

Health and Care Bill – Commons Consideration of Lords' Amendments – Cap on Care Costs

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1. Key Messages

- **Alzheimer's Society urges MPs to oppose any attempts to reintroduce a clause to the Health and Care Bill that would prevent means-tested local authority funding from counting towards a person's cap on care costs.** The reintroduction of such changes would remove vital safeguards from the Care Act which were designed to protect the less well-off from catastrophic care costs.
- **Peers' decision to remove the Government's clause from the Bill ensures the cap provides better protection to people affected by dementia.** Deleting this clause ensures means-tested local authority funding continues to count towards an individual's £86k cap.
- **Were the Government to reintroduce its proposed changes to the cap on care costs in the Commons, just 21% of people living with dementia would reach the cap, which would benefit the wealthiest people and the wealthiest regions the most.**

2. Background

There are currently an estimated **900,000 people living with dementia in the UK, a number which is set to rise to 1.6m by 2040.**¹ It's also estimated that 70% of care home residents and 60% of home care recipients are people with dementia.²

There are currently no significant pharmacological interventions to treat dementia, meaning **people living with the condition are more likely to draw their support through social care rather than the NHS.** This means it's especially important that the Government's proposals for a cap on care costs are fair and equitable for people living with dementia, who must be protected from catastrophic care costs and supported to access the high-quality, personalised care they need to manage their condition and live well.

3. Social care funding reform and the cap on care costs

When the Government initially announced the Health and Social Care Levy in September 2021, Alzheimer's Society welcomed the Government's decision to begin the process of social care reform after decades of inaction by successive governments.

In the House of Lords, Peers voted to remove a government clause in the Health and Care Bill (on the cap on care costs for charging purposes) which would have amended the Care Act 2014 so that means-tested payments by local authorities would not count towards an individual's £86,000 cap on care costs as had been originally intended.

¹ Wittenberg, Raphael et al. Projections of older people with dementia and costs of dementia care in the United Kingdom, 2019-2040. 2019. Care Policy and Evaluation Centre, London School of Economics and Political Science.
https://www.alzheimers.org.uk/sites/default/files/2019-11/cpec_report_november_2019.pdf.

² Alzheimer's Society. Dementia UK: Update. 2014.
https://www.alzheimers.org.uk/sites/default/files/migrate/downloads/dementia_uk_update.pdf.

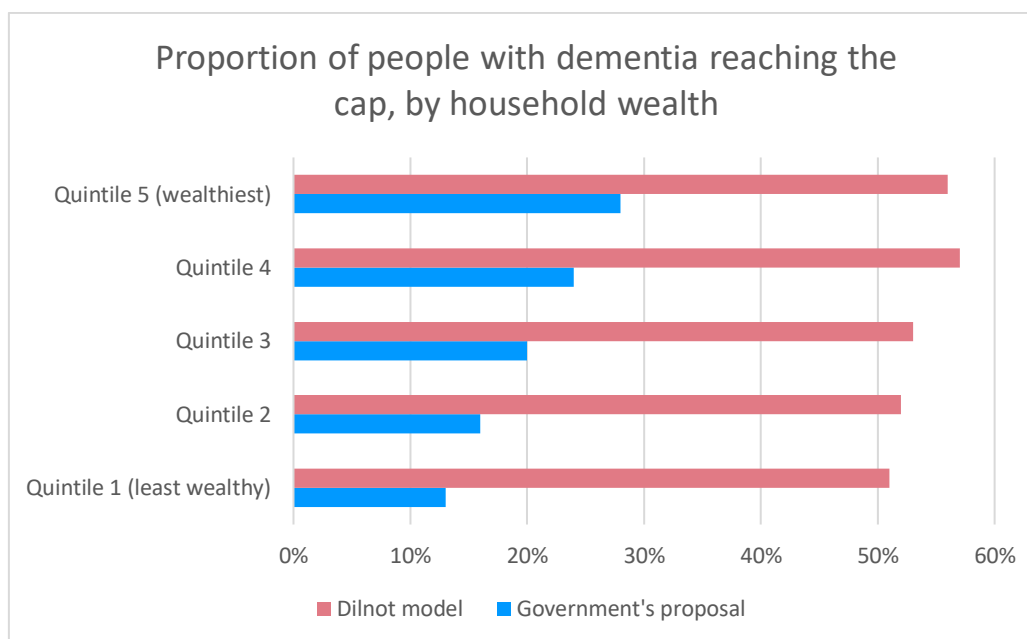
Alzheimer's Society supported the removal of this clause, as we believe it significantly waters down the Government's initial proposals for reform and would result in a cap that is disproportionately detrimental to people with dementia with fewer assets.

Alzheimer's Society opposes any attempt to reintroduce such a clause to the Bill in the Commons and urges MPs to vote against any such proposal.

In allowing only contributions that individuals have made themselves towards personal care to count towards the £86,000 cap, **the Government would remove vital safeguards from the Care Act which were specifically introduced to protect the less well-off from catastrophic care costs.** These changes would mean that those with assets between £20,000 and £186,000 would do less well under the Government's cap proposals than under those proposed by the Dilnot Commission and included in the Care Act 2014.³ Such changes could also mean **it could take people drawing on care double the amount of time to reach the cap compared to Dilnot's original proposals.**

Just 21% of people with dementia who begin to draw on social care from 2023 would reach the £86k cap if means-tested local authority funding was not counted towards this cap, which would also see those with the highest levels of wealth benefitting the most.

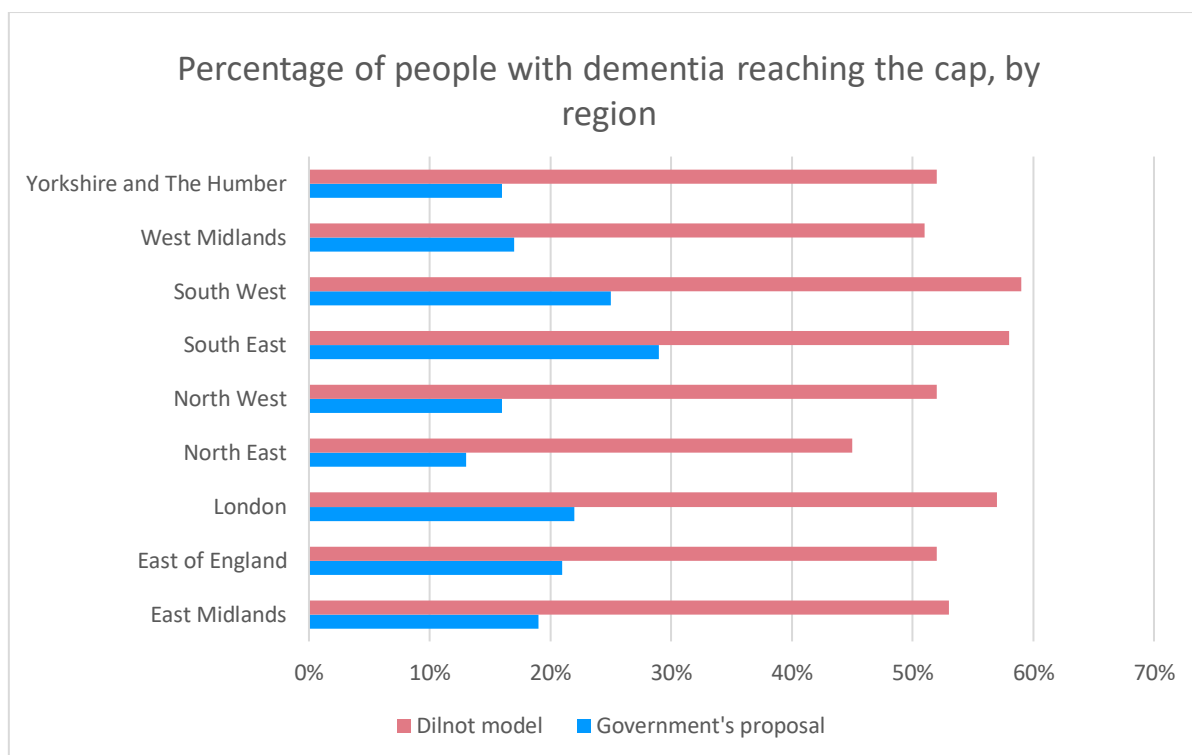
Whereas those with high levels of wealth would contribute a smaller proportion of their wealth towards the cap, those with low levels of wealth would contribute a significantly higher proportion of their overall wealth while also progressing more slowly towards the cap. **Were the Government to reintroduce changes to the cap that have been voted out in the Lords, there would be a fundamental unfairness and inequity to the cap policy, as per the graphs below.**



	Quintile 1 (least wealthy)	Quintile 2	Quintile 3	Quintile 4	Quintile 5 (wealthiest)
Government's proposal	13%	16%	20%	24%	28%
Dilnot model	51%	52%	53%	57%	56%

³ Sir Andrew Dilnot CBE; oral evidence to the Treasury Select Committee, 18th November 2021. <https://committees.parliament.uk/oralevidence/3038/pdf>.

Any efforts to reintroduce previous Government changes to the cap would also have a **significant regional impact**, benefitting wealthier regions the most. For example, **just 16% of people with dementia in the North West and 19% of people with dementia in the East Midlands would hit the cap, compared to 29% of people with dementia hitting the cap in the South East.**



	East Midlands	East of England	London	North East	North West	South East	South West	West Midlands	Yorkshire and The Humber
Government's proposal	19%	21%	22%	13%	16%	29%	25%	17%	16%
Dilnot model	53%	52%	57%	45%	52%	58%	59%	51%	52%

4. Lords' amendment – Dilnot safeguards

Through Lords amendment 141, Peers successfully removed the clause relating to the cap on care costs for charging purposes from the Health and Care Bill. This ensures that the Dilnot safeguards currently legislated for in Care Act remain, **providing better protection from catastrophic care costs for people affected by dementia**. This would have particular benefit to those who hold assets between £20,000 and £86,000.

It's vital that means-tested support for people with fewer assets is allowed to count towards an individual's £86k cap, as this would make the system fairer and more beneficial overall. Together with a coalition of organisations including Age UK, Carers UK, Mencap and The King's Fund, **we are calling for MPs to ensure that the Government does not reintroduce its previous proposals on the cap. To do so would be a regressive step for people affected by dementia.**