

Who Cares Who Pays?

Funding of Long Term Care

What happens if you go into a care home?

Funding of Placement

The cost of care, if you have a primary health need should be funded free by the NHS. In many cases this should be considered first and you should seek advice about it.

There are other situations where you do not have to pay for your care including: -

Intermediate care

If your place in a care home has been arranged as part of a package of “intermediate care” where you are having short-term therapy or treatment, either following a period in hospital, or to avoid you having to go into hospital, it will be free. Such care is time limited and not normally longer than six weeks.

Aftercare services

If you have previously been detained in hospital under Section 3 of the Mental Health Act 1983 (this would be for treatment), your residential care may be provided as aftercare under Section 117 of that Act. The Local Government Ombudsman has recommended that Local Authorities which had previously charged for such services, should have taken steps to identify residents who may have been improperly charged and taken steps to reimburse them or their estates.

Some War Pensioners

The Veterans Agency, formerly the War Pensions Agency, can pay towards the cost of a care home providing nursing for War Pensions in very specific circumstances. This is for people with a Higher Rate of War Pension.

Self-Funding Your Care

If your care needs are ancillary or incidental to the need for accommodation, you will need to fund the cost of your care, if your capital is over £22,250 (England) or £22,000 (Wales) but you will have help towards this from:

- Attendance allowance/disability living allowance (Helpline 0845 3000336) – Higher rate £67.00

- The NHS pays a contribution towards the nursing care provided by a registered nurse, where you receive care in a nursing home (RNCC) (£103.80 in England, £117.66 in Wales).

Social Services Supported Care

If you do not have sufficient resources and you are assessed as needing to be cared for in a care home, you will receive help from the social services department of your local authority

- Social services only pay up to a “standard” amount
- Often there is a shortfall and families are asked to pay. This should be resisted whilst legal advice is taken.
- Much of your income (including £1 per week “tariff” income) for every £250 between £13,500 to £22,250 (England) and £19,000 to £22,000 (Wales) will go towards your fees. Certain income is disregarded including 50% of your occupational or personal pension providing you pass the other 50% to your spouse or civil partner, if they are not living in the same home. You must be left with £21.15 for your personal expenses in England and £21.38 in Wales.

Your Home

When the social services work out what you should pay towards your care, how will your property be treated?

Your property will be disregarded if: -

- Your placement is temporary
- Your home is occupied by your spouse, a partner, former partner or civil partner (except an estranged or divorced partner, former partner or civil partner unless they are a lone parent)
- A relative or family member (from a specified list) who is: -
 - Aged 60 or over
 - Under 16 and a child whom you are liable to maintain
 - Incapacitated (someone in receipt of incapacity benefits or has needs which would qualify for such benefits)

Social Services have discretion to disregard the value of the property if another person, not falling under the above (‘a third party’) continues to live there. It may be reasonable, for example, to disregard a dwelling’s value where it is the sole residence of someone who has given up their own home in order to care for the resident, or someone who is an elderly companion of the resident, particularly if they have given up their own home.

Other assets disregarded include: -

- Capital of £13,500 or less (England) £19,000 (Wales)
- Personal possessions, unless purchased with intention of reducing one’s capital in the assessment.
- Capital value of a life interest in land or trust fund.
- Capital value on an interest in a personnel injury trust including compensation for vaccine damage and criminal injuries.
- Skipton Fund payments to people who have been infected with hepatitis C as a result of NHS treatment with blood or blood products.

How does all this work?

Example

Mr & Mrs Campling live in a manor house in Shropshire. It is worth £2,000,000. The manor house contains antiques and other valuables worth £100,000. Mr Campling is to move into a care home has savings of £10,000 in his sole name. His wife has £100,000 but in her sole name. Mr Campling has a State Pension. His wife has income from the Family Trust.

Mr Campling will be required to use his State Pension towards his care but will retain £21.15 of it for his personal expenses.

What about co-owned property?

Perhaps you own a property with your son or daughter. In this case the value of your share may be nil because it is unlikely that anyone will be prepared to purchase your share on the open market. Legal advice needs to be obtained and an argument put forward as this is a complex area.

What about co-owned savings?

Social services have no power to demand to see the finances of a spouse or partner of someone going into care however, if there is an account in joint names they can see what the spouse has.

Deliberate deprivation of capital or income

If you give away assets or otherwise dispose of them in order to put yourself in a more favourable position to get social services financial assistance with your care home fees, they may be able to assess you as if you still have the assets.

Example

Mr Jones had £18,000 in a building society.

8 weeks **before** entering a residential home he bought his car for £10,500 which he gave to his son shortly before entering the home.

Is this deliberate deprivation?

When Mr Jones bought the car he was in good health and had no expectation of going into care.

He had a serious stroke one week after making the gift.

This is unlikely to be contested as being a deliberate deprivation in view of all the circumstances.

Possible action to consider to prepare for the time when you might need long term care

- Separate jointly owned savings. Did your spouse contribute more to the savings account than you? In those circumstances, it would be proper for you to put more into their account than yours.
- Are you much older than your spouse/partner? Should you gift some savings to your younger spouse now?
- Is the house in your sole name? Should it now be put into joint names and if so consider putting it into joint names as Tenants in Common rather than as Beneficial Joint Tenants? In the former case, the death of one co-owner does not automatically mean that his or her share passes to the survivor who may already be in a residential home.

- Review your Wills. If you go into a care home, is it sensible for the Will of your spouse/partner to leave everything to you? It may be appropriate for them to set up a Discretionary Trust so that you can receive capital and income as necessary, but ensure that this is not taken into account in any means test.
- Have you signed a Power of Attorney? These documents put in place trusted people who can act for you in your lifetime in relation to your finances and property. If someone loses mental capacity to deal with their finance and property and they have NOT put into place an Enduring Power of Attorney before 30th September 2007 or a Lasting Power of Attorney since 1st October 2007, an application has to be made to the Court of Protection to appoint someone to act on behalf of that person. This is a costly exercise in money, time and emotion and means that you will act under the directions of the Court of Protection in everything you do for your relative.
- Consider an Advance Medical Decision. In circumstances where you have lost mental capacity and can no longer make choices about treatment to keep you alive, a decision made in advance to the medical profession must be taken into account so long it was made when you understood what you were doing, had been offered sufficient and accurate information to make an informed decision and the circumstances and treatment that subsequently arose are those which were envisaged by you. You must not have been subjected to undue influence or have modified the advance decision either verbally or in writing since it was made. See the SFE leaflet on advance medical decisions.

Contact information

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