Swallowcourt

CARE HOME FEES & FUNDING ADVICE

How to fund your care; self funders v state funded

Nearly half a million people in the UK live in a care home and around half of these fund themselves (self-funders) and the other half receive local authority funding (with a quarter of these paying top-ups).

If you live in England and have assets of more than £23,250, you will have to pay the full cost of your care and are referred to as a self-funder. Anyone with capital below this amount will qualify for some financial support and if you have capital below £14,250 you should get maximum support.

If your savings or income fall below the threshold, the local authority should start paying for some or all of your care. You can ask the local authority to carry out a review while you are in residential care if your savings drop below the threshold or are about to, so it can take over paying the care costs.

The value of your assets is calculated by adding up your investments, savings and the equity from your property. Your property won't be included as an asset if a husband, wife, civil partner, a close relative over the age of 60 or a dependent child or disabled relative lives with you.

In the means test only 50% of any jointly held capital, such as a savings account, is counted. Some types of capital and income, such as certain disability benefits or pensions are not included and also personal possessions are ignored. The means test will assume that you are in receipt of all of the benefits that you are entitled to, so you want to ensure that you are claiming them.

If your home is included in your means-test, it is disregarded for your first 12 weeks in a care home. Therefore if other capital assets and income are low, you may only become a self-funder after 12 weeks.

If you deliberately transfer ownership of a property into someone else's name or money into someone else's bank account to avoid paying for your care, it may be seen as a deprivation of assets and the local authority could refuse to fund your care.

What benefits are self-funders entitled to?

When you go into a care home, you can still claim a number of benefits and there are potential additional state benefits available.

You can still claim State Pension and anyone over the age of 65, needing care and support on a daily basis, is eligible for Attendance Allowance (AA).

The Attendance Allowance is available if you pay for the care home cost yourself, but not if you are local authority funded. If you need help during the day, you will receive £58.70 a week. If you need help during the day and night, or if you are terminally ill, you will get £87.65 a week. The amount is paid tax free and is not means tested.

If you are paying for care in a nursing home, you may also be able to get help with nursing care costs, through Funded Nursing Care (FNC) or Continuing Healthcare Funding (CHC).

Funded Nursing Care

You may be entitled to receive Funded Nursing Care (FNC) an NHS-funded nursing care contribution. The care home, social worker or GP can arrange to have your nursing needs assessed to find out if you are eligible. This money is only paid if a person who needs nursing care is in a care home that is registered to provide it.

The NHS will pay a flat rate contribution directly to the care home towards the cost of the nursing care.

FNC is a fixed amount each week which is paid to the nursing home. In England the rate for this is currently £165.56.

Continuing Healthcare Funding

Continuing Healthcare Funding, funded by the NHS, may also meet the cost of nursing care needs.

To be eligible you must have a ‘primary health need’ and a care and support package will be put in place that meets your assessed needs. CHC is not means tested and pays for the cost of a person’s care, funding a person’s health and social care (personal care) needs as well as their care home accommodation

The care home, social worker or GP can arrange to have your nursing needs assessed to find out if you are eligible.

State funded care

If you feel you may be eligible for state funded care, the first step to take is to get your local authority to carry out a care needs assessment. This will identify exactly what support and how much help you need. The needs assessment should look at your physical care needs, as well as your mental, emotional, psychological, social, cultural and religious needs.

The local authority will then carry out a financial assessment which is a means test based on national guidelines and calculate how much you have to pay towards your care home fees.

If you are eligible for local authority funding, then the local authority will set a personal budget. This comprises of the total cost of meeting your needs, the amount that you have to contribute and the outstanding amount that the local authority has to pay.

The amount you must pay will include money you receive from most of your benefits, such as State Pension and income you have from any assets. If the local authority does pay your care home fees, then any payments you receive for Attendance Allowance, Disability Living Allowance (DLA) or Personal Independence Payment (PIP) will stop after you have been living in the care home for 28 days.

It may feel like your privacy is being invaded when someone is asking details about your finances. However, if you refuse to answer questions about your finances, you may be charged automatically for your own care. If you wish you can get a written statement from the local authority detailing their calculations and how much you should contribute.

There is usually an upper limit on how much a local authority will pay for someone's residential care costs. This is often called the usual or standard rate. The local authority may give you a list of local care homes and they must offer you at least one care home that is suitable for your care needs.

If you or your relative sets their heart on a more expensive care home, the local authority may agree to pay for it, providing a third party, such as a family member, friend or charity pays the extra. This is referred to as a top-up fee. Local authorities can only ask for a top-up fee if you refuse a care home that meets your assessed needs and choose a more expensive home instead.

Personal expenses Allowance (PEA)

If you are state funded, benefits such as a state pension or a private pension will be paid towards the cost of care. However, you will still need an income each week. This is called the Personal Expenses Allowance and is a set amount that a person should be left with.
In England, this amount is £24.90 per week, and is for personal items such as stationery, birthday cards and toiletries.

This amount will not be taken into account by the local authority when it is calculating how much you should contribute towards your care. English local authorities have the discretionary power to increase the personal expenses allowance in special circumstances such as if the resident has property-related expenses or is supporting a spouse.

Useful Contact Details

Cornwall Council
Adult Care & Support
Tel: 0300 1234 131

Continuing Healthcare
NHS Kernow
Clinical Commissioning Group
Tel: 01726 627800

Age UK Advice Line
Freephone
Tel: 0800 678 1602

The Money Advice Service
(free & impartial money advice)
Freephone
Tee: 0800 138 7777

This information was last updated in June 2019 and does not constitute financial or other professional advice and is general in nature. It does not take into account your specific circumstances and should not be acted on without full understanding of your current situation and future goals and objectives by a fully qualified financial advisor.