

Three well-known and respected Canadian mail-order pharmacies are:

- TCDS.com (888-372-2252)
- Canadameds.com (877-542-3330)
- CanadaPharmacy.com (800-891-0844)

So if you pay out of pocket for your drugs, and you and your doctor agree you must have a brand name, shop around for the best price.

Naturally, if you need the drugs to treat an immediate problem or you've run out of a critical medication, this option may not be appropriate. But if you're able to plan ahead, mail-order services can save a bundle.

Cost Cutter No. 3: The best-kept secret of the drug business is that you can get almost any prescription drug in the world, free. Don't expect to hear this secret from your pharmacist... or even your doctor. But these programs are perfectly legal... and are already being used by thousands of Americans across the country.

Most people don't take advantage of these freebie programs, simply because they – and their doctors – don't know the programs exist. Drug companies don't disclose the exact criteria it takes to qualify, but it's certainly easier to receive free drugs from a private company than it is to get assistance from the federal government.

There is a great website to help you discover whether you can get free drugs. The first step is to go to the website www.pparx.org and click on the button for patients. There, you can enter the drugs you take and fill out a simple form. The website will tell you which drugs are available for financial assistance and from what company. I highly recommend this site for determining where to find free medication. But if you already know who makes your drug, go directly to that drug company and see if you qualify. You can look up their websites, but these can be confusing. I'd encourage you to call the company directly.

When you call, ask the operator for the "patient-assistance program." They can help determine your qualifications. And don't forget the complete list of free drug programs on the Pharmaceutical Research and Manufacturers of America (PhRMA) website: www.phrma.org. Or you can even call them at: (202) 835-3400.

Keep in mind, the companies initiated these programs as assistance for low-income folks who struggle to afford their medications. Each has different criteria for giving free medications. In general, to apply, you'll have to verify your income and medical expenses. And not everyone qualifies.

Cost Cutter No. 4: Want to know the nearest place to buy the cheapest medications? Be sure to visit the website www.drx.com. This site tells you where to buy medications nearest to your home. The best part is that it also identifies the cheapest place near your home. And it compares it to the cheapest mail-order offers. If nothing else, it's a simple, quick way to keep your list of medications handy.

I recommend you go to the site and up load all the information you can to the site. You can even enter the names of your doctors and your regular pharmacies. It should only take a few minutes and immediately you'll know where the cheapest and closest place is for your medications. One elderly friend of mine saved almost \$140 the first time she used the site. This tip alone could easily save you more than the cost of your subscription to *Retirement Millionaire*!

Government Program Slashes Bills 30%

In 2003, the U.S. government created a program that allows people to pay for many over-the-counter (OTC) medications and even nutritional supplements with tax-free money. The only catch is that you need to have what's called a Health Flexible Spending Arrangement (FSA) with your employer.

In fact, if you're not retired and don't yet have an FSA, you should call your human resources department immediately and open one. These special accounts allow you to save 30% and more on your medical costs. The way they work is simple...

Essentially, you have money deducted from your paycheck and placed in a special account. It can be as much money as you'd like (the IRS sets no limits, but your employer may) and the money comes out pre-tax. Because it's pre-tax money, you're saving whatever percent is your tax rate.

You can spend your money on anything that alleviates or treats personal injuries or sickness. For example, this includes:

- Antacids
- Allergy medicine
- Aspirin
- Band-Aids
- Ice packs
- Pain reliever
- Cold medicine
- All prescription medications

The IRS publishes a list (IRS Pub. 502) specifying the many medical and dental expenses you can cover with an FSA. Go to the site www.irs.gov and type in "502" in the search box to see the list.

The best part is, you can use pre-tax dollars for:

- Health insurance premiums
- Amounts paid for long-term care
- Amounts not covered under another health plan

This means almost all of your medical expenses can be paid with pre-tax dollars through your employer's FSA plan. And by not paying taxes on the money, it's like getting a great return on your investments without any risk. Here's how it works:

Medical Expenses – **No** FSA Account:

- Income of \$60,000
- Tax @ 21%
- Gross Income of \$47,000
- Medical Expenses of \$3,000
- Net Income = \$44,400

Medical Expenses **with** an FSA Account:

- Income of \$60,000
- Medical Expenses of \$3,000
- Gross Income of \$57,000 (\$60,000-\$3,000)
- Tax @ 21%
- Net Income = \$45,030

This is an immediate income increase of \$630. The benefit increases as your income or medical expenses go higher.

There is one catch to these plans: You must use all the money you've set aside by year-end. It's the so-called "use it or lose it" rule. But since you can buy many OTC medications, you can easily use up any money that may be expiring at year-end by stocking up on things like aspirin, Tylenol, and cold medication.

The FSA plans are easy to use. Most plans provide a debit card (just like your bank ATM card) for expenditures. That makes your record-keeping requirements virtually nil. And by federal law, the card also allows you to get an advance on amounts earmarked for the account in the coming year. Say in January, you agreed to put \$4,000 into the account over the coming year, by law your plan sponsor puts up \$4,000 immediately. This allows you to take that money out and use it immediately, even though it hasn't been deducted from your pay yet. And another insider health secret: If you quit or are fired before year-end, you don't have to pay it back. It's the law.

Save Even More for Your Retirement with this IRS Loophole

Three years ago, President George Bush signed into law the *Tax Relief and Health Care Act of 2006*. Initially meant to help Americans pay for their health care, it is also a loophole for amassing wealth for retirement.

More than 6 million Americans are covered by this plan, but almost none of them know about the very lucrative loophole. Best of all, it's perfectly legal and the IRS spells it out in Publication 969. Let me explain...

The government wants you to have health care coverage. In fact, it has long believed health care to be a tax-free benefit. What would our American way of life be without the belief in health care for everyone? The problem is, insurance that pays for 100% coverage with no deductibles is pricy. Many of us can't (or won't) pay for that kind of coverage.

If you are one of the many people (like myself) who thinks paying for health care coverage for every possible test, medication, and visit is absurd, you'll love insurance plans known as "high-deductible health plans," or HDHPs. Here's how the IRS defines HDHPs:

- A higher annual deductible than typical health plans, and
- A maximum limit on the sum of the annual deductible and out-of-pocket medical expenses that you must pay for covered expenses. Out-of-pocket expenses include co-payments and other amounts, but do not include premiums.

HDHPs also involve minimum and maximum annual deductibles plus out-of-pocket expenses. Specifically, to qualify as an HDHP plan, the deductible limits are:

- \$1,150 minimum and \$5,800 maximum for individuals
- \$2,300 minimum and \$11,600 maximum for families

The beauty of the plans is the government allows us to pay for our care today using tax-free dollars, and the money can also fund our retirement if our health needs don't use it up before then.

Once you open an HDHP (this can be done with your employer or even through private parties – for years I did one directly with Blue Cross Blue Shield), you then simultaneously open a Health Savings Account (HSAs) with a financial services firm you trust. Typically, this will be a brokerage...(if you set one up with an employer, you may not have a choice). HSAs act a lot like FSAs (see the section above on FSAs); allowing us to bank pre-tax dollars and pay for health expenses but with one key difference – *you don't face use-it-or-lose-it deadlines!*

There are some limits: You can put in up to \$3,000 a year as an individual and \$5,950 for a family. If you are 55 or older, you can add \$1,000 to the maximum contribution. This money is kept in an account that you control and any earnings or interest accumulates tax-free.

Again, the amount you put in is immediately deductible from your gross income. Thus, you get the full benefit of \$3,000 to spend on qualified medical expenses, not \$3,000 minus taxes (which might leave only \$2,200 if you didn't have one of these accounts). And just like the FSAs, you can withdraw the money whenever you need to pay any medical expenses, including OTC medications and supplies.

Here's the kicker; because you don't have the "use it or lose it" issue, HSAs are a great way to save money for future health care, too. Unlike the Flexible Spending Arrangement above, this money can stay in the account and build up until you die. In fact, your spouse can inherit it without paying taxes (other beneficiaries must pay taxes on the inheritance).

And here's the big loophole... Saving extra money in the HSA creates another tax-free account you can tap in retirement. The IRS allows you to use your health care plan like a garden-variety IRA. You just keep putting money in it until age 65. *Once you hit 65, you can withdraw the money without penalty for any expense*, not just health care.

Imagine starting at 45 years old and putting \$3,000 per year away until age 55, then \$4,000 (you can add \$1,000 a year extra after age 55) per year until 65 years old. It's all tax-free and by age 65, if you earned a conservative 6% per year, you'll have more than \$133,000 sitting in this account for your retirement. And the beauty of it is, you can take it out for health care expenses tax-free. Of course, if you end up using it for everyday living expenses in retirement, you will pay income taxes (just like you do in a regular IRA).

So consider an HSA along with an HDHP to maximize your retirement nest egg. The savings from the lower insurance costs plus the tax-free deduction and build-up of capital in the HSA can provide you hundreds of thousands of dollars in your retirement. Give this loophole a good look and see if it's for you. I do this myself.

Hospital Bills Are Wrong and Insurance Co. Won't Pay? This Simple Tip Could Get You More Than \$123,000

Having problems with your health insurance plan not paying you for services that are covered? Are you spending hours reviewing bills from a hospital visit, trying to figure out what's real and what's not? Nothing is more frustrating than dealing with an obstinate insurance company.

If you're frustrated with hospital and medical bills, I know the perfect person for you. She's not a lawyer, and she comes cheap compared to what a lawyer would charge. Best of all, the insurance companies

don't want you to know her.

Her name is Mary Jane Stull and her home and business are in northern Indiana. The business is called The Patient's Advocate. After working in the medical field for more than 20 years, seven of those as an insurance-claims processor, she decided enough was enough. She got tired of seeing people like you and me getting ripped off by the very companies we pay insurance premiums to protect us.

For \$300, she will open your case and begin to fix things. She'll talk to you first – before charging you a dime – and decide whether she can help. Once you send her your paperwork, permission, and \$300, she starts on your case. She was able to recover \$123,000 for one client! This sounds like the kind of person I want on my team when the bills and insurance forms are piling up.

All it takes is one simple phone call or e-mail. You'll have to fill out a form releasing your information to her. But once you're in her hands, she'll begin to audit the case and figure out very quickly where the problem lies. As she puts it: "The Patient's Advocate will fight to get you every penny of what is due you. What insurance companies won't tell you, we will. We are on your side."

Here's how to contact her and her team:

Website: www.insurancenightmare.com

Phone: 574-252-5550

Fax: 574-252-5551

E-mail: PatientAdvocate@cs.com

If you have nagging bills or problems with insurance companies and physicians not working together, I recommend giving her a call. By the way, we do not receive any financial benefit from The Patient's Advocate.

The No. 1 Exercise in the World in only 12 Minutes

My last tip may not save you any cash, but it will help you live long enough to enjoy your retirement...

I have a practice you can try most anywhere and anytime... in your work clothes, your gym clothes, even naked in bed. It's simple to do, but it takes a little time. And I mean just a little time – *12 minutes* is all it takes!

If you want to quickly improve your health and happiness, this activity does it. The best part is it takes very little effort. Paradoxically, the less effort you exert, the more benefit accrues. Any guesses what it is?

Over the years, I ask people who don't do it, why not? Most people say they are afraid of its religious connotations. Mmm... it is true many devout people invoke this technique when they pray. This physiologic process happens during quiet times and times of prayer. But it works for Muslims, Catholics, Buddhists, and heathens alike. You don't have to practice any specific religion (or any religion at all) to enjoy the health benefits of this process. What is this practice?

It's meditation.

In the 1970s, a cardiologist named Herbert Benson studied meditation and wrote a book called *The Relaxation Response*. As you may recall, the '60s and '70s began a new era in health. It was a time when

medicine and its scientific method wrestled with the world of alternative and complementary healing. The hippies of the '60s had ideas for world peace and alternative health to cure disease, while "Western medicine" held to its paternalism and hierarchical beliefs. Meditation was something strange bearded men did with robes on.

At the time, a then-current concept of personality led researchers to uncover statistical correlations between so-called "type A" people and heart disease. But as medicine and science advanced in the 1980s, few leaders in health care investigated natural, simple, and cheap solutions. The focus was on finding silver-bullet pills to cure disease. It was the new era of medicine, and pharmaceuticals were thought to be the answer to most every question.

This is a lazy way of looking at science and cures. As one of history's greatest inventors Thomas Edison wrote years ago...

The doctor of the future will give no medicine, but will interest his patients in the care of the human body, in diet and in the cause and prevention of disease.

A century later, his message is still true. Easy-swallowing pills and medicines are not the answer to everything. Many simple, common-sense activities promote good health and prevent disease.

The power of meditation comes from the "relaxation response" it elicits. Meditation actually changes our physiology. During meditation, our brain waves convert to a pattern that is as deep, and in some ways deeper than, sleep. And it is also more restful and recharging than a nap. Meditation releases chemicals that are the direct opposite of the so-called "stress hormones." These chemicals and hormones trigger pathways of healing and regeneration.

Regular meditation practice lowers your heart rate and increases both your blood's oxygen saturation and the delivery of oxygen to tissues. This is the exact same benefit of exercise. A *Scientific American* article from 1963 showed yogis can actually lower their heart rates to one or two beats a minute by invoking this "relaxation response." Now that's what I call relaxed!

Perhaps the best part, meditation has benefits identical to exercise but without the wear, tear, and stress on your body that comes with training too hard. Meditation can also:

- Increase your powers of concentration
- Help you live longer
- Reduce the number of visits to your doctor
- Reduce the likelihood of an admission to the hospital
- Improve your fertility
- Boost your immune system
- Increase your serotonin (the chemical that counters depression)
- Lower blood pressure more than any known drug

Of course, as with any lifestyle change, it is only effective if you do it!

There are many forms of meditation. When I first learned to practice meditation 20 years ago, I studied Transcendental Meditation (TM). Since then, I have discovered and tried variations of TM by reading about meditation, relaxation, and awareness (for instance, the works of writer Jon Kabat-Zinn,

famous for popularizing the phrase “Mindfulness Meditation”)... Many of the people who invoke the response (including some religious folks) truly believe the process, if practiced by enough people, would lead to decreases in crime and even promote world peace...

So if you're looking for a simple way to get the benefits of exercise without the wear and tear and huffing and puffing...learn to meditate and practice it regularly. You'll be amazed at how good you'll feel.

To get started, I recommend you read that book, *The Relaxation Response*, by Dr. Herbert Benson.

What We Gave You in This Report...

Let's recap the secrets to better wealth through health opportunities in this report:

- The secrets to cutting your drug costs down to nearly nothing using local drugstores, online search engines, and even the drug companies themselves.
- How to buy all your medications, insurance premiums, and even over-the-counter stuff, tax-free.
- The solution to the nightmare of insurance companies. If you are having problems with hospital or insurance bills, it's the place to go.
- A loophole that allows you to shelter even more money from taxes by using a special health care account for the future. You can even pass it on tax-free to your spouse when you die.
- The greatest exercise known to man. There is no better exercise for your body than this one, and you only use your brain to do it.

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