



Care Home Fees

1. Background

Nationally the level of public funding for residential and nursing care falls short of the true cost of care making it increasingly difficult for older people to live in the care home of their choice. Abbeyfield The Dales (ATD) aims to provide services which are accessible to all, regardless of financial status, and this policy has been developed to ensure consistency and transparency in our approach to care home fees.

2. Objectives

ATD is committed to providing services that enhance the quality of life for older people and developing services that will meet the needs of future generations. This commitment is based on the Mission and Values of ATD. ATD will also comply with all relevant and current legislation.

The objective of this policy is to define a universal approach in setting and approving care home fees, understanding income shortfalls and agree a universal methodology to approve and report discounts.

Our aims are to:

- Set care fees at a level that reflect the size and facilities of the accommodation
- Set care fees that reflect the cost and value of the services being provided
- Set target care fees for each unit of accommodation provided
- Provide a framework and authorisation criteria for permitting discounts where Local Authority rates do not meet the true cost and value of the service
- Provide a framework and authorisation criteria for permitting discounts where self-funded residents cannot afford the true cost and value of the service
- Establish a maximum number of discounted units at budget setting
- Be competitive within the local market on a like-for-like basis.

3. Scope

All ATD's directly managed residential care facilities.

4. Policy

4.1. Setting Fees

Abbeyfield's care home fees are reviewed and agreed annually as part of the budget setting process.

4.1.1. Methodology

Care Home fees are initially proposed by the Director of Care Services and the Registered Manager. Fees are set for each individual room and take account of the facility and the type of care being provided.

Fee setting is also informed by:

- The budgeted cost of delivering the service
- The fee level required to achieve a 5% surplus after overhead costs

- The size of the room and its facilities
- The level of care being provided
- Establishing a target fee for each unit of accommodation
- Establishing a base level fee for each unit of accommodation (no less than the Local Authority funding level)
- The local authority funding levels
- The number of other providers offering similar services in the locality
- The benchmarking of fees charged by other providers in the locality
- The local labour markets

4.1.2. Approval

The proposal is used as a basis for setting the budget. Budgets are set within universally agreed parameters.

Prior to the start of the financial year all fees and budgets are agreed by the Chief Executive, the Senior Management Team and the final budget is approved by the Board including proposed fee levels to be charged.

During the year, any changes to fees must be approved by the Senior Management Team.

If the financial impact of the change results in the care home not achieving a 5% surplus, then permission must be sought from the Chief Executive.

4.2. Information for residents

Residents need to know how much they are expected to pay, when and how. They also need to know what services will be provided for the fee they pay. Residents will be issued with a written statement of the terms and conditions in respect of the services to be provided, including the amount and method of payment of fees. Wherever possible this statement will be issued prior to the commencement of the placement.

The Registered Manager should ensure that prospective residents understand the financial implications of moving into the care home and should ensure prospective residents have access to appropriate funding advice.

The Registered Manager should ensure that existing residents are made aware of the benefits and public funding which may be available to them.

4.3. Funding shortfalls

There are several scenarios where an existing or prospective resident may not be able to meet the full cost of their care and may look for assistance.

4.3.1. Local Authority funding does not cover the cost of care

The most common scenario arises because of a shortfall in local authority funding which, in many cases, is lower than our standard room rate. Residents are not allowed to meet any shortfall themselves and a top up is therefore needed from a third party. It should be noted that in some areas, the Local Authority placement agreement precludes a third party top up.

If a place is required by a resident who is eligible for public funding and there is no top up available from a third party or this is precluded by the Local Authority thus leaving a shortfall, then a decision will need to be made about whether a place can be offered.

This situation may also arise where an existing resident has been self-funding and their savings have reduced to the limit at which they can claim public funding, but

they do not have a third party top up or the Local Authority prohibits this thus leaving a shortfall.

4.3.2. Existing resident runs out of top up funds

There may be occasions where an existing resident's local authority funding has been topped up by a third-party contribution, but the third party is either unwilling or unable to continue paying all or part of the top up.

4.3.3. Self-funded resident cannot afford the full fee

A prospective resident who cannot afford the room rate may ask for a reduction in the fees. There may be good reason to give consideration to such a request, for example, to maintain an acceptable occupancy level to protect the viability of the residential care facility or safeguard the reputation of ATD.

4.4. Discounts

In all cases, where a request for a reduction in care home fees has been made, due consideration will be given to the request as a refusal will mean a prospective resident cannot move in to the care home or, in the case of an existing resident, they may have to move on to less expensive accommodation. Many of these requests will result in a reduction of fees being agreed and these reductions will be reported as discounts.

4.4.1. Definition of a discount

"When a room is let to someone at a rate less than that of a standard room charge for that category of room, then income lost is regarded as discounts".

4.4.2. Authorisation

Managers are expected to maximise income at the target fee level and should only consider a discount as a last resort. Every discount request must be authorised by the respective Senior Management Team Member prior to any agreement with the resident.

If the financial impact of the change results in the care home not achieving a 5% surplus, then permission must be sought from the Chief Executive / Finance Director.

Records of each authorisation must be kept at the care home and stored electronically.

Discounts are only valid to the end of that financial year.

4.4.3. Reporting

Each care home's budget will take account of any discounts which have been or are likely to be agreed and will therefore include any anticipated income loss that is likely to occur due to not collecting the full fee for some rooms.

4.4.4. Financial assessments

All prospective residents should be asked to complete a financial assessment form to assist both them and the registered manager to plan how their future care will be funded.

If prospective resident refuses to complete an assessment, evidence of their ability to meet the fee level for a minimum of 12 months must be provided.

If prospective resident refuses to disclose any personal financial information, permission to make an offer of accommodation can only be made following approval by the Chief Executive.

Where a resident has a property to sell and circumstances require it, the resident may agree that ATD takes a legal charge against their property.

5. Finance, Value for Money & Social Value

N/A

6. Supported Appendices

Appendix 1: Pre-admission Financial Assessment Form (page 7 of Application Form for Housing & Care)

7. Linked Policies

Voids Management (M003P)

8. Legislation/Regulation

Care Act 2014.

9. Review

Every 2 years, subject to regulatory and legislative changes.

10. Procedure/Guidance

N/A

Pre-Admission Financial Assessment

Pensions and Income [per Calendar Month]

State Pension	£	<input type="text"/>	Investment Income	£	<input type="text"/>
Private Pension	£	<input type="text"/>	Income from Employment	£	<input type="text"/>
Other Pension	£	<input type="text"/>	Other Income	£	<input type="text"/>

State Benefits/Allowances [per Calendar Month]

Housing Benefit	£	<input type="text"/>	Income support	£	<input type="text"/>
Attendance Allowance	£	<input type="text"/>	Other	£	<input type="text"/>
If other, Please Name	<input type="text"/>				
Pension Credits	£	<input type="text"/>	Pension Guaranteed	£	<input type="text"/>

Assets

Property	Approximate Value	£	<input type="text"/>
Other Assets [e.g.: Bonds, Investments, Shares, etc.]	Approximate Value	£	<input type="text"/>

If your application is successful, will your partner/family member/s continue to live in your home Yes: No:

Please tick the statement that applies to you. Excluding the Assets mentioned above, I have funds of [e.g.: Bank/Building Society accounts, Post office accounts, TESSAS, ISAS, etc.]

Less than £16,000	<input type="checkbox"/>	Between £16,000 and £23,250	<input type="checkbox"/>
More than £23,250	<input type="checkbox"/>	Please specify approx. amount	£ <input type="text"/>

Money you pay out each month?

Do you have any County Court Judgement's (CCJ's), any tenancy arrears or any other debts which may affect your ability to meet your rental commitments? Yes: No:

If yes, what are they and what is the amount, frequency and duration of your payments?