

Health and Care Bill – Lords Report Stage Briefing on the cap on care costs

For more information, please contact Alex Osborne at alex.osborne@alzheimers.org.uk.

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1. Suggested Interventions

- *My Lords, via its proposed amendments to the Care Act 2014, the Health and Care Bill removes vital safeguards which were specifically introduced to protect people with lower levels of assets from catastrophic care costs. Can the Minister provide details of the mitigations the Government is putting in place to protect those with lower levels of assets, particularly people with dementia, who are especially likely to face high care costs?*
- *My Lords, the Government's proposed changes to the cap on care costs are disproportionately detrimental to people living outside of the South West and South East of England. Just 13% of people with dementia in the North East will reach the Government's £86,000 cap on care costs, compared to 29% of people with dementia reaching the cap in the South East. What steps is the Minister taking to address this regional inequality?*
- *My Lords, research by Alzheimer's Society has found that under the Government's current proposals, just 21% of people with dementia who will draw on social care from 2023 would hit the Government's £86,000 cap on care costs. Can the Minister indicate what assessment the Government has made of the equitability of its proposals for the cap?*

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 the support for their condition 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 broadly welcomed the Government's decision to begin the process of social care reform after decades of inaction by successive governments.

However, Clause 155 of the Health and Care Bill, which amends the Care Act 2014 so that means-tested payments by local authorities are not counted towards an individual's £86,000 cap on care

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.

costs, 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.

In allowing only contributions that individuals have made themselves to count towards the £86,000 cap, **the Government is removing vital safeguards from the Care Act which were specifically introduced to protect the less well-off from catastrophic care costs.** These changes will mean that those with assets between £20,000 and £186,000 will 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 Further, the changes could also mean **it takes 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 under the Government's current proposals, 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, meaning there **is a fundamental unfairness and inequity in the Government's policy.**

The Government's current proposals also have a **significant regional impact**, benefitting wealthier regions the most. For example, **just 13% of people with dementia in the North East and 17% of people with dementia in the West Midlands would hit the cap, compared to 29% of people with dementia hitting the cap in the South East.**

4. Clause 155 amendment

Alzheimer's Society urges Peers to support amendment 141 (tabled in the names of Baroness Wheeler, Baroness Brinton, Lord Lansley and Lord Warner) **which would remove Clause 155 (cap on care costs for charging purposes) from the Health and Care Bill.**

The removal of Clause 155 from the Bill would ensure the Dilnot safeguards remain in place through the Care Act, **providing better protection from catastrophic care costs for people affected by dementia.** This is particularly true for those most in need of this protection - people with limited assets of between £20,000 and £100,000 who have been assessed as requiring state-funded support.

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.

Alzheimer's Society is proud to be part of a coalition of organisations including Age UK, Carers UK, Mencap and The King's Fund which are calling for the removal of Clause 155 from the Bill. Together, we agree that **the Government's changes to the cap on care costs risk being a regressive step.**

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