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Getting Parents the Right Health Insurance

by Steven Podnos, Md, Cfp • Dec. 7, 2015 • 1 min read • [original](#)

It is unfortunate but not uncommon for a family to need to help their elderly parents financially. It is fortunate if you have the means to do so and there are many considerations involved in doing so effectively.

There may be a need to bolster income for basic living needs. Other than outright gifts, consider putting the parent on your payroll if this is possible. The parent will be in a zero or very low tax bracket, and you will be writing off the salary in your higher bracket. A parent can help with many aspects of a business.

If your parents have equity in their home, a reverse mortgage should be investigated. This allows them to tap the equity and guarantee a place to live for the rest of their lives. Depending on the amount of equity in the house, the reverse mortgage may actually supply a steady monthly income. At the least, you can decrease the cash flow needed to pay the mortgage.

If your parents have some savings that may not be adequate for a lifetime of distributions (i.e., a withdrawal rate that is too high), consider using immediate annuities to guarantee the income for life.

If your parents have some assets and no long-term care insurance, consider consulting a trained Elder Care Attorney to discuss the options should long-term care/nursing home needs arise.

Make sure your parents have adequate health insurance. They will already have Medicare, but check that they have drug coverage and other coverage for Part B expenses (doctor's visits and other charges). In this circumstance, a Medicare Advantage plan often makes sense in that these plans offer relatively total coverage for the Medicare A benefit alone or with a small supplemental fee.

There are often some surprisingly good resources at your state and even county level. Find the agencies in your area that deal with eldercare issues and do some research. In our own family issues with elderly parents, we found some wonderful and caring help when we reached out.

I wish you the best of luck in this delicate and important matter.

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