



Daniel J. Fiorito, CPA/PFS
Matthew A. Hetrick, CFA®, CFP®
Insight Wealth Advisors LLC
 21021 Ventura Blvd. • Suite 210 • Woodland Hills • CA • 91364
 818-528-2995 • fax: 818-626-3342
 mahetrick@insight-wealth.com • www.insight-wealth.com

Hello Everyone,

With the holiday season upon us, it is a good time to reflect and be thankful for our friends and family. As the year winds down, you may have pressing questions about the market or your current plan. Please know we are always here for a quick call, a video conference, an in-person meeting, and anything between.

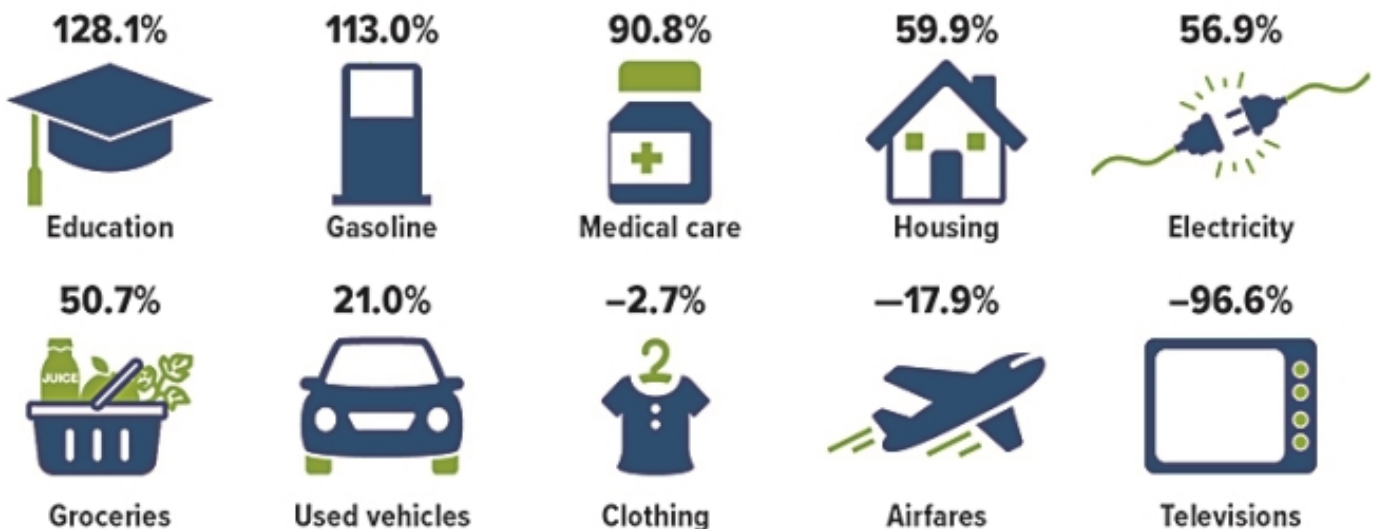
Dan, Matt, & Karisa

"Start where you are. Use what you have. Do what you can." Arthur Ashe

Two Decades of Inflation

After being largely dormant for the last decade, inflation roared back in 2021 due to various factors related to the pandemic and economic recovery. For perspective, it may be helpful to look at inflation over a longer period of time. During the 20-year period ending September 2021, the Consumer Price Index for All Urban Consumers (CPI-U), often called *headline inflation*, rose a total of 53.8%. While the prices of some items tracked the broad index, others increased or decreased at much different rates.

Total price change over 20 years



Source: U.S. Bureau of Labor Statistics, 2021 (data through September 2021)

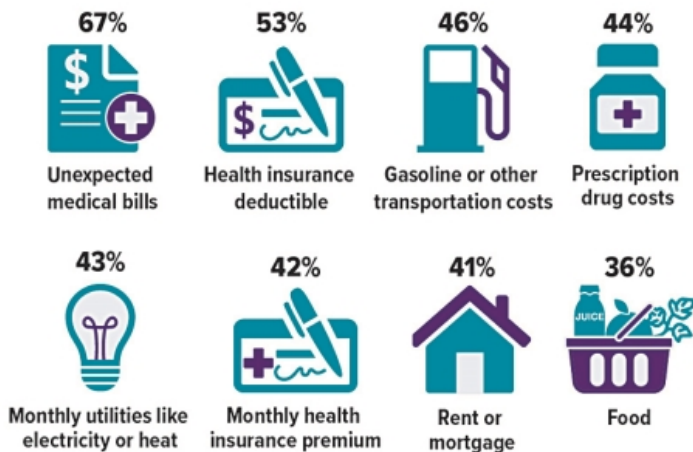
What a Relief! Congress Acts Against Surprise Medical Bills

If you have ever been caught off-guard by a large medical bill, a long-running practice known as balance billing might be the reason. A balance bill — which is the difference between an out-of-network provider's normal charges for a service and a lower rate reimbursed by insurance — can amount to thousands of dollars.

Many consumers are already aware that it usually costs less to seek care from in-network health providers, but that's not always possible in an emergency. Complicating matters, some hospitals and urgent-care facilities rely on physicians, ambulances, and laboratories that are not in the same network. In fact, a recent survey found that 18% of emergency room visits resulted in at least one surprise bill.¹

Who's Afraid of High Health-Care Costs? Most People

Percent of surveyed adults who say they are worried about being able to afford the following expenses



Source: Kaiser Family Foundation and JAMA, 2020

Coming Soon: Comprehensive Protection

The No Surprises Act was included in the omnibus spending bill enacted by the federal government at the end of 2020. The new rules will help ensure that consumers do not receive unexpected bills from out-of-network providers they didn't choose or had no control over. Once the new law takes effect in 2022, patients will not receive balance bills for emergency care, or for nonemergency care at in-network hospitals, when they are unknowingly treated by out-of-network providers. (A few states already have laws that prevent balance billing unless the patient agrees to costlier out-of-network care ahead of time.)

Patients will be responsible only for the deductibles and copayment amounts that they would owe under the in-network terms of their insurance plans. Instead of charging patients, health providers will negotiate a fair price with insurers (and settle disputes with arbitration). This change applies to doctors, hospitals, and air ambulances — but not ground ambulances.

Consent to Pay More

Some patients purposely seek care from out-of-network health providers, such as a trusted family physician or a highly regarded specialist, when they believe the quality of care is worth the extra cost. In these nonemergency situations, physicians can still balance bill their patients. However, a good-faith cost estimate must be provided, and a consent form must be signed by the patient, at least 72 hours before treatment. Some types of providers are barred from seeking consent to balance bill for their services, including anesthesiologists, radiologists, pathologists, neonatologists, assistant surgeons, and laboratories.

Big Bills Will Keep Coming

The fact that millions of consumers could be saved from surprise medical bills is something to celebrate. Still, many people may struggle to cover their out-of-pocket health expenses, in some cases because they are uninsured, or simply due to high plan deductibles or rising costs in general. Covered workers enrolled in family coverage contributed \$5,588, on average, toward the cost of premiums in 2020, with deductibles ranging from \$2,700 to more than \$4,500, depending on the type of plan.²

When arranging nonemergency surgery or other costly treatment, you may want to take your time choosing a doctor and a facility because charges can vary widely. Don't hesitate to ask for detailed estimates and try to negotiate a better price.

If you receive a bill that is higher than expected, don't assume it is set in stone. Check hospital bills closely for errors, check billing codes, and dispute charges that you think insurance should cover. If all else fails, offer to settle your account at a discount.

1-2) Kaiser Family Foundation, 2020

Charitable Giving Can Be a Family Affair

As families grow in size and overall wealth, a desire to "give back" often becomes a priority. Cultivating philanthropic values can help foster responsibility and a sense of purpose among both young and old alike, while providing financial benefits. Charitable donations may be eligible for income tax deductions (if you itemize) and can help reduce capital gains and estate taxes. Here are four ways to incorporate charitable giving into your family's overall financial plan.

Annual Family Giving

The holidays present a perfect opportunity to help family members develop a giving mindset. To establish an annual family giving plan, first determine the total amount that you'd like to donate as a family to charity. Next, encourage all family members to research and make a case for their favorite nonprofit organization, or divide the total amount equally among your family members and have each person donate to his or her favorite cause.

When choosing a charity, consider how efficiently the contribution dollars are used — i.e., how much of the organization's total annual budget directly supports programs and services versus overhead, administration, and marketing. For help in evaluating charities, visit the Charity Navigator web site, [charitynavigator.org](https://www.charitynavigator.org), where you'll find star ratings and more detailed financial and operational information.

Snapshot of 2020 Giving

Despite the pandemic and economic downturn, 2020 was the highest year for charitable giving on record, reaching \$471.44 billion. Giving to public-society benefit organizations, environmental and animal organizations, and human services organizations grew the most, while giving to arts, culture, and humanities and to health organizations declined.



Source: Giving USA 2021

Estate Planning

Charitable giving can also play a key role in an estate plan by helping to ensure that your philanthropic wishes are carried out and potentially reducing your estate tax burden.

The federal government taxes wealth transfers both during your lifetime and at death. In 2021, the federal gift and estate tax is imposed on lifetime transfers exceeding \$11,700,000, at a top rate of 40%. States may also impose taxes but at much lower thresholds than the federal government.

Ways to incorporate charitable giving into your estate plan include will and trust bequests; beneficiary designations for insurance policies and retirement plan accounts; and charitable lead and charitable remainder trusts. (Trusts incur upfront costs and often have ongoing administrative fees. The use of trusts involves complex tax rules and regulations. You should consider the counsel of an experienced estate planning professional and your legal and tax professionals before implementing such strategies.)

Donor-Advised Funds

Donor-advised funds offer a way to receive tax benefits now and make charitable gifts later. A donor-advised fund is an agreement between a donor and a host organization (the fund). Your contributions are generally tax deductible, but the organization becomes the legal owner of the assets. You (or a designee, such as a family member) then advise on how those contributions will be invested and how grants will be distributed. (Although the fund has ultimate control over the assets, the donor's wishes are generally honored.)

Family Foundations

Private family foundations are similar to donor-advised funds, but on a more complex scale. Although you don't necessarily need the coffers of Melinda Gates or Sam Walton to establish and maintain one, a private family foundation may be most appropriate if you have a significant level of wealth. The primary benefit (in addition to potential tax savings) is that you and your family have complete discretion over how the money is invested and which charities will receive grants. A drawback is that these separate legal entities are subject to stringent regulations.

These are just a few of the ways families can nurture a philanthropic legacy while benefitting their financial situation. For more information, contact your financial professional or an estate planning attorney.

Bear in mind that not all charitable organizations are able to use all possible gifts, so it is prudent to check first. The type of organization you select can also affect the tax benefits you receive.

All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful.

Signs of a Scam and How to Resist It

Although scammers often target older people, younger people who encounter scams are more likely to lose money to fraud, perhaps because they have less financial experience. When older people do fall for a scam, however, they tend to have higher losses.¹

Regardless of your age or financial knowledge, you can be certain that criminals are hatching schemes to separate you from your money — and you should be especially vigilant in cyberspace. In a financial industry study, people who encountered scams through social media or a website were much more likely to engage with the scammer and lose money than those who were contacted by telephone, regular mail, or email.²

Here are four common practices that may help you identify a scam and avoid becoming a victim.³

Scammers pretend to be from an organization you know. They might claim to be from the IRS, the Social Security Administration, or a well-known agency or business. The IRS will never contact you by phone asking for money, and the Social Security Administration will never call to ask for your Social Security number or threaten your benefits. If you wonder whether a suspicious contact might be legitimate, contact the agency or business through a known number. Never provide personal or financial information in response to an unexpected contact.

Scammers present a problem or a prize. They might say you owe money, there's a problem with an

account, a virus on your computer, an emergency in your family, or that you won money but have to pay a fee to receive it. If you aren't aware of owing money, you probably don't. If you didn't enter a contest, you can't win a prize — and you wouldn't have to pay for it if you did. If you are concerned about your account, call the financial institution directly. Computer problems? Contact the appropriate technical support. If your "grandchild" or other "relative" calls asking for help, ask questions only the grandchild/relative would know and check with other family members.

Scammers pressure you to act immediately. They might say you will "miss out" on a great opportunity or be "in trouble" if you don't act now. Disengage immediately if you feel any pressure. A legitimate business will give you time to make a decision.

Scammers tell you to pay in a specific way. They may want you to send money through a wire transfer service or put funds on a gift card. Or they may send you a fake check, tell you to deposit it, and send them money. By the time you discover the check was fake, your money is gone. Never wire money or send a gift card to someone you don't know — it's like sending cash. And never pay money to receive money.

For more information, visit consumer.ftc.gov/features/scam-alerts.

1, 3) Federal Trade Commission, 2020

2) FINRA Investor Education Foundation, 2019

Securities offered through Kestra Investment Services, LLC, (Kestra IS), member FINRA/SIPC. Investment advisory services offered through Kestra Advisory Services, LLC, (Kestra AS), an affiliate of Kestra IS. Insight Wealth Advisors, LLC is not affiliated with Kestra IS or Kestra AS. Kestra IS and Kestra AS do not provide tax or legal advice and are not Certified Public Accountants. Investor Disclosures - <https://bit.ly/KF-Disclosures>