**Reforming the funding of long-term care for older people: costs and distributional impacts of planned changes in England**

## Appendix: Supplementary information and analyses

Table A1: Decomposition of assumed care home fees, £s per week 2018 prices

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | 2018 | 2023 | 2028 | 2033 | 2038 |
|  | DLC allowance (a) | 182 | 193 | 206 | 220 | 236 |
| LA home, residential place |  |  |  |  |  |
|  | Total fee (b) | 1060 | 1184 | 1260 | 1342 | 1432 |
|  | Eligible care costs (b-a) | 877 | 991 | 1055 | 1122 | 1196 |
| Independent residential home place |  |  |  |  |  |
| LA funded | Total fee (c) | 593 | 655 | 693 | 733 | 778 |
|  | Eligible care costs (c-a) | 411 | 462 | 487 | 512 | 542 |
| Self-funded | Total fee (d) | 750 | 833 | 885 | 938 | 999 |
|  | Eligible care costs (e=d-(c-a)) | 411 | 462 | 487 | 512 | 542 |
|  | Remainder=(d-e) | 339 | 372 | 397 | 426 | 457 |
| Independent nursing home place |  |  |  |  |  |
|  | FNC (f) | 158.16 | 183 | 195 | 209 | 224 |
| LA-funded | Total fee (g) | 774 | 860 | 913 | 969 | 1032 |
|  | Eligible care costs (h=g-f-a) | 434 | 484 | 512 | 540 | 571 |
| Self-funded | Total fee (i) | 1000 | 1117 | 1189 | 1265 | 1350 |
|  | Eligible care costs (h) | 434 | 484 | 512 | 540 | 571 |
|  | Remainder=(i-f-h) | 408 | 450 | 482 | 516 | 554 |

Table A2: Estimated numbers of older (65+) long-term care recipients by funding source, England 2018

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Care home residents – not nursing care | Care home residents – nursing care | All care home residents | Care home residents excluding fully NHS funded | Community care users | All long-term care recipients |
| LA supported  | 54% | 30% | 43% | 47% | 67% | 55% |
| Self-funded  | 46% | 52% | 49% | 53% | 33% | 41% |
| NHS funded (Continuing Health Care)  | - | 18% | 8% | - | - | 4% |
| Total | 188,100 (100%) | 158,500 (100%) | 346,600 (100%) | 317,700 (100%) | 346,200 (100%) | 692,700 (100%) |

Source: CPEC and CARESIM models
Note: Numbers of care home residents rounded to nearest 100.

Table A3: Estimated private and public expenditure on long-term care for older (65+) people, England 2018 (£s million 2018 prices)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Residential care | Community Care | Total |
| Private expenditure: | (£m, 2018 prices) | % of total | (£m, 2018 prices) | % of total | (£m, 2018 prices) | % of total |
| Self-funder expenditure, less disability benefits paid to self-funding care home residents | 6,200 | 40% | 850 | 19% | 7,100 | 36% |
| Charges paid by LA-funded users  | 1,700 | 11% | 630 | 14% | 2,300 | 12% |
| Total private expenditure | 7,900 | 51% | 1,500 | 33% | 9,400 | 47% |
| Public expenditure |  |  |  |  |  |  |
| LA expenditure net of user charges | 4,400 | 29% | 3,000 | 66% | 7,400 | 37% |
| NHS expenditure (FNC and CHC in care homes) | 2,400 | 16% |  |  | 2,400 | 12% |
| Disability benefits paid to self-funding care home residents | 750 | 5% |  |  | 750 | 4% |
| Total public expenditure | 7,600 | 49% | 3,000 | 66% | 10,500 | 53% |
| Private plus public expenditure | 15,500 | 100% | 4,400 | 100% | 19,900 | 100% |

Source: CPEC and CARESIM models
Note: Figures exclude short-term support and the small amount of supported accommodation funded by LAs[[1]](#footnote-1). Percentages may not sum to 100 due to rounding.

Table A4: Distribution of older recipients and non-recipients of care by whether partnered and home-ownership, 2018

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | Single, non home-owner | Single, home-owner | Partnered, non home-owner | Partnered, home-owner |
|  |  | % |
| Not receiving care |  | 12 | 24 | 8 | 56 |
| Care home residents |  | 45 | 40 | 7 | 9 |
| Community care recipients |  | 27 | 46 | 3 | 25 |
| All care recipients |  | 36 | 43 | 5 | 17 |
| All aged 65+ |  | 13 | 26 | 8 | 53 |

Source: CPEC and Caresim models. Note: Care home residents exclude those fully funded by the NHS

Table A5: Distribution of older recipients and non-recipients of care by quintile of the 65+ income distribution, 2018

|  |  |  |
| --- | --- | --- |
|  |  | Income quintile |
|  |  | Q1 (low) | Q2 | Q3 | Q4 | Q5 (high) |
|  |  | % |
| Not receiving care |  | 20 | 20 | 20 | 20 | 20 |
| Care home residents |  | 33 | 26 | 17 | 15 | 9 |
| Community care recipients |  | 27 | 19 | 16 | 18 | 20 |
| All care recipients |  | 30 | 23 | 16 | 17 | 14 |
| All aged 65+ |  | 20 | 20 | 20 | 20 | 20 |

Source: CPEC and Caresim models. Note: Care home residents exclude those fully funded by the NHS

Table A6: Home-ownership rates among older recipients and non-recipients of care by quintile of the 65+ income distribution

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Income quintile |  |
|  |  | Q1 (low) | Q2 | Q3 | Q4 | Q5 (high) | All  |
|  |  | % who own(ed) their home |
| Not receiving care |  | 64 | 70 | 81 | 90 | 96 | 80 |
| Care home residents |  | 40 | 37 | 50 | 62 | 81 | 48 |
| Community care recipients |  | 56 | 60 | 72 | 80 | 89 | 70 |
| All care recipients |  | 47 | 47 | 61 | 72 | 87 | 59 |
| All aged 65+ |  | 63 | 68 | 80 | 89 | 95 | 79 |

Source: CPEC and Caresim models. Note: Care home residents exclude those fully funded by the NHS. For care home residents, home-ownership status is prior to care home entry

Table A7: Whether has savings (excluding housing wealth) > current upper capital limit by quintile of the 65+ income distribution

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Income quintile |  |
|  |  | Q1 (low) | Q2 | Q3 | Q4 | Q5 | All  |
|  |  | %  |
| Single non home-owner |  | 6 | 3 | 13 | 23 | \* | 8 |
| Single home-owner |  | 19 | 19 | 25 | 41 | 64 | 33 |
| Partnered non home-owner |  | 3 | 6 | 2 | 20 | \* | 7 |
| Partnered home-owner |  | 24 | 18 | 27 | 43 | 65 | 40 |
| All aged 65+ |  | 15 | 14 | 23 | 43 | 63 | 32 |

Source: CPEC and Caresim models.
\* sample size < 100

Figure A1: Distribution of net Local Authority expenditure on long-term care for people aged 65+ by income level and partnership/home-ownership status

a) By partnership/home-ownership

1. By income quintile

Source: CPEC and CARESIM models

Figure A2: Long-term care users aged 65+ by home-ownership, whether partnered and for residential care, whether they contribute to the care component of care home fees, 2018

1. Care home residents

Note: Excludes fully NHS-funded residents
Daily living costs are assumed to be £182 per week in 2018 prices[[2]](#footnote-2).

1. Community care users

Source: CPEC and CARESIM models

Figure A3: Estimated average weekly user contribution to care home fees from income, savings and housing wealth, care home residents aged 65+, 2018

Source: CPEC and CARESIM models
Daily living costs are assumed to be £182 per week in 2018 prices.
‘DLC’= daily living costs; ‘Savings’ = non-housing wealth.

Figure A4: Average gains in 2028 from reform scenarios amongst care users aged 65+ by income, £s pw, 2018 prices

1. Care home residents and community care users combined

1. Care home residents

1. Community care users

Source: CPEC and Caresim models

Figure A5: Average gains in 2028 from reform scenarios amongst care users aged 65+, expressed as percentages of the user’s income, by income.

1. Care home residents and community care users combined

1. Care home residents

1. Community care users

Source: CPEC and Caresim models

Figure A6: Distribution of net Local Authority expenditure on long-term care for people aged 65+ by income level, current system and reform scenarios

1. Adding expenditure on these would bring the total LA expenditure to that reported in the Adult Social Care Finance Return for 2018-19. (https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2018-19) [↑](#footnote-ref-1)
2. We assume that care home residents first use their income, apart from the weekly personal expenses allowance, towards their contribution to the care home fees, followed by their non-housing wealth and subsequently any housing wealth that is being taken into account in the means test. [↑](#footnote-ref-2)