

Winter 2020

Your Guide to Health Care Consumption

By: Kate Arndt, CFP®
Financial Planner

The health care industry is like a box of chocolates. With many unknowns and a system that forces the patient to act as the middle man, it can be challenging to navigate as a consumer. But remember—patients are the driving force of the health care system. While it may feel like you're powerless or unheard, that is not the case. You have a voice. It's time to become an educated and engaged consumer!

Productive Appointments

In 2018, the Physicians Foundation came out with a study that suggests doctors see an average of 20 patients a day. That's a lot of information to keep straight. How can you ensure you make the most of your appointment? The answer is simple. Before your visit, type up a summary of your health history and current issues. Be sure to include pertinent information, such as a timeline of the problem and other symptoms. Send the letter to your doctor in advance and bring a copy to the appointment to make good use of everyone's time. Proper communication between patients and medical professionals can lead to faster diagnoses and more efficient care.



Ask Questions

Some doctors are compensated on a fee-for-service model, which incentivizes them to provide more services. However, more is not necessarily better. As a patient, you have the right to ask questions. Inquire why a lab is ordered and how it will help with your diagnosis or treatment. Ask if a referral or laboratory is in-network. Remember—accepting your insurance and being in-network are not the same thing. Don't find out when it's too late!

It's equally important to request quotes or estimates when receiving planned care. For example, if you're having non-emergency surgery, you should seek a quote from all parties. Beware: doctors, anesthesiologists, and the hospital itself may bill separately. While a quote isn't a guarantee, it can help your argument if the bill comes back higher.

Be Your Own Advocate

Don't be afraid to challenge a bill that appears incorrect. This process begins by asking your health care provider for an itemized invoice that breaks down each expense. Review the itemized charges and verify the services were rendered. You may catch that you were double billed for medicine or that you were charged for a private room even though you stayed in a shared room. Call your insurance company and health care provider once you find an error to let them know you're disputing the charge and would like to file an inquiry.

There's a new buzzword in the healthcare industry called "surprise billing," which occurs when you receive care from an out-of-network provider that you did not choose. Using the example previously mentioned, you may have an elective surgery with an in-network doctor. Still, the anesthesiologist

on duty is out-of-network, and you're billed the list price. Use online pricing resources to determine if you've been charged an excessive amount for the services received. If so, try negotiating with your provider to charge the market or in-network rate.

Conclusion

Health care is an essential and constant factor in every financial plan. To be a proactive and engaged health care consumer, you must prepare for planned care, ask questions, and review every bill. Taking these steps may help reduce your cost, improve your care, and enhance your overall experience.

Contact Kate if you have questions or would like additional information regarding this topic.

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Welcome Baby Stark!

Join us in welcoming baby Stark!
Brad and his wife recently
welcomed a beautiful baby boy.
Both mom & baby are doing well.

BLT Corner

Welcome 2020



We are hoping the beginning of 2020 is off to a great start for you and that you are looking forward to the new year.

The Bedel Financial team is off and running with a few changes for this new decade! At the end of 2019, we added a new team member in the Administrative Assistant role following Patt Norton's retirement in December. We are excited to welcome Andriel Adams, who stepped into this role and has been settling into the team quite well. She is quickly becoming a valuable member of the staff, and we know you'll enjoy getting to know Andriel a bit more when you call or visit the office. Welcome, Andriel!

In addition to Andriel, there have been a few other changes internally. On our Financial Planning Team, Sarah Mahaffa, one of our Senior Wealth Advisors, has taken on the role of Financial

Planning Team Manager, and Abby VanDerHeyden is now the Generation NeXt Team Leader in addition to her role as a Financial Planner. On the Investment Management side, Jonathan Koop, who is a Portfolio Manager, has taken on the role of Manager for the Investment Team. While internal changes will not impact their most important role of working with our clients, we are excited to share their advancements within the Bedel family. Congratulations to Sarah, Abby, and Jonathan!

In other news, our third annual BFC Time with Santa was a success. We look forward to the event, and this year certainly did not disappoint. Our staff enjoyed seeing the children and grandchildren of our clients taking photos with Santa and making crafts with their families, all while sipping hot cocoa and snacking on the sugar cookies they just decorated. Santa even read "The Night Before Christmas" to all the kids, and parents seemed to enjoy it as well! If you were not able to join us this time, mark your calendars for this year's date, which will be on Saturday, December 5th.

We are also working on the final details for our annual Ladies Luncheon, which will take place in April. Please stay tuned for more information.

As we look into the new year, we want to thank you for the continued trust you place in us as your advisors. If we can help you in any way, always reach out to us. We enjoy hearing from you!

Happy New Year,

The Bedel Leadership Team

Save the Date - Ladies Luncheon

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Our annual Ladies Luncheon will be held on April 8th at Meridian Hills Country Club. More details will be announced soon.

By: Evan Bedel, CFP®
Owner and Director of Finance & Strategy

We often get questions around stock market performance in election years. There are many books and theories published around the correlation between election cycles and stock market cycles. Is it true that the stock market outperforms in an election year? We are here to debunk (or not) myths and share some facts.

An easy way to offend an audience of readers is to discuss politics in an election year. Many of us are passionate about our candidates. We all have opinions. So let's put our political differences aside and focus on who the stock market favors as our next President.

Clarity is Key

We all want clarity. The more uncertainty there is, the more difficult it is to value a publically traded company. Heading into the election, this is what investors and business leaders want to know:

- Taxes: Will the Tax Cuts and Jobs Act be repealed, causing tax rates to increase?
- Employment: Will there be new job growth?
- Healthcare: Affordable Care Act concerns.

Industry News

Does the Stock Market Favor Trump or Someone Else

- Fiscal Spending: How high will our debt ceiling climb?
- Interest Rates: Will fiscal easing continue to keep interest rates low?

The answers to these questions will likely impact the stock market. However, the answers will not come the day after the election. Policy changes and their impact are felt over a more extended period of time.

Does the stock market care who is President?

Let's find out. One thing we do know is the stock market influences whether a sitting president or a given political party can keep the White House. Recent history indicates that a weak economy combined with a down stock market will generally call for a change.

1992 (S&P 500 Index +7.6%): The struggling economy brought the Democrats and Bill Clinton into the White House. During his first four-year term, we began our most infamous bubble, the dot-com bubble, in 1994.

1996 (S&P 500 Index +23%): The booming internet stocks carried Clinton into a second term, where the bubble finally burst in 2000. The White House would again turnover due to the poor economic conditions.

2000 (S&P 500 Index -9.1%): The Republicans won the next election with George W. Bush. He inherited the busted internet bubble. Then, less than one year into office, 9/11 occurred.

2004 (S&P 500 Index +10.9%): The stock market fell, but eventually recovered. This was due in part to the Fed easing, which kept interest rates low. President Bush won a second term.

2008 (S&P 500 Index -37%): With the financial crisis at hand, the Republicans lose to President Obama. His first term was saddled with the global financial meltdown that he inherited. All this while the unemployment rate increased, and the economy was stuck in neutral.

2012 (S&P 500 Index +16%): The lower interest rates and rising economic conditions helped Obama seal a second term.

2016 (S&P 500 Index +11.9%): Donald Trump entered his Presidency in a time of economic growth and seven years into a bull stock market. The market gains and healthy economic conditions led to the lowest unemployment rate in 50 years. The low-interest-rate environment has helped fuel current economic expansion. (continued below)

Generation NeXt

Things to Know Before You Open a Roth IRA

By: Austin Stagman, CIMA®
Investment Analyst

Saving for retirement outside of a company-sponsored retirement plan—such as a 401(k)—might be easier than you think. One excellent option is a Roth IRA. However, before you go and open a Roth IRA, there are some things that you will want to know.

What is a Roth IRA?

A Roth IRA is a retirement account that you contribute to with after-tax dollars. It then grows tax-free for the life of the account. This becomes a great option if you think you'll be in a higher tax bracket at retirement.

Who is eligible for a Roth IRA?

Anyone is eligible for a Roth IRA that has earned income below a certain amount, depending on your filing status. However, your allowable contribution limit decreases at specific income thresholds.

If you file single, head of household, or married filing separately, then you can contribute the maximum amount to a Roth IRA if your Modified Adjusted Gross Income (MAGI) is less than \$124,000 in 2020. If you are married filing jointly or qualifying widow(er) then you can contribute the maximum amount if your MAGI is less than \$196,000 in 2020.

Contributions to a Roth IRA

If you are eligible to contribute to a Roth IRA, then there are limits you need to recognize. If you are under the age of 50, then your maximum annual contribution is \$6,000 for 2020. If you are age 50 or older, your maximum yearly contribution is \$7,000 for 2020. (These did not change from 2019.)

You are allowed to make contributions for the previous year up until the current year's tax deadline. For example, if I am under the age of 50 and only contributed \$5,000 during the 2019 calendar year, then I have until April 15, 2020, to contribute an extra \$1,000 to reach the maximum annual contribution of \$6,000.

You can also make contributions in any amount. Some individuals can make one large lump sum to max out their contribution, while others may make small contributions throughout the year.

Distributions from a Roth IRA

You can take distributions from your Roth IRA tax-free and penalty-free once you turn age 59 ½, and if the Roth IRA has been opened for five or more years. If you are over the age of 59 ½ and have not met the 5-year holding requirement, then the earnings will be subject to taxes, but not penalties.

However, Roth IRAs allow you to withdraw your contributions at any time and age because the money you put into the account has already been taxed. If you were to withdraw any earnings from the account before 59 ½—regardless of how long the account has been opened—then those earnings will be taxed and possibly incur a penalty. There are certain exceptions where you are allowed to make withdrawals without any taxes or penalties, but you should consult a tax specialist before taking action.

Investment Options

The first thing to note when it comes to investing is that a Roth IRA is an account that holds investments in it, rather than an investment itself. It allows for a lot of flexibility, and you have total control over what you want to invest in—whether it be stocks, mutual funds, bonds, etc. This is unlike some company-sponsored accounts, such as a 401(k), where you have to choose from a select list of investments. However, once you contribute to your Roth IRA, you have to take action to invest the cash. It will not automatically be invested.

Contact Austin if you have questions or want additional information regarding this topic.

By: Anthony Harcourt, CIMA®
Portfolio Manager

Q: If I have investment accounts, what tax forms do I need to file?

A: In general, 1099 forms report income other than your regular wages. Income from investment accounts falls into that category. There are several different versions of Form 1099 that report various types of income. The following forms are associated with non-retirement accounts:

- 1099-B reports capital gains and losses
- 1099-R reports distributions from retirement accounts
- 1099-DIV reports dividend income and capital gains distributions
- 1099-INT reports interest income

While it may seem like a lot of work to gather all of those documents, most custodians will compile a Form 1099 Composite that includes all of the above information for a non-retirement account in one consolidated document.

Q: When can I expect my 1099s to be available?

A: 1099s are typically mailed and/or made available online between mid-January and mid-February. Charles Schwab, for example, lists two main batches of 1099 delivery. The first

batch in late January to early-February includes accounts that have minimal holdings and activity. Accounts with more holdings and activities are expected to be delivered in mid-February. Your custodian should provide timeline updates on their website, so that should be your first stop if you are ever in doubt as to when yours become available.

Q: Are 1099s final once I receive them?

A: Not necessarily. It's not uncommon to receive a revised 1099 from your custodian if adjustments have been made. If an updated version of any tax document adjusts your information for the previous year, it is the taxpayer's responsibility to update their filing with the IRS as soon as possible.

Q: Why did I receive a Form 5498 in May?

A: Form 5498 is another standard document that reports transactions in traditional IRAs, Roth IRAs, SEP IRAs, and SIMPLE IRAs. These are typically issued if you made retirement account contributions, Roth conversions, or if you rolled money from one retirement account to another. These are not needed to file your tax return but may be required if you are audited.

Contact Anthony if you have questions or want additional information regarding this topic.

Q&A

Investment Accounts and Tricky Tax Forms

INDUSTRY NEWS CONTINUED...

Many elections have been influenced by the boom or bust of the economy, along with interest rate changes. While it is hardly fair to blame one president for economic struggles and praise another for its recovery, voters tend to support a change in bad times.

With the long-term average annual return of the S&P 500 index (stock market) around 10% per year, you can see returns have varied from -37% to +23% with no visible pattern.

Summary

The impact of the upcoming November election on the stock market is difficult to predict with a high level of confidence. For investors, the best advice is to maintain a diversified investment portfolio that is positioned to meet your current and future personal goals. Over the long-term, including the next several election cycles, there will be more booms and busts. You can best prepare by focusing your portfolio on your objectives and risk tolerance.

Contact Evan if you have questions or want additional information regarding this topic.



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Contact Us!

8940 River Crossing Blvd., Suite 120

Indianapolis, IN 46240

Phone: (317) 843-1358

Toll Free: (888) 843-1358

Fax: (317) 574-5999

Web: BedelFinancial.com

Twitter: Twitter.com/BedelFinancial

FB: Facebook.com/BedelFinancial

LinkedIn: Bedel Financial Consulting, Inc.

Corporate Calendar

**Bedel Financial Consulting will be closed
for business on the upcoming days:**

May 25	Memorial Day
July 3	Independence Day
Sept. 7	Labor Day
Nov. 26	Thanksgiving
Nov. 27	Day after Thanksgiving
Dec. 25	Christmas Day

Please remember that past performance may not be indicative of future results. You should not assume that any information or any corresponding discussions serves as the receipt of, or as a substitute for, personalized investment advice from Bedel Financial Consulting, Inc. Portfolio Managers. The opinions expressed are those of Bedel Financial Consulting, Inc. and are subject to change at any time due to changes in market or economic conditions.

Andriel Adams
Administrative Assistant
aadam@bedelfinancial.com

Kate Arndt, CFP®
Financial Planner
karndt@bedelfinancial.com

Elaine E. Bedel, CFP®
CEO & President
"Executive On Loan"
ebedel@bedelfinancial.com

Evan D. Bedel, CFP®
*GenNeXt Advisor &
Director of Finance and Strategy*
evbedel@bedelfinancial.com

Meredith Carbrey, CFP®
Sr. Wealth Advisor
mcarbrey@bedelfinancial.com

Ryan Collier, CIMA®
*Sr. Portfolio Manager and Director
of Investment Management*
rcollier@bedelfinancial.com

Dave Crossman, CFA
Sr. Portfolio Manager
dcrossman@bedelfinancial.com

Kristina Dougan
*Operations Specialist and
Investment Assistant*
kdougan@bedelfinancial.com

Our Staff

Cindy Garman
Administrative Coordinator
cgarman@bedelfinancial.com

Alex Golding
*Operations Specialist and
Investment Assistant*
agolding@bedelfinancial.com

Anthony Harcourt, CIMA®
Portfolio Manager
aharcourt@bedelfinancial.com

Amy K. House
IT & Digital Marketing Specialist
ahouse@bedelfinancial.com

Kathryn J. Hower, CFP®
*Senior Wealth Advisor and
Director of Financial Planning*
khower@bedelfinancial.com

Jonathan Koop, CFA
*Portfolio Manager and Manager
of Investment Management*
jkoop@bedelfinancial.com

Sarah Mahaffa, CFP®
*Sr. Wealth Advisor and
Manager of Financial Planning*
smahaffa@bedelfinancial.com

Andrew Rogers
*Operations Specialist and
Investment Assistant*
arogers@bedelfinancial.com

Mathew Ryan, CFP®
Financial Planning Specialist
mryan@bedelfinancial.com

Austin Stagman, CIMA®
Investment Analyst
astagman@bedelfinancial.com

Brad Stark
Compliance and Data Analyst
bstark@bedelfinancial.com

Cassi Vanderpool
Director of Administration, CCO
cvanderpool@bedelfinancial.com

Abby VanDerHeyden, CFP®
*Financial Planner and
Generation NeXt Team Leader*
avanderheyden@bedelfinancial.com

Chris Wakefield
Marketing Specialist
cwakefield@bedelfinancial.com

William J Wendling, CFA
Sr. Portfolio Manager, CIO
bwendling@bedelfinancial.com