WESTON

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ing at home.

Health care is a particular concern for Americans who want to retire before age 65, when Medicare, the government health program for seniors, kicks in. Currently, early retirees can buy coverage through the Affordable Care Act, but it's not always truly affordable and its future is uncertain.

Some who would otherwise retire plan to keep working, rather than risk being uninsured. But a move abroad could be an option for those intrepid enough to try it.

Cheaper health care also may appeal to gig economy workers who aren't tied to stateside jobs. Freelance science writer Erica Rex, for example, recently wrote an opinion column for The New York Times about moving to the United Kingdom and then France after her 2009 cancer diagnosis. "Moving to Europe was a choice weighed against other, grimmer options for health care, which included the strong possibility of being bankrupted by cancer treatment and winding up at the mercy of New York State's welfare system," she wrote.

Health care quality varies by destination

Not all expat havens have great health care systems. Belize, for example, encourages immigration by exempting retirees from most income taxes — but many expats there cross the border to Mexico for health care, Peddicord says.

France, on the other hand, is known for its excellent health care system. International Living and Live and Invest Overseas give the country top marks, along with Mexico, Ecuador and Malaysia. International Living praises Thailand and Costa Rica as well, while Live and Invest Overseas says Portugal, Italy and Malta have admirable health care.

With any country, quality can vary — especially in sparsely populated areas. Murray and his wife, Diane, left their first retirement destination, a small town in Ecuador, after encountering broken equipment and few doctors. They're much happier with the care near their Yucatan Peninsula home, where next-day appointments are the norm and doctors are typically trained in the U.S. or Europe, he says.

"It's like in the U.S. — if you live in Possum Belly, Alabama, and they don't have a hospital and the nearest one is an hour and a half away, the health care isn't going to be the same" as in a major city, Murray says.

Options for health care access

Expats may be able to qualify for a country's public health care system if they become residents. Otherwise, there's typically a private system in which people can pay out of pocket and get reimbursed if they have private health insurance.

Peddicord and her husband, Lief Simon, who are in their 50s, have an international health insurance policy that covers them whether they're traveling or at home in France or Panama. The annual cost is about $3,000 for both of them, she says. Murray, 69, says he and his wife pay about $80 each month for Mexico's public health system, but use private doctors and pay out of pocket for most care (including $8 for a recent hospital visit to treat an eye infection).

"My personal budget no longer contains a line for health care expenses," Murray says. "They are so inconsequential there is no need."

US housing starts plummeted 11.2 percent

By Josh Boak
AP Economics Writer

WesCom News Archive

On Tuesday, the Commerce Department reported a decline in homes being built.

WASHINGTON — The number of homes being built in December plunged to the lowest level in more than two years, a possible sign that developers are anticipating fewer new houses to be sold this year.

The Commerce Department said Tuesday that housing starts fell 11.2 percent in December from the previous month to a seasonally adjusted annual rate of 1.08 million. This is the slowest pace of construction since September 2016.

Over the past 12 months, housing starts have tumbled 10.2 percent. December's decline occurred for single-family houses and apartment buildings. Builders have pulled back as higher prices have caused home sales to slump, suggesting that affordability challenges have caused the pool of would-be buyers and renters to dwindle.

"Artificially high prices have created affordability constraints, resulting in a situation where builders cannot deliver supply in scale," said Brad Dillman, chief economist for the multi-family developer Cortland. "The result is that today's housing market is undersupplied."

The Commerce Department reported last month that new-home sales in November were 7.7 percent lower than a year ago.

The housing market initially cooled last year as average, 30-year mortgage rates climbed to nearly 5 percent. Home prices have consistently risen faster than wages and the inventory of homes listed for $250,000 or less is tight, suggesting a sluggish market ahead.

But the average mortgage has fallen since November, and that may help some Americans to become owners in 2019. Also, the pace of rising prices has slowed while wage growth has accelerated in recent months, which could also boost sales.

"Looking forward we may see a few more months of weak single-family starts before increasing confidence leads to increased production," said Danielle Hale, chief economist for realtor.com.

Housing starts were flat in the Northeast in December but fell in the Midwest, South and West.

MEDICARE

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Democrat, Oregon Sen. Ron Wyden, recently introduced legislation that would cap out-of-pocket costs at about $2,650 for Medicare beneficiaries taking brand-name drugs. One co-sponsor is Minnesota Sen. Amy Klobuchar, a Democratic presidential candidate.

In Des Moines, Iowa, retired special education teacher Gail Orcutt is battling advanced lung cancer due to radon exposure. Although she has Medicare prescription coverage, she paid $2,600 in January for her cancer medication and will pay about $750 monthly for the rest of the year. She said it cost more last year for a different drug — $3,200 initially and then about $820 monthly.

Someday her current drug may stop working, said Orcutt, and then she'd have to go on a different medication. "What if that is two or three times what I'm paying now?" she said. "It's not sustainable. The country needs more problem-solving for the common good and not the corporate bottom line."

At a recent House Ways and Means Committee hearing, three expert witnesses with varied policy views concurred on limiting drug costs for Medicare beneficiaries. "This is still the only program that does not provide that protection to its beneficiaries," testified economist Joe Antos of the business-oriented American Enterprise Institute. The House committee also oversees Medicare.

Before the hearing, the committee's chairman and top Republican released a joint statement unusual in polarized times: "We agree that the time is now to take meaningful action to lower the cost of prescription drugs in the U.S. health care system," said Reps. Richard Neal, D-Mass., and Kevin Brady, R-Texas.

John Rother of the National Coalition on Health Care is a longtime participant in national health care debates, and his organization represents a cross-section of interest groups. "There is a common recognition of a problem, and also a sense that they want to move something this year," he said.

At issue is the Medicare prescription benefit's "catastrophic" protection. Experts say it was intended as a safeguard but isn't working that way, either for beneficiaries or taxpayers.

Catastrophic protection was enacted before the advent of drugs costing $1,000 a pill. It kicks in after beneficiaries have spent about $5,100 on medications, under a complex formula.

After that, the beneficiary is only responsible for 5 percent of the cost of the medication, and taxpayers' share rises to 80 percent. The patient's insurer covers the remaining 15 percent.

The problem for beneficiaries is that there's no dollar limit to what they must pay. For example, 5 percent of a drug that costs $200,000 a year works out to $10,000.

Numerous experts also say there's a problem for taxpayers.

Generally, the Medicare prescription benefit is financed with a mix of government subsidies and beneficiary premiums. But in the catastrophic portion, most of the bill is passed directly to taxpayers. That neutralizes the incentive for insurers to negotiate lower prices with drugmakers. Catastrophic is the fastest growing cost for Medicare's Part D.

The administration has supported an approach recommended by experts that would shift most of the responsibility for high-cost medications onto insurers, while capping what beneficiaries must pay. That would force insurers to seek lower prices. But it may well raise premiums.

About 3.6 million Medicare beneficiaries with Part D coverage — or 9 percent — had "catastrophic" costs in 2015, according to the nonpartisan Kaiser Family Foundation. Of those, about 1 million had to pay their share in full because they didn't qualify for financial assistance provided to low-income beneficiaries.

"This affects people with serious conditions such as cancer and multiple sclerosis," said Tricia Neuman, a Medicare expert with Kaiser. "People on Medicare can still face huge expenses for their medication because the Medicare drug benefit was designed without a hard cap on out-of-pocket costs."

LOTTERY

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why does the money have to go back? Why can't they just use it for another jackpot?" Watson said.

If the ticket goes unclaimed, the $1.5 billion prize will be redistributed to the 44 states along with the U.S. Virgin Islands and the District of Columbia. One big loser could be South Carolina, which had budgeted a $61 million income tax windfall from the winner but had to remove that estimate — about 0.5 percent of the state's annual spending plan.

Every taxpayer in South Carolina could have a dinner out on the line. A lawmaker has placed a proposal in the state budget that would give up to a $50 rebate to each person who files income taxes — but only if the state gets its taxes from the lottery winner.

Another big loser would be the store's owner, who won't receive his $50,000 bonus if the ticket isn't claimed.

But Patel said the store got a big boost in sales in the weeks after selling the winning ticket and still gets people who think the luck will rub off on them. That's why the half-dozen signs saying "WE SOLD A WINNING MEGA MILLIONS TICKET WORTH $1.5 BILLION" will stay up, Patel said.

Jackpots, even big ones, have gone unclaimed before. But this one dwarfs them all.

Gordon Medenica, lead director for the Mega Millions consortium, said the biggest Mega Millions jackpot to go unclaimed was a $68 million prize in 2002. That ticket was sold in New York. Two winning tickets were sold for a $103.5 million jackpot in 2002 but one ticket — sold in Indiana — was never claimed, said Wendy Ahlm with the New Mexico lottery that currently oversees Powerball.

States differ in how long players have to claim their prizes. Medenica said he wouldn't expect someone to come forward immediately. Winners often first get legal and financial advice, and he'd heard theories that the winner was waiting until 2019 for tax reasons. And in South Carolina, as in a handful of other states, winners can remain anonymous, avoiding publicity.

"Now we're sort of running out of reasons on why anyone would wait this long," he said.

But there have been waits in the past for winners to step forward.

The biggest jackpot in U.S. history, a $1.586 billion Powerball prize, was won on Jan. 13, 2016, by buyers in California, Tennessee and Florida. The California winners didn't come forward until about six months later, officials said.

"The larger the prize the longer it takes," said Russ Lopez, from the California Lottery. "That's an amazing amount of money. Their life is going to change."

Back in Simpsonville, theories continue to swirl. Lloyd Hall cuts hair in town. He heard one rumor that the winner worked at a large transmission plant miles away but is now just waiting because he doesn't want co-workers to know. Another rumor has it that an office pool at the plant bought the ticket but now they're arguing while lawyers negotiate.

"I'm starting to think we will never know," Hall said.