

I recently read an article in the July 2006 issue of Money magazine, written by Penelope Wang. It interested me because it combined two of my interests, financial planning and health care. As anyone who has had to help an ailing parent knows, it can be a difficult situation made more difficult if proper planning has not been done in advance. While never a pleasant topic to discuss, it is important. The article points out that 34 million Americans are caring for an aging loved one. Some warning signs that could tell you that your parents may need help range from a pile of unopened bills or the frequent complaints about the rising costs of gas, groceries, or medicines. Although loved ones may resist the helping hands of a family member, whether out of embarrassment or loss of independence, when there are clear indications that your parents are struggling, you owe it to your family to step in. Problems don't solve themselves, and left alone they could jeopardize a lifetime of planning. Most people wait too long to take action. With proper planning, you can make the most of available resources. Here are some strategies that that can help:

**Simplify things:** little things like arranging for direct deposit of social security and pension and dividend payments go a long way. Also consider consolidating bank and investment accounts. Who really needs more than 1 checking, 1 savings, and 1 investment account? Diversity doesn't mean having accounts all over the place, it means having different types of investments. You can accomplish this with 2 financial institutions at the most, and a lot of times, even just one. Having spent a few years as an investment advisor, I can't tell you how many times I had to help children of ailing parents try to organize accounts that were spread among a dozen institutions; it can be a real nightmare.

**Have your name added to accounts:** If your parents are receptive, this can be a huge help. It allows you access to pay bills and get information on the account as well as access to the account if your parents become incapacitated. It is a good idea to check with your parents' attorney first to make sure this does not conflict with any estate planning they have done, since you would inherit the account.

**Hire Help if needed:** If you live too far away or simply don't have the time necessary to provide enough help, professionals trained to help with the elderly could be an option. You could bring in a money manager to help with budgeting, paperwork and bill paying. You can get referrals from the American Association of Daily Money Managers at [www.aadmm.com](http://www.aadmm.com). If your parent needs more generalized help with daily life tasks, like house keeping, personal care, or medical problems, consider hiring a geriatric-care manager; this is important especially if you live far away. They can help make sure everyone is on the same page, from you, to the parent, to your parents' doctors. They can recommend specialists and monitor care. This is one of the services our company, Live Free Home Health Care, offers.

**Get it in writing:** No one likes to think about mom or dad becoming incapacitated by illness, and it's an even worse crisis if it happens and you are unable to help, or had to fight for the right to do so because you did not have the legal authority to act on his or her behalf. It can't be stressed enough how important it is to have a will and a power of attorney drawn up, and that you know where to locate these documents. You hope you never need these documents but there is peace of mind knowing that all the paperwork is in place and drawn up properly.

### **The Essential Paperwork: 4 documents you should make sure are drawn up**

1. Financial checklist-list of assets with account numbers. Any debt should also be listed.
2. Durable power of attorney-This paper is authorizing someone your parents' trust, to pay their bills and make financial decisions on their behalf if they are no longer able to do so.
3. Advance directives- A health-care proxy authorizes someone to make medical decisions on your parents' behalf if they can't do so and a living will makes it clear their wishes in the event that life-sustaining medical care is required.
4. Health-care privacy authorization- if you don't have one of these, chances are your parents' doctors' will not discuss their medical status with you.

It is a good idea to consult with an attorney who specialized in estate planning to assist with these and other items.

Here are some links to other websites where you can get additional information:

[www.aadmm.com](http://www.aadmm.com)

[www.findcaremanager.org](http://www.findcaremanager.org)

[www.benefitscheckup.com](http://www.benefitscheckup.com) - screens for the eligibility for programs that help with property taxes, heating bills and other costs.

[www.eldercare.gov](http://www.eldercare.gov) - help with finding services for seniors near where your parents live.

[www.caps4caregivers.org](http://www.caps4caregivers.org)

If you have any questions or would like to explore how we may be able to help please do not hesitate to call us at 603-346-4214.

**Jason M. Harvey**

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