

FEES AND FUNDING

We try to ensure that our funding arrangements in relation to Residents' fees are based on transparency and fairness and accord with best practice and official guidance.

We always try to help residents, if they so choose, to obtain the best possible help in assessing their needs and obtaining advice on their care and financial situation.

Our contracts with residents do not contain terms relating to fees that might be regarded as unfair and we observe the utmost confidentiality in any matter relating to residents' fees and financial circumstances.

Funding Arrangements into which the Home is Prepared to Enter

Funding of care can be complex and there are a variety of sources or combinations of sources:-

- We accept residents who wish to pay for their own care and enter into a direct financial relationship with the home.
- We will normally accept residents whose care is paid for by a Guarantor.
- We will normally accept residents whose care is paid for by Long-term Care Insurance products (Immediate Need/Care Fee Annuities).
- We may be prepared to accept residents under care management arrangements whose needs have been assessed by a Local Authority who then agree to meet the home's full fees.
- We may be prepared to accept residents under care management arrangements where the home's full fees are met by the Local Authority fee in combination with a third-party top-up. Under this arrangement the Local Authority will pay a proportion of the total fees with the rest paid either by the resident or a third party, or a combination of both.
- We may be prepared to accept residents under NHS Continuing Healthcare funding arrangements where that funding meets the home's full fees.

Local Authority Funding

Local Authorities provide a level of funding for long-term care at their "Guide Rate": -

- Where capital (total assets) is below the Capital Threshold lower limit, the Local Authority will pay for the full cost of accommodation and personal care but usually only at their Guide Rate.
- Where capital is between the Capital Threshold upper and lower limits, the Local Authority will still pay towards the cost of accommodation and personal care but will reduce their contribution by £1 for every £250 of capital over the lower limit.
- Where capital is over the Capital Threshold upper limit, the Local Authority will not normally pay towards the cost of accommodation and personal care.



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It may still be possible to find a place in a more expensive home if that home is prepared to accept the Local Authority rate or if the Local Authority are prepared to pay the home's normal fees. Prospective residents can also still choose a more expensive home if a third-party top-up from another source can be arranged, e.g. with family or friends, or,

In these circumstances, the top-up arrangement should remain between the Local Authority and prospective resident and/or third party, and the Local Authority should then contract with us to meet the full fee including the top-up. The Local Authority contract must be agreed, issued and signed on or before the date of admission.

Occasionally, residents who were originally admitted under self-funding arrangements, can become eligible to receive Local Authority funding when their capital reaches the Capital Threshold upper limit. In these situations, we will not normally accept the Local Authority Guide Rate if it is less than the home's full fees.

Residents or their representative/s are under an obligation to notify the Local Authority in advance if they know or believe that their capital is likely to reach the Capital Threshold upper limit. Likewise, our expectation is that we are similarly notified at least three months in advance.

NHS Funded Nursing Care Contribution (“Free” Nursing Care)

Regardless of how resident's fees are paid, the NHS makes a contribution towards the nursing element of a resident's care in a nursing home – Funded Nursing Care Contribution. This is commonly referred to as “Free” Nursing Care or FNC and is defined as the care a resident is assessed as requiring from a Registered Nurse.

Currently, the NHS will make a payment directly to the home, subject to a resident's eligibility following assessment. This payment is made whether resident's fees are paid privately or by the Local Authority.

Following admission to the home and usually within the first 28 days, residents will be asked if they wish to be assessed in respect of FNC payments and to sign a consent form accordingly. This will then be forwarded to the NHS who will arrange for the resident to be assessed in order to establish whether or not they are eligible.

While this process may seem fairly straightforward, there are a number of anomalies that impact on the resident's contractual terms with the home:

1. There is always a delay between the resident entering the home and the NHS payments commencing. Consequently, although the NHS payments are ultimately backdated to the date of admission, we still require the full weekly fee to be paid during this period.

As soon as the NHS assessment process is completed and the funding contribution confirmed, the resident will be credited/refunded accordingly and further advised as to the revised weekly fee.

2. If the resident gives notice to terminate their residence in the home during the trial period (i.e. first four weeks), fees remain payable until the date of leaving the home and any NHS payments will also be payable to that date.



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If notice is given outside of the trial period (i.e. one month's notice), fees remain payable to the end of the notice period. However, if the resident should leave the home before the notice period expires, any NHS payments will only be payable to the date of leaving. In these circumstances residents will be required to pay the full fee from the date of leaving to the expiry of the notice period.

3. In the event of the resident requiring hospital admission, NHS payments will not be payable during any such period. In these circumstances residents will be required to pay the full fee for the period of hospital admission.
4. In the event of the death of the resident occurring prior to the NHS assessment process being completed, any NHS payments will remain payable from the date of admission to the date of death. In these circumstances we will credit/refund the resident's account as soon as the level of NHS payment is advised to us.

NHS Continuing Healthcare Funding

NHS Continuing Healthcare (CHC) is a package of care arranged and funded solely by the NHS in England for a person aged 18 or over to meet physical or mental health needs that have arisen because of disability, accident or illness.

In a care home, the NHS contracts with the home and pays for accommodation and the resident's assessed health and personal care needs. The amount the NHS pays varies from area to area and may or may not be sufficient to meet the home's fees in full. We treat each case individually, although we will not normally accept an admission under these funding arrangements at less than the home's full fees. In these circumstances therefore, we would require any shortfall to be met by the resident or a third party.

Occasionally, residents who were originally admitted under self-funding or Local Authority arrangements can become eligible to receive NHS funding following a re-assessment of their needs. In these situations, we will not normally accept the NHS funding at less than the home's full fees and would require any shortfall to be met by either the resident or a third party as above.

We will not under any circumstances accept backdated NHS funding if it is lower than the fee at which the resident was originally admitted. While we may accept the NHS funding from the date at which we are notified of it being awarded, it is for the NHS to reimburse any fees to the resident as a result of the NHS funding being backdated beyond that.

Residents with Property to Sell

We acknowledge that some residents need to sell property before being able to pay fees and where that is the case, we are usually happy to continue with the residents' admission while the property sale is completed, subject to certain conditions being met.

If a resident's capital, excluding the value of their property is below the Capital Threshold upper limit and their income is insufficient to meet the home's fees, then the value of the property is usually disregarded for twelve weeks from the date the resident permanently enters the home. This is called the '**Twelve Week Property Disregard**' and should be available to all residents who enter care homes permanently and meet the qualifying criteria.



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This means the Local Authority will disregard the value of property and treat the resident as if they were state funded for twelve weeks or until the property sells, if sooner. The property disregard is mandatory and local authorities are under a statutory obligation to apply it once they are aware of a person to whom it applies.

In these circumstances, while we are happy to accept the property disregard, the Local Authority will usually only pay their guide fee rate, which is always less than the home's normal fees. Therefore, we will require that difference to be reimbursed to us as soon as the resident's property is sold.

Following the Twelve Week Property Disregard, residents who have not been able to, or do not wish to, sell their homes to pay for their care may be able to enter into a '**Deferred Payment Agreement**' whereby the Local Authority, at their discretion, will continue to provide funding for that resident's care home fees. Any contribution under those arrangements is then treated as an interest-bearing loan from the Local Authority and is secured against the value of the property. It may be for the home's full fees or at the Local Authority's guide rate.

In these circumstances, while we are usually happy to accept the deferred payment arrangement, we would again require any difference between the Local Authority rate and the home's full fee to be reimbursed to us as soon as the property is sold and for the full fee to then be paid from that point forward.

Where we have agreed to admit a resident under property disregard and/or deferred payment arrangements, our normal contract for the full fee from the date of admission will still be issued and any payments received from the Local Authority treated as a contribution towards the full fee.

In the absence of a deferred payment agreement, we will normally be prepared to accommodate residents on a free-of-charge basis and allow the fees to accrue until such time as their property is sold. **However, this is strictly subject to the provision of a formal solicitor's undertaking confirming that: -**

1. the property is being marketed at a realistic market price.
2. the legal authority to sell the property is in place, i.e, Power of Attorney or resident's consent.
3. there are sufficient funds available from the sale to clear any arrears of fees that have accrued.
4. there are sufficient funds available from the sale to cover ongoing fees for a minimum period of 2 years from the date of admission.

In these circumstances, our normal expectation would be that the property is sold and all outstanding fees discharged within six months of admission, in which case interest will not be charged on the outstanding fees.

If we are satisfied that a sale is imminent then, subject to the same solicitor's undertaking, we would normally be happy to extend the arrangement but under no circumstances would we be prepared for the arrangement to exceed twelve months. In this case, we will charge interest at base rate +3% on the full outstanding balance.

Please Note: -

- 1. Our expectation on admission is that residents have sufficient funds available to pay the home's full fees for a period of at least two years.**
- 2. The above policy should be read in conjunction with the Resident's Agreement and Terms and Conditions for Residence.**
- 3. In all cases, no admission will be accepted unless or until signed contracts and/or legal undertakings are received stating the correct fee and the correct billing arrangements.**