

Long Term Care Costs

Financial Assistance with care home fees from the local authority is usually means tested. If a care home resident has capital over certain limits then they will be expected to meet the costs of accommodation and personal care in a care home. These limits have just increased and below is an overview.

Long Term Care – Means Test Capital Limits Increase

What is Capital?

Capital usually includes savings and investments. Capital includes the value of your home unless it's occupied by a qualifying person (your partner, a relative who is over 60 or incapacitated, a former partner who is a lone parent or a child under 16 years).

The capital limits for means testing for local authority support in care homes have been increased. The lower capital limit is raised from £12,750 to £13,000 and the higher capital limit is raised from £21,000 to £21,500

Individuals with capital of below £13,000 will have to contribute their income towards care home fees, less £20.45 retained for personal expenses (previously £19.60).

Individuals with capital of between £13,000 and £21,500 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 £21,500 will have to meet the full cost.

NHS nursing care contribution

The NHS contribution towards nursing care costs in nursing homes is payable in three bands. These have now been increased. The lower band has not been changed from £40. The middle band has been changed from £83 to £87, and the higher band from £133 to £139.

Your care home costs could be fully funded by the NHS if your care needs are primarily health care needs, under their continuing care eligibility criteria. You should seek careful assessment of your needs comparing the results with the health authority's published criteria.

Attendance Allowance

If you are self-funding your care then you can claim attendance allowance. This is a non-means tested, non-taxable benefit paid weekly at the lower rate of £43.15 (previously £41.65) if you need care by day or night and the higher rate of £64.50 (previously £62.25) if you need care by day and night and could be worth up to £3354 per year.

Many older people are forced to sell their homes to pay for care and do not obtain all they are entitled to from the local authority towards their costs. For example, the local authority has to disregard the value of the property for 12 weeks after a resident's admission to permanent care.

Married couples usually find that one person's income is much greater than the other's. In this situation, 50% of the spouse's pension can be paid to the person remaining at home to ensure that they have sufficient monies.

Increases in state assistance for care costs nowhere near cover the fee increases imposed by care homes. It is therefore essential for older people to seek advice when paying for care to maximise benefits and understand the specialist care funding products available.

We can help you to understand how the system operates and how to assess the services that you or members of your family need, for example when one of a couple goes into a care home.

We can explain the procedures and duties imposed on the local authority when care assessments are made and give advice about assessments and how to challenge them. We can explain the means test for residential care and the treatment of your home as capital.

We can also help you to obtain home care services, enforcing quality and asserting choice and explain about charges for non-residential services.

We can also give you advice about unsatisfactory care in residential accommodation and challenging community care decisions.

Linda Pratt, Solicitor with Ridings Law, is a member of the Society of Trust and Estate Practitioners and founding member of Solicitors for the Elderly. If you feel you would like an informal talk with Linda to discuss any of the above issues please telephone 01943 434 400 and Ridings Law will be pleased to help to give you peace of mind.