How to pay for care?

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When does the council pay for Care Home Fees?

If a person cannot afford their care requirements, local authorities (LA) are required by law to arrange and fund the care. It is usually assumed that a person has sufficient funds to pay for their own care if their combined capital is above £23,250.

To establish if somebody is liable to pay for their own care, the individual has to submit to a financial assessment. This is a detailed analysis of their personal wealth, including both their Income and Capital.

If an individual is deemed to be entitled to receive support to pay for their care (due to their capital being below £23,250) then the LA do not necessarily pay the full amount. Instead, they pay the difference between the weekly fee and the resident's weekly income. What this means in practice is demonstrated below.

If an individual has earnings of:

- State pension - £115
- Investment Income - £85
- Private Pension - £223.50

This gives a total of **£423.50** of income per week.

For the purposes of this exercise, we shall assume that the weekly fee is £700, which will also be the maximum that the LA will pay.

The individual is then required to 'contribute' or pay towards the cost of their care, meaning this income will be used towards paying for the care fees, and the local authority will pay the difference.

Before the contribution can be worked out, we also need to consider the individual's Personal Expense Allowance (PEA): the part of their income that they are allowed to keep. This is explained in more detail in this paper. The PEA is £23.50, so you deduct that from the available income:

Available income = £423.50 - £23.50 = £400

Total fees £700

LA contribution £300 – (£700 - £400)

Resident's personal contribution £400

Total paid to care home £700

Personal Expenses Allowance (PEA)

As explained elsewhere in this document, the local authorities are required to assess whether an individual is liable to pay for their own care, or if the council should pay.

When it is deemed the local authorities' responsibility to pay, they ensure that the individual will contribute the majority of their income towards the cost of the care. If they took all of the income, there would not be any money left for the individual's daily expenses. That is where the Personal Expenses Allowance comes in.

The PEA gives you some money for basic expenses not covered by the care home fees for sundries such as toiletries, birthday gifts, stationery, newspapers & magazines, haircuts or treats.

The PEA is currently set at £23.50 per week.

The Care Fees Financial assessment

The local authority will conduct a financial assessment of older people to establish who, the LA or you the individual, will pay for any necessary care and support.The aim of the council in these processes is to make sure that they do not have to fund the placement themselves, and the responsibility for funding the care remains with the individual.

This is not to say that they deliberately seek to make it go their way, simply that they will do a thorough job in looking into people's finances and financial history, and that it is in their interest to uncover any hidden money or financial irregularities.

What is involved in a Financial Assessment?

It can feel quite invasive to go through a financial assessment, so you should prepare yourself for the openness that it will require. It is important to note that if you do not consent to the assessment, if you refuse to answer any of the questions, or if you try and hide anything, you will by default be required to fund your own care.

The first thing that you will be required to do is complete the financial assessment form, which they will provide. At the end you will need to declare that the information is a true and accurate reflection. In some cases a representative may visit the individual to help them fill in the form or seek further information or evidence.

The assessment will go through all the 'wealth' that belongs to an individual, this includes what you own 'capital' and any income you earn.

'Capital' refers to any assets you own, including savings, bonds, cash, investments and any value in property including the value of your home.

'Income' refers to any regular money that is paid to you, such as state pension, personal pension, rent paid on owned properties, investment income, yields on bonds, etc.

You may be required to provide information about the finances of your partner as well as your own, this is to make sure that they know what belongs to who and which money should be taken into account for your care. Once this has been established, they will disregard the money that has been accepted and proven to belong to your partner.

Where you have a joint bank account, or any other assets are owned jointly, the council will assume unless it can be shown otherwise that the value of those assets is shared 50/50.

Following completion of the assessment they are required to provide you with a clear and full breakdown of their findings showing what Capital and Income they have taken into account, and how much they assess that you should contribute towards your care.

Light-touch financial assessments

There are some circumstances when a local authority may decide to move forward as if a full assessment have been completed, even when it has not. This is done when the local authority has full confidence that the individual will have sufficient resources to meet the cost of their care and therefore will not be eligible for financial support. This is called a 'light-touch financial assessment'.

Funded Nursing Care (FNC)

This is a non-means-tested allowance payable by the NHS to cover the cost of the 'nursing care component' of nursing home fees. It is a flat rate paid directly to the home. It is only payable to **Nursing Homes** and cannot be paid to a **Residential Care Home** under any circumstances.

Who is eligible - You may be eligible for FNC if:

- You have been assessed as needing care from a registered nurse
- You are not eligible for NHS Continuing Health Care
- You live in a care home that's registered to provide nursing care

If you meet each of these criteria you should make sure that you are assessed for FNC, if that has not already been organised.

Assessment – The exact process for assessing the eligibility of an individual for FNC varies a great deal across the country depending on the individual rules of the Clinical Commissioning Group (CCG) where your Nursing Home is based.The specific assessment process applicable in your area can be explained by your Nursing Home Manager.

How much will I get? – As of 1st April 2021 the NHS-Funded Nursing Care rate is £187.60 which is paid directly by the NHS to your Nursing Home. This rate is normally revised each year on 1st April so you should check that the rate you are expecting is up to date.

When will the NHS pay for Care Home Fees?

One of the most asked questions, and incidentally one of the worst-answered, is 'when is someone eligible for the NHS to fund their care?'

This is a deeply misunderstood subject, but we will try and pick through some of the broader details here. For more information and a deeper dive into the subject, please refer to the CHC Blogs on the Greensleeves Care's **Knowledge Centre** on **www.greensleeves.org.uk**

The basic answer to this question is that the NHS is responsible for meeting healthcare needs, but is not responsible for funding an individual's social care needs. This may be confusing, and seem slightly subjective, and the line between health care and social care is slightly blurred.

Why is CHC Funding such a positive outcome?

If you are assessed as eligible for NHS continuing healthcare, the financial benefits are very positive, and people can save a great deal of money on long-term residential care. This is because the NHS will cover all of your care fees.

CHC Funding is not means-tested, this means that if you qualify, you will not have to contribute to the cost of your care, regardless of any financial resources you may have.

NHS continuing healthcare

Continuing healthcare is fully-funded NHS care for adults who are severely ill and need care over an extended period.

You may have a disability, injury or illness and need help with physical or mental health needs. If you qualify for NHS continuing healthcare, all your care fees are funded by the NHS. This includes any care provided:

- At home
- In a nursing home
- In a hospice

If you have a large number of healthcare needs, ask for a NHS continuing healthcare assessment. In the future, you can request a reassessment for NHS continuing healthcare if your health deteriorates.

Your NHS continuing healthcare assessment

The technical description that nurses use to decide if you are entitled to CHC funding is based on whether your "primary need" is health care or social care. Every individual will have a combination of health care needs and social care needs. Whether you qualify will depend on which is assessed as being the "primary need." For example:

- You qualify if you have a combination of health and social care needs and your primary need is health
- You will not qualify if you have a combination of health and social care needs and your primary need is social

To qualify for NHS continuing healthcare, you're first assessed by two (or more) nurses from your primary care trust. They do this using a 'decision support tool' to make an assessment of each area of need.

Continuing healthcare assessments are very strict, if they were not, and everybody received such funding, the NHS would quickly run out of money. Following an assessment, many people will be disappointed, for instance if they need significant levels of care and support but do not qualify for CHC funding.

For example, many people will be very frail and have long-term care needs, but don't have any medical issues and therefore don't qualify for NHS continuing healthcare.

Primary health need

To be eligible for NHS continuing healthcare, your assessment must determine that you have a 'primary health need'. This primary health need must have arisen because of disability, accident, or illness.

Social care needs are often described as being mainly focused on an individual's daily living activities. These include eating and drinking, getting dressed, getting up or going to bed, mobilising, washing, or taking medication. This category also covers helping someone stay independent, enjoy social interaction, or maintain family relationships, as well as protecting vulnerable people from worrying situations.

Needing help from, and being dependent on, other people for support and assistance is does not in itself qualify as a primary health need.

On the other hand, a healthcare need is related to the "treatment, control or prevention of disease, illness, injury or disability; and the care or aftercare of a person with those needs". Working out whether someone has a primary health need involves assessing all their relevant needs and determining which are the primary ones.

Establishing eligibility and the NHS continuing healthcare checklist

There's no simple list of what health conditions and illnesses qualify for funding. However, there is some clear national guidance that help clinicians assess eligibility, in order to ensure there is a consistent approach. This eligibility is measured against a check list of 12 areas of care, known as 'domains'.

The NHS continuing healthcare checklist can help you see if you should have a full assessment to determine your eligibility.

What are your next steps?

It is advised that if you think you may be eligible for CHC Funding, you read the CHC articles in the Greensleeves Care's Knowledge Centre on **www.greensleeves.org.uk**. This will give you a great deal of information and help you understand whether you qualify.

The 12-Week Property Disregard

The 12-week property disregard is designed to provide individuals the breathing space to sell their property by paying their care home fees for the first 12 weeks. The council will pay your care home fees for these 12 weeks, or until your property sells, depending which occurs first.

If you are moving into permanent residential care, you should look carefully at your capacity to pay, and if there is any doubt you should consider a financial assessment, something that is covered elsewhere in this paper.

When the local authorities (LA) complete a financial assessment, they look at your income, your savings and any other wealth including the value of any property you may own, and they use this information to decide if you need to pay for your own care or if you should receive state support.

The threshold limit is fairly simple: if you have more than £23,250 capital, you are considered a self-funder and will have to pay for your own care.

However, in the case of those older people that are 'asset rich but cash poor' they may comfortably sit above the threshold with respect to overall wealth, but not have any liquid assets to cover the cost of their care fees. In those cases, a 12-week property disregard may be appropriate.

What is a 12 week property disregard?

This means that the Local Authority will complete a financial assessment on an individual but "disregard" the value of their property, in order to establish if they would be able to pay for care home fees without selling their house.

For example, Joan has a house worth £250K and £9K in savings, when the Council assess her they will "disregard" the £250K and only look at the £9K, at which point they will decide that she is entitled to care fee support whilst she releases the value tied up in her home.

When that has been established, they will pay Joan's care fees for a 12-week period whilst your house is being sold

Who is entitled to a 12 week property disregard?

The criteria for entitlement is fairly simple, the council must disregard the value of your property for 12 weeks if:

- You are living in a care home, and
- You have less than £23,250 in savings, and
- You own a property, which when sold, will provide sufficient funds to cover the cost of your future care.

How much do they pay?

If the Council deem you eligible for a 12-week disregard, they will cover your care fees up to the maximum of the appropriate band of care that you fall into- generally that is between £400 – £600.

In many cases that will be below the fee levels for your chosen care home, when that occurs you may be able to pay the difference using the following options:

- Third person top up - where a loved one pays the shortfall on behalf of the individual
- First person top up - where the individual pays their own shortfall

Note – the first person top up is not available for most care funding options but it is for the 12-week disregard.

What should you do?

If you believe that the criteria above relate to yourself then you should speak to your social worker, explain why you feel that you are eligible, and arrange the financial assessment.

Deferred Payment

A Deferred Payment Agreement is an arrangement with your local authority- essentially a loan. This loan is secured against the value of your house at a set, and often low, interest rate.

The main purpose of the Deferred Payment is to help the resident pay for their care when they have a short-term cash flow problem but have plenty of value in their unsold property. It is normally used when a 12-week property disregard has come to an end, but the house has not yet sold.

Previously, it was widely used for families that were not yet ready to sell their house, but this is less common now with councils struggling for funds themselves.

Who is eligible for a Deferred Payment?

To be considered you must meet the following criteria:

- Be assessed as needing Residential Care by the Local Authority
- Have less than £23,250 in liquid capital
- Own a house that you intend to sell.

Advantages of a deferred payment agreement

- If you have no capital to pay for your care fees, the council will help you.
- You only build up debt against the value of your home for the time you're in a care home.
- If your home increases in value during this time, you'll have more funds available to repay the council.

It may be possible to include a top-up fee in the agreement, to cover the cost of a more expensive room.

- You may still be able to claim benefits, such as Attendance Allowance, if you're entitled to them.

When can I request a deferred payment agreement?

As soon as you, or a loved one, are assessed as needing to move into residential care, you can contact the local authority and request a deferred payment agreement, if you believe you may be eligible.

If you are eligible for a deferred payment, it is likely that the council will disregard the value of your property for the first 12 weeks of your care home stay. This should allow sufficient time to get the agreement set up. Find out more in our article on the 12-week property disregard. If you or a loved one already lives in a care home, but you were previously unaware of the deferred payment option, you can still contact the council and ask them to consider putting one in place.

Attendance Allowance

Attendance Allowance is a non-means-tested allowance payable to eligible older people to help pay for any extra costs that their care and support requires.

Eligibility

To qualify and receive Attendance Allowance you must:

- Have reached State Pension age
- Have a disability:
- Physical (including blindness), or
- Mental disability (including dementia), or both

You have needed that help for at least 6 months (unless you're terminally ill)

Note: Your disability must be severe enough to need help caring for yourself or someone to help you.

You must also:

- Be in Great Britain when you claim
- Have been in Great Britain for at least 2 of the last 3 years

What will I get?

Attendance Allowance is paid weekly at 2 different rates - the one you get depends on the level of help you need. Essentially, if you only need help during the day, you will get Level 1. If you need help during the day and overnight you will be entitled to Level 2. As of 1st April 2021, the amount you will receive is as follows:

- Level 1 £ 60.00
- Level 2 £89.60

These levels are reviewed each year on 1st April.

How can I spend my Attendance Allowance?

You can spend your Attendance Allowance however you like - it's up to you. Lots of people spend it on something that makes life a bit easier, for example:

- Paying for a Carer
- Paying for taxis
- Helping towards bills
- Paying for a cleaner or gardener

Recipients get their allowance paid directly into their nominated bank account.

How do I claim?

It is a relatively straightforward process to claim for Attendance Allowance but it does take a little time. There is a large form that needs competing, this can be done online on in paper format. Initially, the form can feel a little daunting, but carve out about an hour of your time and ensure that you go through it thoroughly.

You can download the form from the following page:
https://www.gov.uk/government/publications/attendance-allowance-claim-form

It gives you the option on this page to choose either the paper or online version. You will need to know a lot about the person if you are filling the form on someone else's behalf, or have them available to answer any questions you cannot answer yourself.

Section 117 After-Care

What is section 117 after-care?

Some people who have been in hospital under the Mental Health Act 1983, i.e. were "sectioned" may be entitled to receive ongoing care and support after they leave hospital. The basic premise of 117 ('one-one-seven') after-care is that ongoing care must fulfil the following criteria:

- The on-going support meets needs that you have because of the mental health condition that caused you to be detained, and
- The support reduces the chance of your condition getting worse, so you don't have to go back into hospital.

In many cases older people can make a case that residential care in a care home meets both criteria.

Does Section 117 cover care home fees?

Section 117 is relatively unknown to most people and poorly understood by many local authorities. Often, individuals will not receive the funding they are entitled to as a result of poor or omitted advice. Essentially, it obliges councils and the NHS to fund care services, including a care home placements, if that is needed for those people that qualify as per the criteria listed below.

How much does Section 117 pay towards care home fees?

The exact amount that the LA will pay towards your care under a 117 will vary based on several factors, but it is often the case that they only pay up to their maximum social service rate. Depending on which home you choose you may find there is a difference or "shortfall" between what the LA will pay and what the home charges.

In those cases, you can make up the difference with a third party top up, where the difference is paid for by a family member or friend. Or unusually, with a Section 117, the individual can pay a first person top up, where they cover the shortfall from their own personal finances.

Note – first person top ups cannot be made for most LA or NHS funded options.

Who is entitled to 117 after-care?

When people have been treated for a serious mental health disorder that has resulted in them being sectioned under the Mental Health Act 1983 under the following:

- Detained in hospital for treatment under section 3
- Transferred from prison to hospital under sections 47 or 48, or
- Ordered to go to hospital by a court under sections 37 or 45A.

You will be entitled to after care support when you leave hospital.

However, you will not be entitled to 117 after-care if you have been in hospital under sections 2, 4, 5, 35, or 38 of the Mental Health Act.

Can your 117 be cancelled?

There are circumstances when the right to receive 117 funding can be challenged by the LA and your eligibility withdrawn. No withdrawal of eligibility can take place without a thorough investigation and assessment, and only then following the agreements of a multi-disciplinary meeting. However, bear in mind that these are often complicated and long-winded legislations.

If you have to decide on continued eligibility or entitlement to financial support for care fees, we advise seeking sound legal advice from a well-qualified and highly experienced advisor who specialises in this area.

What discount will I get?

If you are diagnosed as SMI, this means you can claim:

- A 25% discount – if there are multiple occupiers in a house and one of them qualifies as SMI they can claim a 25% discount on Council Tax.
- A 100% discount – if the person who qualifies as SMI lives alone then they will receive a full discount on their council tax.

Who is eligible?

As already stated, the individual must have been certified by a doctor, but they must also be eligible for the one of the following benefits:

- Attendance allowance
- Incapacity benefit
- Severe disablement allowance
- Disability living allowance
- Increase in disablement pension
- Un-employability supplement or allowance
- Constant attendance allowance
- Income support
- Personal independence payment
- Armed forces independence payment
- Disability working allowance
- Universal credit

Important note – They do not have to be in receipt of these allowances, they just need to be eligible for them.

Dementia Council Tax rebate

There is a council tax rebate that is available for people living with dementia if they fulfil several criteria. It is called the Severe Mental Impairment exemption and it relates to many more conditions than just dementia.

Severe Mental Impairment may sound quite extreme, but it is the medical and legal term that covers this discount.

What is Severe Mental Impairment?

A person is severely mentally impaired “if they have a severe impairment of intelligence and social functioning which appears to be permanent”. As with any law, it is very specific and you must prove your entitlement. To qualify, an older person needs to be certified by a doctor as being severely mentally impaired. Simply having an underlying medical diagnosis such as dementia does not automatically mean a person qualifies as SMI and is entitled to the council tax exemption. If you feel that you or a loved one may qualify speak to your GP.

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