



WebMD®



Content independently created by WebMD and supported by our partners. [Learn More](#)

[Health Insurance & Medicare](#)[Reducing Prescription and Treatment Costs](#)

What to Know as a Caregiver When Managing Treatment Costs

By **Stephanie Watson**

✓ Medically Reviewed by **Brunilda Nazario, MD** on March 19, 2026



[Skip to main content](#)

Set Up a Plan

Make the Most of Insurance and Benefits

Reduce Costs

Look After Your Own Finances

Caregiving offers many rewards, but it's a stressful job. You have to juggle it with work, family, and other responsibilities. The expense of your loved one's medical care can stress your finances, too. But whether you care for your parents, a child, or another family member, there are things you can do to ease the financial burden. Try these tips to reduce medical costs and preserve your own assets.

Set Up a Plan

First, create a health care plan and a financial plan. Meet as a family to get everyone on board. Ask your loved one about their finances and health care goals. Discuss ways for each family member to share in the care expenses, so you don't shoulder the whole burden.

Consult an elder law or estate planning attorney to set up legal protections.

Critical to Know

Power of attorney lets you make financial, legal, and medical decisions on your loved one's behalf. This document also gives you access to their bank account to pay bills.

Create a budget

Review your loved one's assets and costs. Check their:

- Bank account statements
- Brokerage account statements
- Pension, Social Security payments, and other monthly income

Skip to main content

- Mortgages and deeds
- Insurance policies

- Monthly expenses
- Unpaid bills

Figure out how much money they'll need to cover copays, medicine, in-home care, and other health care costs. Include repeat costs like medicine and one-time, unexpected costs such as surgery. A financial planner can help you figure out how much money to set aside every month to cover medical bills.

Track expenses

Keep a detailed record of everything you pay for your loved one's health care. Include receipts for out-of-pocket costs, medical bills, medicines, and special equipment. Share it with everyone in the family so they know exactly how much money you spend, and what you spend it on.

"At the end of every month, do a reconciliation," says Pamela D. Wilson, MS, NCG, a caregiving expert and expert witness in Golden, Colorado. Compare how much money you thought you'd need to what you actually spend. This comparison will help you budget for future medical needs.

Set up separate accounts

It's easier to track your loved one's health care expenses when they aren't mixed with your own.

"We recommend our clients set up a separate account with a separate credit card," says Jennifer Baick, MBA, CFP, vice president of the financial planning group at Mercer Advisors in McLean, Virginia. "One credit card pays for the caregiving, and the other credit card pays for your own stuff."

Make the Most of Insurance and Benefits

Many government programs are available to lower health care costs and insurance premiums. If you're not sure where to start, ask a social worker at your local hospital. They can help you understand and apply for benefits.

[Skip to main content](#)

Medicare is the government health program for people over age 65 and younger people with disabilities. While Medicare does cover some health care costs, it doesn't pay for everything. Other programs help bridge those cost gaps.

Low-income seniors may qualify for Medicare Savings Programs (MSPs), which cover Part A and Part B premiums, deductibles, copays, and coinsurance. Medicare Extra Help helps pay for Medicare Part D drug coverage.

Medicare Advantage is a private alternative to original Medicare Parts A and B. It's sometimes called Medicare Part C. You might have seen these plans advertised on TV. Some offer premiums as low as \$0. But what sounds too good to be true often is.

Medicaid

Medicaid is a state and federal government program that helps people with limited income afford their medical costs. To qualify for benefits, the person you care for has to meet certain requirements, which vary from state to state.

"Look into what it takes to qualify for Medicaid from a financial standpoint and from a health standpoint," Wilson says. Check with your state's Medicaid program to see if your loved one is eligible.

Health insurance

If you care for a person under 65, they may have an employer-sponsored health insurance plan or a personal policy. Either way, it could be expensive.

Check for lower-cost health plans. People who can't afford private health insurance but who don't qualify for Medicaid may get free or low-cost coverage through the Health Insurance Marketplace or the Children's Health Insurance Program (CHIP).

Veterans benefits

[Skip to main content](#)

People who served in the United States military qualify for veterans' health benefits under the U.S. Department of Veterans Affairs (VA). These benefits cover medical visits, home health care, long-

term care, prescriptions, and medical equipment. The VA also offers caregivers training, mental health counseling, and sometimes monthly payments.

Long-term care insurance

The average cost of assisted living in the United States is more than \$6,300 per month, or nearly \$76,000 a year. Most health and disability insurance plans don't cover the cost. Neither does Medicare, although the VA does pay for long-term care at home or at a facility for veterans.

Long-term care insurance helps pay for care in a nursing home or assisted living facility. It also covers in-home care and adult day care. The earlier you buy a plan, the lower the monthly premium. People who are older or who have more health conditions pay more.

Tax benefits

You may get state and federal tax credits if you care for a dependent. For you to qualify for these benefits, the person must:

- Be a relative
- Live with you
- Earn less than \$4,700 per year
- Get more than half of their support from you

The Child and Dependent Care Credit is different in that the person you care for doesn't have to be a dependent. But they must have lived with you for at least half the year and be unable to care for themselves. This credit lets you write off some of your caregiving expenses, as well as your loved one's medical care if it is more than 7.5% of your total income. These deductions could reduce your income tax burden.

Other assistance

Resources are available to make your loved one's health care more affordable. These nonprofit
Skip to main content financial aid:

- CancerCare helps with treatment copays and other cancer costs.

- Dollar For helps you access discounts and bill forgiveness programs at hospitals.
- Family Reach assists with housing, transportation, food, and other nonmedical expenses related to cancer care.
- HealthWell Foundation helps with health insurance copays, premiums, deductibles, and other out-of-pocket medical expenses.
- NeedyMeds connects you to programs that make medicine more affordable.
- The Patient Advocate Foundation (PAN) provides financial help with treatment costs.
- Triage Health offers free education on legal and practical issues involved in caring for someone with a chronic or serious illness.

Other free resources

If you need financial help but are unsure where to find it, these programs can help you locate services in your area:

Area Agencies on Aging. These agencies offer funds and other support to low-income seniors. They also coordinate meal delivery and other services that could help your loved one stay at home.

Eldercare Locator. Visit eldercare.gov or call 800-677-1116 to learn how to access home care, transportation, or meals for your loved one.

State Health Insurance Assistance Program (SHIP). Go online or call 877-839-2675 to learn about the Medicare coverage available to your loved one.

BenefitsCheckUp. This tool from the National Council on Aging helps you find benefit programs to help an older adult pay for health care, medicine, food, and more.

Disability Information and Access Locator. It connects you to local services like transportation, legal assistance, and help with Medicaid.

Aging and Disability Resource Centers (ADRCs). These centers across the country help you access public and private programs for older adults.

[Skip to main content](#)

Reduce Costs

Health care is expensive, but there are many ways to save money.

Compare drug prices. Discount pharmacies like Costco and Walmart may offer better prices than your local drugstore. Also check for deals through drug savings programs like GoodRx, SingleCare, and Cost Plus Drugs.

Ask about medicine savings programs. Some drug companies offer assistance programs to lower the cost of prescription medicines.

Get estimates. Ask the doctor's office and insurance company for an estimate before any medical service or procedure to avoid surprise bills. Visit FAIR Health Consumer to see average medical costs in your area. Compare costs for medical procedures at different hospitals.

Set up autoship. It will save you money on regularly used medicines and supplies.

Stay in-network. Stick with doctors and hospitals in your loved one's health care plan. Visits cost less when you avoid out-of-network providers.

Go virtual. Online visits are more cost-effective because they save you money on gas and parking.

Buy health equipment used. Medicare will pay part of the cost of wheelchairs, walkers, and other medical equipment. To save even more money, buy these supplies used online or at a thrift store. Or search for "free" ads on social media.

Look After Your Own Finances

Caregivers have to balance their loved one's financial needs with their own. "A lot of them end up giving up their careers, which also impacts their Social Security and earnings capacity," says Baick. "That disruption means a smaller nest egg for them. It can become a really big financial burden."

Did You Know?

Caregivers spend an average of 26% of their own money on caregiving costs. One in three have to dip into their savings to cover these costs.

[Skip to main content](#)

Avoid personal liability

Don't sign documents as a "responsible party," "guarantor," or "cosigner." "Never sign for your parents if they can sign," Wilson says. You'll be liable for the money if your parents can't pay.

If your parent can't sign a document because of a physical or mental impairment, you can do it for them – but don't sign as yourself. "You always sign as 'Pamela Wilson for Joan Wilson as financial power of attorney without personal or financial liability,'" Wilson says. That way, you aren't the guarantor.

Protect your assets

A loved one's care could cut into your bank account. Look at your finances. Can you afford to quit your job to be a caregiver? Will you be able to pay your own bills? Do you have enough saved up for retirement? A financial adviser can help you balance caregiving with your financial goals.

Make sure to set aside money for your health care needs. If you care for a partner, separate your bank accounts. Then you won't have to pay down your assets and possibly go into debt to help them qualify for Medicaid.

 **Show Sources**

Photo Credit: The Image Bank/Getty Images

SOURCES:

AARP: "The Huge Financial Toll of Family Caregiving."

Administration for Community Living: "Getting Started."

Alzheimer's Association: "Planning for Care Costs."

Get Palliative Care: "Coping with the Cost of Health Care: 4 Tips for Family Caregivers," "Stressed About Bills? These Nonprofits Offer Financial Aid to Patients and Families."

Skip to main content [Saving Money on Health Insurance."](#)

IRS: "Topic no. 502, Medical and Dental Expenses," "Topic no. 602, Child and Dependent Care Credit."

Jennifer Baick, MBA, CFP, vice president, financial planning group, Mercer Advisors, McLean, Virginia.

Journal of Long-Term Care: "'The Most Difficult 'Job' There Is' – Characteristics and Challenges of Unpaid Caregivers of Persons with Alzheimer's and Related Dementias in Texas."

Medicare.gov: "Medicare Advantage & Other Health Plans."

National Council on Aging: "BenefitsCheckUp," "Money-Saving Tips for Family Caregivers."

National Institute on Aging: "Paying for Long-Term Care."

Pamela D. Wilson, MS, NCG, caregiving expert and expert witness, Golden, Colorado.

SeniorLiving.org: "How Much Does Assisted Living Cost?"

State Health Insurance Assistance Program: "State Health Insurance Assistance Programs (SHIPs) Help You Navigate the Complexities of Medicare."

Federal Long Term Care Insurance Program: "Long Term Care Insurance."

USA.gov: "How to Get Help with Medical Bills."

U.S. Department of Veterans Affairs: "The Program of Comprehensive Assistance for Family Caregivers," "VA Health Care."

Next



Video

Slash Your Medication Costs

A health insurance expert leads a group discussion on prescription costs, including discount programs, grants, and alternatives.

[Skip to main content](#)