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## NHS Continuing Care – Commons Health Select Committee

The Health Committee published its report into NHS Continuing Care eligibility criteria on 12th April 2005.

Elderly, disabled and other people with chronic and degenerative conditions, are subject to a 'postcode lottery' when trying to access NHS funding for their long term care.

Responding to the Government's announcement of a new national framework for NHS continuing care, the Commons Health Select Committee has called for urgent reform of the funding system to ensure that everyone gets a fair deal.

In their report, MPs concluded that funding arrangements are too complex and that a single set of new national eligibility criteria are required for NHS continuing care. Currently, each strategic health authority uses their own set of criteria to determine someone's eligibility. This means that while you might be forced to use your savings or the equity in your home, someone else a few miles away could receive their care for free.

MPs recommend that the national criteria take account of psychological and mental health needs, to ensure that people with dementia, as well as those with progressive neurological conditions, receive the funding they are entitled to. Currently many SHA criteria effectively exclude people with health care needs of this nature.

The artificial barriers between health and social care lie at the heart of the problems surrounding access to continuing care funding, as in practice it is very difficult to draw distinctions between health care, social care, nursing care and personal care.

### **The Health Committee recommends:**

- The integration of the health and social care systems
- The establishment of a single set of national criteria for continuing care, which takes account of psychological and mental health needs as well as physical, and which must be legally compliant
- the integration of the two parallel systems for funding continuing care and nursing care, as overlap is currently causing major confusion
- the establishment of a national standard assessment methodology to ensure assessments against national criteria are carried out robustly and uniformly across the country, supported by a national training programme
- the redesigning of the system for funding continuing care and nursing care, so that rather than rewarding dependency, as the system currently does, the system has inbuilt incentives which reward high

# clarity and guidance

Continued from page 1...

- quality care and promote rehabilitation and independence
- the introduction of greater flexibility in funding for NHS continuing care, to enable people to be cared for more easily in their own homes, where that is their preference

The pdf version of the report is available on Parliament's website, at: <http://www.publications.parliament.uk/pa/cm200405/cmselect/cmhealth/399/399i.pdf>

## Development Team Workshops

The NHFA development team continue to be in demand running workshops for care providers and charities on care legislation and the most frequently asked questions.

Diana Roberts and NHFA Care Fees Adviser Roger Wones recently attended the Open Day held by Regent in St Johns, Worcester, a home owned by Heart Of England. The afternoon gave prospective residents and their families a chance to visit the home and ask the manager Sandy Dixon about care in the home and the NHFA specialists all about paying for care and benefits that are available.

Liz Jordan and NHFA Care Fees Adviser Martin Smith recently visited The Royal British Legion Offices in Bedworth, Warwickshire to give a presentation at their Annual Caseworkers Conference. There were over 40 caseworkers in attendance, the presentation generated much interest and the workers were very grateful to receive information packs from NHFA. A good question and answer session resulted, with some very good feedback from certain officers who hadn't been aware of our existence and were very glad to know there was an organisation offering such specialised advice to those who need care.

## Long-term Care – Means Test Capital Limits Increase and Other Changes April 05

**Capital Limits** – The Capital Limits for means testing for local authority support in care homes is increased with effect from 4th April 2005.

The lower capital limit is raised from £12,250 to **£12,500** and the higher capital limit is raised from £20,000 to **£20,500**.

Individuals with capital of below £12,500 will have to contribute their income towards the care home fees, less **£18.80** retained for personal expenses (previously £18.10)

Individuals with capital of between £12,500 and £20,500 will also have to contribute a further amount of £1 per week for each £250 of capital between these two figures.

Individuals with capital above £20,500 will have to meet the full cost.

*NB: Capital Limits for  
Wales £14,750/£21,000,  
Northern Ireland £12,500/£20,500,  
Scotland £12,000 / £19,500.*

### **NHS Nursing Care Contribution** –

The NHS contribution towards nursing care costs in nursing homes is payable in three bands. These are to be increased with effect from 1st April 2005: lower band no change £40, middle band from £77.50 to £80 and higher band from £125 to £129.

*Wales and Northern Ireland - flat rate nursing care contribution £107.63 and £100 per week respectively.*

*Scotland – Again pegged at 2001 rates personal care up to £145 plus nursing care £65 with loss of Attendance Allowance.*

Where an individual's care needs are primarily health care needs it may be possible that their care home costs could be fully funded by the NHS under their continuing care eligibility criteria. This is determined by an assessment of their needs compared with their health authority's published criteria.

### **Attendance Allowance**

This is a non-means tested, non-taxable DWP benefit paid weekly at the lower rate of £40.55 (previously £39.35) if you need care by day or night and the higher rate of £60.60 (previously £58.80) if you need care by day and night.

# helping us to help others

## As Fees Increase Are Care Home Residents Meeting the Affordability Gap?

The care home fee increase notices have gone out, the complaints have come in and the fees will be paid, but how many care home owners really think about the affordability of their fees and the financial consequences this has on both their residents and their businesses?

A Poll of NHFA Advisers throughout the UK has indicated that again this year fee increases across the care home sector are considerably more than inflation. The norm seeming to be around 5-6% and exceptionally others ranging from 10% to as high as 28%. This is no surprise as we have seen increases in registration fees, criminal record search fees, utilities, business rates and the minimum wage together with staff training as well as the normal inflationary costs and annual pay rises.

But the gap between incomes and care costs to be funded from capital widens. The comparisons of the last five years, shown in the table below, illustrate this.

Over the same period we have seen a 40% reduction in the return on deposit account rates from around 5% to 2.8% net of tax so older people placing their property proceeds on deposit to meet care costs are not even receiving a return above inflation currently standing at around 3.1%.

More and more older people could end up in the precarious situation of having to resort to local authority funding which can bring disharmony between care providers, social services and the resident or their families. Most care providers will undertake to keep on a resident if they have to reduce their fees because of a local authority contract and some will have the difficult task of asking relatives for third-party top-ups. However, many children themselves are living on retirement income making this a burden that they can ill afford.

**This situation can be avoided.** Care providers need to be aware that changes to the economy affecting the personal financial situation of their residents can seriously affect their businesses. The prudent ones will recognise how crucial it is that people seek professional advice to help them investigate and understand the specialist financial products available to meet care costs and preserve capital – for example, Immediate Need Care Fee Payment Plans (ICPs) on average, costing around £46,000 to deliver £1,000 per month income increasing at 5% compound per annum (ICPs), may require just part of the proceeds of a former home for their purchase. Providing an increasing income for life, substantially above that achieved from leaving monies on deposit normally means that the care

home owner can receive full fees for the duration of their residents stay, and families have the peace of mind that care costs are capped to the cost of the plan with any surplus invested for their eventual inheritance. But most importantly appropriate advice can deliver financial security, an essential factor in providing vulnerable older people with a sense of well-being, independence and dignity at a very difficult time of their lives.

### NHFA Wins Awards

**NHFA has received the Gold Standards Award in Financial Services** From Incisive Media in association with the Daily Express the Gold Standard Awards assess financial companies on the areas most important to consumers – capability of the company to conduct business, service, whether they offer fair value as well as how trustworthy the company is. Most importantly, the Gold Standard Awards identify companies that go the extra mile to ensure that the service they offer customers is above minimum standards set by government and regulators.

**Again a NHFA adviser has won the Health Insurance Magazine Award. Congratulations to Brian Blake our Senior Adviser in Chester for achieving 'Best Retirement Solutions Adviser'** NHFA Advisers have been Winners or Highly Commended in these Awards every year since they started in 1998.

	1999	2004	% Change
Average Residential Care Fees	13,468	17,940	+ 33%
Retail Prices Index (excl. property)	158.4	170.4	+ 12%
Average residents income per year	£5,400	£6,200	+ 15%
Average Shortfall in income	8,068	11,740	+ 46%
Capital required to fund shortfall	161,360	419,286	+ 260%

Source: NHFA

## The English Community Care Association (ECCA)

ECCA is the largest representative body for community care in England. Working on behalf of small, medium and large providers of care, it speaks with a single unified voice on behalf of its members and the care sector. ECCA seeks to create an environment in which providers can continue to deliver and develop the high quality care that communities require and deserve. In order to do this ECCA embraces the challenges for the short, medium and long term.

Members of ECCA are kept abreast of policy developments and the latest occurrences in the care home sector as well as being represented at the highest possible level amongst government, regulatory bodies and other decision makers. Members are valued extremely highly and ECCA strives to obtain the best advice and benefits for them by delivering a diverse range of tangible benefits.

The country urgently needs an open and intelligent debate about long term

care. ECCA is born of a long history of representation and has built up a great deal of expertise. ECCA is determined to be part of the strategy for improving and developing social and health care planning in England for the future.

For more information about ECCA and membership benefits please contact Richard Stokes, Membership & Communications Manager on 020 7220 9595 or [Richard.stokes@ecca.org.uk](mailto:Richard.stokes@ecca.org.uk)

## Equity Release Service Receives 'Thumbs Up'

Following its recent launch our Equity Release service has become one of the country's leading specialists in Equity Release receiving national recognition for being fee free, fully independent and offering advice on all areas of the equity release market. With the partnership of Help the Aged we have so far been able to advise over 1000 clients firstly as to whether any form

of equity release is suitable and, if appropriate, to advise on the most suitable type and company and then to guiding them through the whole process from application to completion, liaising with the Solicitors acting. With our wealth of experience in Care Fees Planning and welfare benefits we are also in a position to advise on the best course of action if any means tested

benefits are currently received, or are likely to be received in the future. If capital or income is taken above the varying thresholds this could adversely affect benefits and lead to a loss of income that can be avoided with the correct knowledge and planning.

For more information call 0845 1300 123.

### Help us to Help Others

NHFA produces a number of information sheets, provides free training to care professionals' and can arrange relatives' seminars. If you are interested in any of these, please complete this coupon and return it us.

#### Send to:

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- Please send me a set of info sheets
- NHFA Care Advice Posters
- NHFA Long Term Care Guide
- I'd like to arrange a Relatives' Seminar
- I would like to arrange a Care Professionals' Seminar
- NHFA Care Advice Leaflets (please indicate quantity required)
- NHFA Equity Release Leaflets (please indicate quantity required)

Name (Mr/Mrs/Miss/Ms/Other) .....

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Organisation .....

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