

Will a health crisis tarnish your golden years?

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Mary would not call them her golden years. At 75, the Ottawa widow lives tightly on \$25,000 a year. Her condominium fees eat up most of her income. There is little cash left over each month after she pays for food, her car, insurance, Internet service and her phone. She receives no income supplement.

"Save, save, save. Put money away," said Mary, who asked not to be identified. She is embarrassed by her dire financial straits.

"Save from the time you're 20. I don't care if it's \$10 a week. It adds up. It makes all the difference in the world."

She and her husband held down "decent" jobs and raised five children together.

But neither had a university degree.

That put a ceiling on job and income opportunities, she said, and directly affected their ability to prepare for their retirement financially. Both worked until they were 70.

Mary is in good health. She receives two small pensions from her job and her late husband's work.

Without them, she does not know how she would survive. Canada Pension Plan and Old Age Security (OAS) adds up to only \$1,300 a month.

"It never crossed my mind," she said of her retirement. "You know it's coming, but it's a long way off. Then, all of a sudden, it's there."

Mary's retirement experience is a cautionary tale for Baby Boomers, the oldest of which are just turning 65, and for Generation Xers, those born starting in the mid-1960s on the heels of the boomers.

Her financial distress in retirement is an all-too-common reality for many of Ontario's 1.9 million residents 65 and older.

Many Ontarians simply cannot afford to retire.

Consumer costs, including health care and housing, compel them to work for wages and health benefits.

In the next 20 years, Ontario's population of seniors is expected to double.

No one knows better how a health crisis can wreak havoc on retirement plans than Brampton's Anne Mitchell, 67.

Ms Mitchell is gearing up for a second battle with cancer.

Except, this time, she is scrambling to come up with \$52,000 for chemotherapy treatment not covered by OHIP.

"It will wipe out all of our savings," Ms Mitchell said. "This is a big financial burden. It will wipe out our whole retirement."

Ms Mitchell, a former office manager for a construction company, and her husband, John, 68, a steelworker, worked in Canada for more than 40 years and planned to fund their retirement with some retirement savings and a government pension.

But no one plans for cancer. In 2009, Ms Mitchell was diagnosed with chronic lymphocytic leukemia.

She cannot take Fludarabine and Rituximab, two very powerful chemotherapy drugs. She received only two treatments before the regime was abruptly stopped because of an adverse reaction to Fludarabine that nearly killed her.

Ms Mitchell's doctor prescribed Bendamustine, which OHIP will not cover.

April 7, she used her American Express card to cover the drug's \$4,500 price tag.

"I felt complete and utter shock," Mr. Mitchell said.

Moving forward, the Mitchells said they do not have a game plan to pay for the chemotherapy treatment, other than drawing on their life savings and credit.

"I have to make the payment somehow. I have to make the payment to keep my wife alive," Mr.



BRYON JOHNSON PHOTO

Anne Mitchell is looking at a potential cost of almost \$50,000 for chemotherapy drugs that OHIP will not cover. She has had prior chemotherapy and the drug she should be receiving is only funded for first-time chemotherapy patients.

PERCENTAGE OF ONTARIO POPULATION IN RETIREMENT AGE

2036 23.10%

2011 14.20%

SOURCE: EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA, 2011

Mitchell said.

Under Ontario drug benefit coverage, seniors 65 and older pay the first \$100 of their prescription costs, then \$6.11 per prescription under the government program.

But many drugs are not covered and are expensive, Susan Eng, vice-president of advocacy with CARP, said.

"In Ontario, people could fall between the cracks," she said. "Biologics, for example, are very

expensive."

Biologic drugs are used to treat a wide variety of diseases, particularly conditions that affect seniors, including cancer, rheumatoid arthritis, multiple sclerosis and diabetes.

It is expected the use of biologics among seniors will grow by approximately 20 per cent in the next decade, the Canadian Generic Pharmaceutical Association reported.

Across Canada, dental and vision care are major health costs for seniors, together accounting for more than 75 per cent of their health care spending. They also need funds to pay for other professionals such as chiropractors, massage therapists, physiotherapists and podiatrists.

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