

Older People Failing to Seek Advice on Care Home Fees

70,000¹ homes are sold each year to pay for care yet only 3,162² applications were made for Care Fee Payment plans last year. Which in turn means that under 5% of those selling their homes to pay for care sought professional long-term care funding advice.

Of the others receiving no professional advice, many will run out of money as their capital is depleted through paying high care home fees. NHFA believes the reason for this is the lack of awareness that this essential specialist advice is available. Without it many more older people will fall into the shortfall poverty gap and become a financial burden on their relatives who will be forced to find care home top-up fees.

Out of 165,587 registered financial advisers in the UK only around 1286³ have passed the CF8 examination, which allows them to give advice on funding long-term care. This is less than 1% of the UK advisers. Financial Advisers have until October 2006 to pass CF8 if they wish to continue advising on long term care funding.

Philip Spiers, Managing Director of NHFA, who account for around 50% of the Care Plan applications made, says "NHFA, requires this qualification as a prerequisite of being a NHFA Care Fees Adviser therefore 100% of our Care Fees Advisers have it. Our concern is that with so few advisers taking the exam older people will not receive appropriate advice. Unless they find organisations like us they could, like so many, end up in the precarious situation of running out of money.

No Government can afford to pick up the full long-term care bill and people are always going to want a care home that's more expensive than the Local Authority is prepared to pay for so the issue of using up capital will not go away unless people begin to seek advice."

NHFA advice and information is available to all regardless of means and combines financial advice with the complexities of local authority charging and assessment procedures, health authority responsibilities, DWP benefits and legal matters. The aim of the NHFA is to enable older people meet the cost of their chosen care for life whilst also seeking to preserve their original capital, independence, dignity and right of choice.

Copies of the NHFA Long Term Care Guide and detailed LTC information sheets can be obtained from the NHFA Care Advice Line 0800 99 88 33, or website www.nhfa.co.uk

Note to Editors

¹ Source Liberal Democrats

² Source Medicals Direct handling of common application forms all insurers.

³ Source CII examining body for CF8 examination results to April 2006

NHFA Infosheet 6 attached illustrating case studies of appropriate advice