PSSRU
at the University of Kent at Canterbury,
the London School of Economics
and the University of Manchester

Self-Funded Admissions to Care Homes

Summary of Findings

March 2002

BACKGROUND

Approximately 30 per cent of older people in residential and nursing homes fund their own care. This figure should be seen in the context of the overall level of provision of places in residential and nursing homes. In Great Britain, such homes provide approximately 460,000 places for older people. This corresponds to approximately one place for every ten people aged 75 or over. This summary presents findings from a survey commissioned by the Department for Work and Pensions to explore the circumstances of self-funded residents. A full report of the survey (Netten et al., 2002) is available (see below).

Previous surveys, funded by the Department of Health, had been undertaken by the PSSRU to collect information about publicly-funded residents (Bebbington et al., 2001), and about residential and nursing homes and their residents (Netten et al., 2001). The survey of publicly-funded residents was a longitudinal study, undertaken between 1995–1999, and the survey of homes and their residents was undertaken in 1996. The survey of self-funded admissions was designed so that the characteristics of self-funded residents could be compared with those of publicly-funded residents.

THE SURVEY

Self-funded residents form a difficult group to investigate as there are particular problems of sensitivity and access in obtaining information from people at the point of admission to care homes. Prior to the main survey, a feasibility study was undertaken to determine the appropriate methodology for collecting information. In the light of the findings from the feasibility study, interviews were conducted with a sample of residential and nursing home managers who provided information about self-funding admissions, instead of approaching care home residents. Where home managers agreed, relatives or friends of the resident were sought to provide further information about the older person's circumstances before and on admission.

An initial national random sample of 500 homes in Great Britain was selected for the survey. Very few of the homes approached declined to participate, and 292 homes were reported to have had one or more admissions of self-funded residents during the survey period. In total, information was collected on 921 residents (admitted to 599 residential and 322 nursing places) in these homes. For 331 of these residents information was also obtained from relatives or friends. Comparisons with national statistics indicated that the proportion of residential places was slightly higher in the 292 homes than nationally. However, the effect of adjusting the data collected to compensate for this difference was minimal, and so no adjustment has been made in combining the data on admissions to residential and nursing places.

The fieldwork for the survey was undertaken between July 1999 and March 2000, and covered admissions during a 14 month period beginning in January 1999.

The survey aimed to:

- establish whether self-funded people in care homes differed in terms of financial assets and informal support from elderly people in private households;
- establish the extent to which self-financed residents are admitted at levels of dependency that might have been maintained in the community;
- explore the admission process and whether the least dependent people are admitted through choice or lack of appropriate alternatives;
- investigate factors associated with the choice of home;
- identify the level of receipt of non-means tested benefits; and
- estimate expected length of stay of self-funded residents.

CHARACTERISTICS OF RESIDENTS

Self-funded residents tended to be older (mean age 85 years) than publicly-funded residents (mean age 83 years), and less likely to be married at the time of admission (15% compared with 20%). (Married home-owners are entitled to public support at a lower level of assets since the value of their house is not taken into consideration unless the partner no longer needs the property.) A relatively high proportion (27%, or 40 of the 148 married people) were moving into a home at the same time as their spouse. These couples were more likely to move into residential than nursing or dual registered homes.

Among self-funded admissions, 43% moved into homes directly from hospital, and the proportions were similar for residential and nursing home admissions. In contrast, a higher proportion of publicly-funded admissions were admitted directly from hospital to nursing places (63%) than to residential places (42%).

In almost all instances, levels of physical dependency at admission were lower among self-funded residents than among publicly-funded residents. This

The Research Team

The PSSRU staff who conducted this study were Ann Netten, Robin Darton and Lesley Curtis at PSSRU, University of Kent. The project secretary was Lesley Cox (01227 823963; e-mail L.A.Cox@ukc.ac.uk).

was particularly true among those admitted to residential homes (see figure 1). The dependency groupings shown in figure 1 are based on the Barthel Index of Activities of Daily Living, which is based on mobility, the capacity to undertake a range of self-care tasks and continence. Similarly, levels of cognitive impairment were significantly lower among self-funded residents than among publicly-funded residents (see figure 2).

In contrast, however, home managers identified a higher rate of disorders and diseases among self-funded residents than social workers had done in the survey of publicly-funded admissions. The latter survey had been conducted four years earlier, but the difference may be also partially accounted for by the role of the informant. Those involved in day-to-day care and administering medications are more likely to have full information about diagnoses.

A significantly higher proportion of self-funded people were identified as needing at least some type of nursing care (76% compared with 43% among publicly-funded residents). This was particularly true of nursing tasks defined as 'ongoing monitoring' (49% compared with 4% of publicly-funded admissions) and 'other medication' (64% compared with 3%). Self-funders in nursing places were more likely than those in residential places to require these types of nursing care.

CIRCUMSTANCES OF ADMISSION

All the older people had regular social contact with someone before they were admitted: just two people had less than weekly face-to-face contact with a relative, friend or neighbour. About two-thirds (64%) saw somebody daily. The majority of the remainder (25% of the sample for whom information was available) had contact at least two or three times per week.

The type of informal support network providing help to the person prior to admission was associated with the type of help provided. Those receiving supervision, physical help, personal care, and/or help with taking medicine prior to admission were significantly more dependent on admission.

Figure 1. Dependency of self-funded and publicly-funded admissions

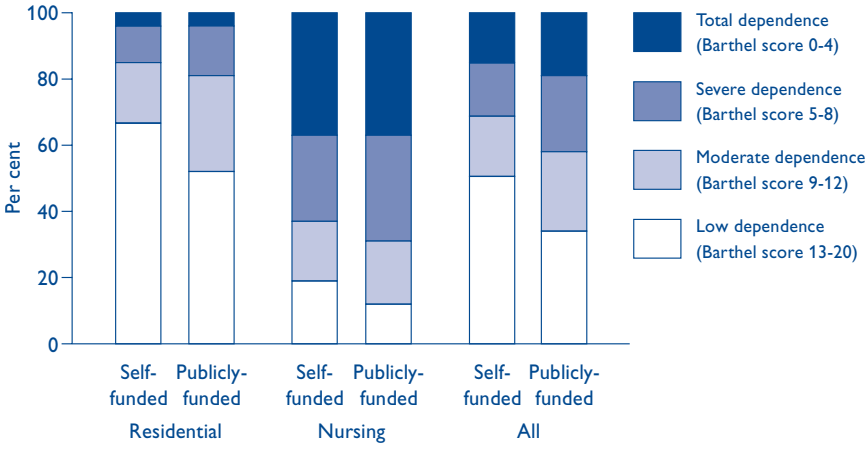
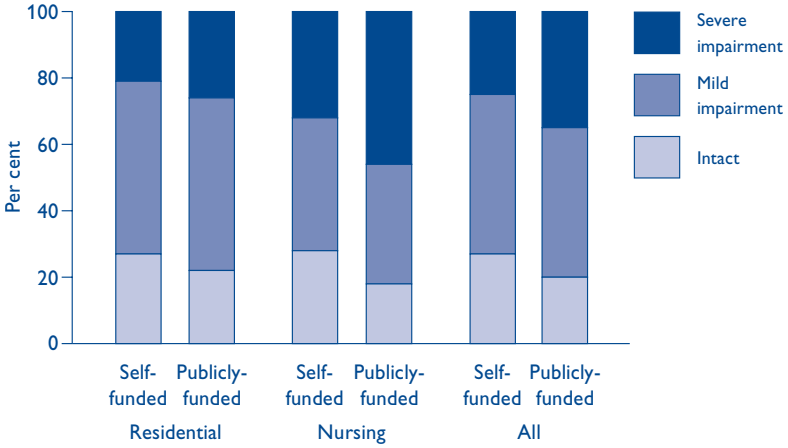


Figure 2. Cognitive impairment of self-funded and publicly-funded admissions



In contrast, receipt of formal services was not related to level of impairment on admission. Over half the sample (55%) had home care, with the majority, 46% of the sample, having at least some of it organised by the local authority. This proportion was lower than among publicly-funded residents, 64% of whom received home care. Self-funders appeared to have less access to local authority arranged home care services prior to admission, and those that did received fewer hours per week. Among those receiving home care services, 15% had topped these up through private provision. People arranging private provision received more hours per week than those where the local authority had organised the care (an average of 24 hours, compared with eight hours per week).

Over 90% of the relatives or friends of the older people perceived there to be at least one unmet need prior to admission in relation to: food and nutrition; personal care; the person's safety; social participation and involvement; and control over daily life. Figure 3 shows that safety was an area of particular concern in both residential and nursing homes, with 85% of relatives or friends expressing some concern about the older person's safety (40% were 'extremely worried' about this issue). There was some evidence indicating a link between low levels of dependency and unmet needs for social participation, suggesting that some of the motivation for entering a home would be for the company that it would provide.

About half of the residents had been assessed by the local authority prior to admission, although the local authority was involved in negotiating the placement in less than a fifth of cases. Relatives, mostly sons and daughters, dominated the decision making process. Only in a minority of cases were residents involved in the decision to go into the home and in the choice of home.

Location of the home, 'general atmosphere' and availability of places were the most important factors in both accepting and rejecting homes.

INCOME AND ASSETS

Information about home ownership was available for 848 of the 921 residents, 81% of whom were homeowners prior to admission. This is rather lower than might be anticipated for this group, but there was little evidence that those who were not homeowners

had owned homes in the past. Those who were not homeowners were not people who had accumulated a high level of financial assets, either through prior home ownership or any other way. Around half of the people admitted had sold their property by the time of interview, with three-quarters of sales taking place to fund the resident's care.

As expected, levels of assets and income among admissions to self-funded care were higher than among the general population of older people living in private households. Unlike the figures for people living in private households (derived from the 1995/96 Family Resources Survey), there was no clear relationship between levels of income and levels of assets for the residents in the survey.

In terms of overall levels of assets there was some evidence that a small proportion (6%) of people were being admitted to homes as self-funders when they were entitled to public support. Overall, a third had assets of £60,000 or less, but nearly two-fifths had assets in excess of £100,000. This is shown in figure 4.

Information on the value of the resident's average weekly income was available for 309 residents. For these people, the mean and median incomes were £184 and £150 per week respectively. There were no significant differences between the residents admitted to residential and nursing places in terms of the distribution of average weekly income.

Information about assets and income was combined to identify the distribution of people across different income and asset groups. £200 per week income and £50,000 in assets were used as cut-off points. The low-income high-asset group on this basis constituted just over a third (35%). Over a quarter of self-funders (26%) were in the group with relatively low assets and income. Only 7% had relatively high incomes but low assets.

BENEFIT RECEIPT

Sixty-seven per cent of the sample were claiming Attendance Allowance and 6% were claiming Disability Living Allowance. There was no relationship between reported level of dependency on admission and receipt of Attendance Allowance.

Nine per cent of admissions were receiving Income Support, compared with 15% per cent of the general population in this age group. Average level of income from this source was only available for 23 cases. These individuals were receiving an average of £78 from Income Support, compared with £43 per week among people aged 65 or over in the general population.

Receipt of benefits was associated with level of income, with those on the lowest and highest levels of income least likely to be claiming. Contact with the local authority prior to admission was associated with benefit receipt. Of those who had had contact with the local authority, 77% were receiving benefits, compared with 57% of those who had not had contact. Those people who had been receiving services arranged by the local authority prior to admission were much more likely to be receiving benefits than those who were using non-local authority services or no services at all (82% compared with 61%).

Figure 3. Unmet needs prior to admission of self-funded residents

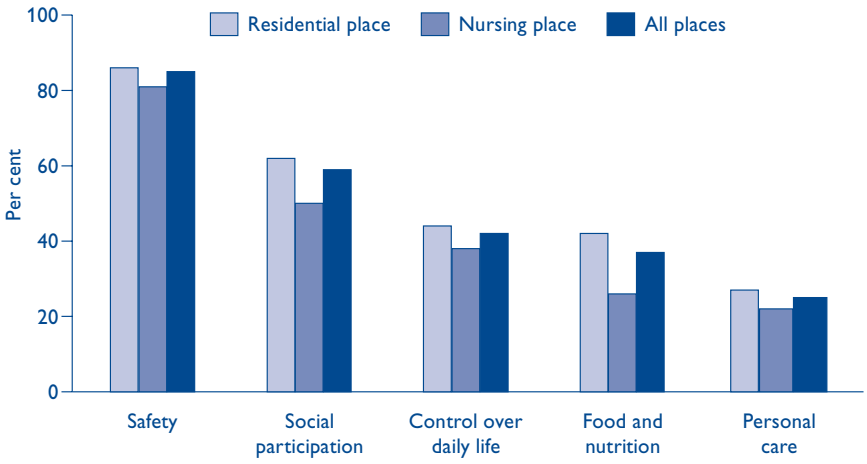
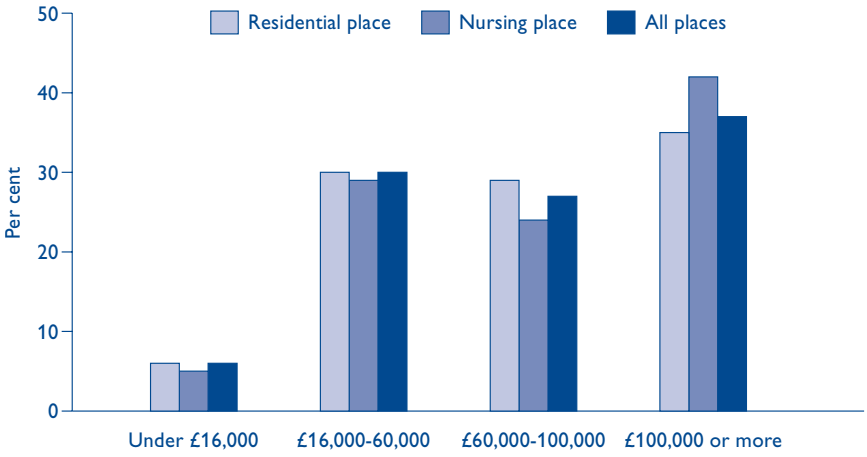


Figure 4. Estimated total value of assets owned by self-funded residents



CHARGES AND SPEND-DOWN OF ASSETS

Mean charges to residents were £275 per week for residential places and £371 per week for nursing places. Approximately 85% of residents occupied single rooms, and paid a premium of approximately £30 per week, on average, compared with residents sharing a double room. Previous work had indicated that self-funders tended to pay a premium compared with publicly-funded residents. However, this did not appear to be the case in this study.

In 9% of cases, residents were paying home fees with the assistance of a spouse or relative. In the remaining 91% of cases, the resident was either solely responsible for paying the charges or was paying with assistance from the (then) Department of Social Security.

Sixteen per cent of residents had a weekly income that exceeded the charge for their care. Approximately 70% of residents had a weekly income that was insufficient to meet the charge for their care, but had assets of more than £16,000. Figure 5 shows the estimated length of time that these latter residents would have been able to fund the shortfall from their assets before

their assets were reduced to £16,000. Almost two-thirds of these were estimated to have sufficient assets to fund the shortfall for more than five years, but 10 per cent were only estimated to have sufficient assets to fund the shortfall for up to one year. Five per cent of residents had a weekly income that was insufficient to meet the charge and assets of no more than £16,000. In all but one case, these residents had assets of no more than £10,000, and none were previously homeowners.

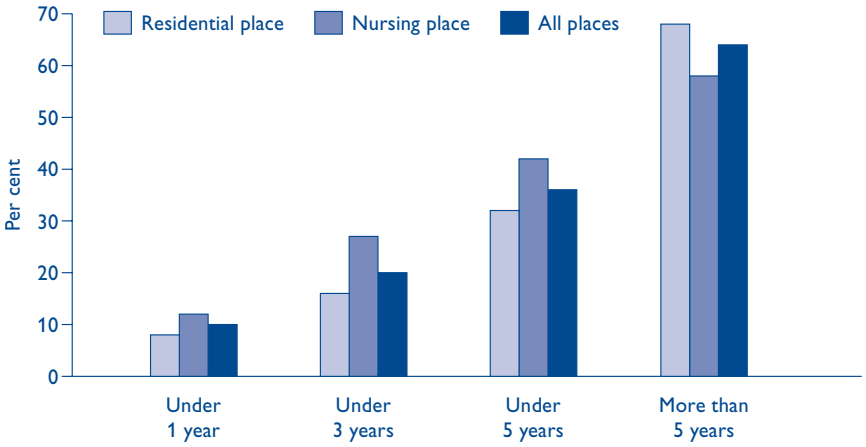
Since the study was undertaken, there has been an increase in the capital limits and the introduction of an initial three months' stay during which the value of the person's home would be disregarded. This would have had the effect of reducing the proportion of residents who spent down to the upper limit soon after admission, while increasing the proportion eligible for local authority financial support. However, the overall distribution of the estimated length of time that the residents' assets would last was similar to that for the previous charging regulations.

Information obtained from relatives and friends suggested that the financial position of residents who had assets that were estimated to last for several years was reasonably secure. However, for residents with lower levels of assets there was more uncertainty about the estimated length of time that their assets would last. Residents with low levels of assets formed a small group, but there was some evidence that their relatives were unsure of the financial arrangements that could be made. Thus, for these groups of residents in particular, there would appear to be a need for more information and advice.

LIFE EXPECTANCY

Application of a survival analysis model derived from the survey of publicly-funded residents to the survey of self-funded residents produced the same median estimated life expectancy overall (19 months). For individuals occupying a residential place, the median estimated life expectancy was also the same for both self-funded and publicly-funded residents (26 months). However, for individuals occupying a nursing place, the median estimated life expectancy for self-funded residents (9 months) was lower than for publicly-funded residents (12 months). The self-funded residents had higher levels of physical and mental functioning than the publicly-funded residents, but they were older, and self-funded residents admitted to nursing places were more likely than publicly-funded residents to have been suffering from disorders and diseases, and to have been admitted from hospital.

Figure 5. Estimated length of time that self-funded residents could fund charges from declining assets before assets were reduced to £16,000



REFERENCES

Bebbington, A., Darton, R. and Netten, A. (2001) *Care Homes for Older People: Volume 2. Admissions, Needs and Outcomes*. The 1995/96 National Longitudinal Survey of Publicly-Funded Admissions. Personal Social Services Research Unit, University of Kent at Canterbury. (ISBN 1-902671-25-2)

Netten, A., Bebbington, A., Darton, R. and Forder, J. (2001) *Care Homes for Older People: Volume 1. Facilities, Residents and Costs*. Personal Social Services Research Unit, University of Kent at Canterbury. (ISBN 1-902671-24-4)

Netten, A., Darton, R. and Curtis, L. (2002) *Self-Funded Admissions to Care Homes*. A report of research carried out by the Personal Social Services Research Unit, University of Kent on behalf of the Department for Work and Pensions. Department for Work and Pensions Research Report No. 159. Leeds: Corporate Document Services. (ISBN 1 84123 420 6)

This summary is available on the PSSRU website:
http://www.ukc.ac.uk/PSSRU/

The full report is available on the Department for Work and Pensions website:
http://www.dss.gov.uk/asd/asd5/rrep159.html

Acknowledgements

This survey was commissioned by the Department for Work and Pensions (formerly the Department of Social Security), in collaboration with the Department of Health. The main data collection for the survey was undertaken by the National Centre for Social Research. We are most grateful to the staff of the residential and nursing homes and to the families and friends of the residents for providing the information for the survey. We would also like to thank our colleague, Andrew Bebbington, for re-estimating the survival analysis model for publicly-funded residents, and Vanessa Burholt and Anne Scott at the Centre for Social Policy Research and Development at the University of Wales, Bangor, for providing information relating to the support network types.

The **PERSONAL SOCIAL SERVICES RESEARCH UNIT** undertakes social and health care research, supported mainly by the Department of Health, and focusing particularly on policy research and analysis of equity and efficiency in community care, long-term care and related areas — including services for elderly people, people with mental health problems and children in care. Views expressed in PSSRU publications do not necessarily reflect those of funding organisations. The PSSRU was established at the University of Kent at Canterbury in 1974, and from 1996 it has operated from three branches:

Cornwallis Building, University of Kent at Canterbury, Canterbury, Kent, CT2 7NF
London School of Economics, Houghton Street, London, WC2A 2AE
University of Manchester, Dover Street Building, Oxford Road, Manchester, M13 9PL

The PSSRU Bulletin and publication lists are available free from the unit librarian in Canterbury (01227 827773; e-mail pssru_library@ukc.ac.uk) and on the PSSRU website.