Integrate Healthcare Into Retirement Planning: A 5-Step Framework for Financial Professionals

Unlock New Value for Your Clients — and Your Practice

Healthcare costs are the top retirement concern for clients, yet most financial plans treat them as an afterthought. When healthcare costs, Medicare decisions, tax strategies, and retirement income are planned together, retirees can reduce unnecessary expenses, preserve more of their savings, and make retirement decisions with greater confidence.[1]

By the Numbers

- **62 percent of advised consumers** list healthcare costs as a top retirement worry — second only to inflation.[2]
- **56 percent** say they have not received guidance on how and when to file for Medicare.
- **69 percent** would switch advisors for better Medicare guidance.
- **96 percent** of advisors say they discuss healthcare with their clients, yet only 44 percent of clients remember those conversations.
- Integrated planning can save clients $15,000 to $25,000 annually in subsidies and up to $224,000 over retirement.[3,4]

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[1] Source: *Redefining Advice: Integrating Healthcare Into Retirement Planning, LIMRA, 2026*

[2] Source: *Protected Retirement Income and Planning Study — Chapter 3: Mind the Gaps*, LIMRA, 2025.

[3] Source: *Redefining Advice: Integrating Healthcare Into Retirement Planning*, LIMRA, 2026.

[4] Source: *2026 EBRI/Greenwald Research Retirement Confidence Survey*, EBRI and Greenwald Research, 2026.

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Navigate With Confidence

The 5-Step Framework

Use this framework to integrate healthcare into a retirement plan that evolves with each client's needs.

1. Understand how long retirement may last.

- Start with a health and longevity review: current health, family history, lifestyle.
- Tailor the plan's duration and risk management to each client's unique profile.

  Example: A healthy couple with long-lived parents need a plan that funds decades of expenses, while a client with chronic illness may need different strategies.

2. Understand the role of location in healthcare and retirement costs.

- Analyze how location affects healthcare costs, taxes, and access to care.
- Consider state-specific rules for Medicare, property taxes, and estate planning.

  Example: Relocating can lower living costs but may introduce new tax or healthcare considerations.

3. Estimate healthcare costs.

- Quantify healthcare as a core budget item, not just a line item.
- Compare Medicare Advantage versus Medigap; the right choice can mean a $224,000 difference for a couple.
- Convert lump-sum savings targets into protected income streams (e.g., Social Security, annuities).

  Example: Delaying Social Security from 62 to 70 increases monthly benefits by 77 percent, providing a reliable source for healthcare expenses.

4. Coordinate income and taxes.

- Align income sources (Social Security, IRAs, Roth, annuities) with healthcare costs on an after-tax basis.
- Manage Income-Related Monthly Adjustment Amount (IRMAA) brackets and Affordable Care Act (ACA) subsidy eligibility through strategic withdrawal sequencing.
- Leverage health savings accounts (HSAs) for tax-free healthcare spending.

  Example: Proper Roth conversion timing can avoid Medicare premium surcharges and preserve ACA subsidies worth tens of thousands.

5. Perform gap analysis and ongoing refinement.

- Compare projected after-tax income to expenses; adjust as needed.
- Revisit plans annually to account for tax law changes, health events, or income shifts.

  Example: Annual recalibration tied to IRMAA lookback and ACA enrollment windows keeps plans on track.

What Your Clients Gain

These strategies can deliver significant savings for clients while strengthening the value of your advice.

Strategy	Potential client value
IRMAA bracket management	**$3,000–$12,000+** in annual Medicare savings
ACA subsidy preservation	**$15,000–$25,000** per year pre-65
Medicare optimization	Up to **$224,000** per couple over retirement
HSA deployment	**25–40%** effective savings on medical expenses
Roth conversion sequencing	Reduced lifetime tax exposure while managing IRMAA/ACA interactions

Put It Into Action

Turn healthcare planning into an ongoing part of your client service model.

- Integrate healthcare cost questions into your client intake and annual reviews.
- Coordinate withdrawal strategies with healthcare and tax planning.
- Establish partnerships or in-house expertise for Medicare guidance.
- Institute annual plan calibration tied to key enrollment periods.

Integrating healthcare planning into your retirement planning will deliver the value your clients want while helping to differentiate your practice.

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