

## **COMPETITION AND MARKETS AUTHORITY**

### **Investigation into Care Homes.**

This submission is based on current experience of the care home system. Inevitably individual, as opposed to institutional, responses to this investigation are likely to be based on personal experience, rather than more a formal study of competition, markets and value. However it is worth noting that, without the consumer of these services and their relatives, there would not be a market at all, and their experiences and views should carry equal weight.

My husband is 88. For some years he had been failing physically – he has osteoporosis and canal stenosis of the spine, and developed difficulty in walking. About 4 years ago it became clear he was developing memory problems and now has Alzheimers and dementia. I looked after him at home for some two years with the aid of private agency carers. As things got worse, one of his consultants advised me that it was time to have a family conference about his future. This was code for finding a care home before it became vital. Though this was hard to accept at the time, I am grateful to him for recognising sooner than we did that the time was coming when I could no longer manage, and indeed it did when he had a second stroke.

Many choices of care homes are made in a hurry as a response to an immediate crisis. This can void the notion of competition and markets as choice is narrowed to availability, and, in the case of self-payers, affordability. It is hard to judge value or quality in this circumstance. In any case, human judgements are made on impressions, the reception of the staff and the manager. Being a consumer in this circumstance comes later – only after having sampled the service (and in some cases, then found it wanting).

In choosing a home, we were not really aware of a ‘market’ in the sector. Some homes would have been unable to cope with his disability, others were unpleasant, and one far too expensive. Not surprisingly, the ‘better’ homes were more expensive. We liked the manager of the home we chose, who was extremely helpful. I can see in hindsight that having self-payers was very important to the home, but then I did not understand the significance of this. We just wanted somewhere as pleasant as we could for my husband, and this purpose-built block is modern, very well-maintained and rated Good by the CQC. The staff are pleasant and helpful. Most of them come from the EU, and I fear for the staffing if they are not allowed to stay after Brexit (they are already nervous). The job of a carer is often unpleasant and difficult and I admire their tolerance and good humour. However, I notice that there are sometimes too few of them – pay is generally minimum wage, and it is a concern, as it can dilute the quality of care.

It was sometime before I became aware that I was subsidising the local authority-funded residents, and only recently to the tune of circa 40% premium on our fees (Laing and Buisson report). I asked the home recently how many LA-funded residents there were but the reply was vague – less than 50%. This is a

deeply unfair and hidden tax. It makes it impossible to judge true value. (I am assuming that if the government goes ahead with its proposals for a death tax those who have paid and prepared for the eventuality and unknowingly cross-subsidised others will be removed from the necessity to pay).

Many years ago we took out an insurance policy from Friends Life against future care home fees. Without this, which now pays £2500 pcm, I would be unable to pay for my husband. We are both retired and our joint income would be insufficient to meet the fees, now to be £1430 pw from 1<sup>st</sup> April 2017 (less FNC at £156.25). Even so, I have had to release some of our savings, and am considering selling my home to release more. I doubt if I would have to do this if I was not subsidising others.

There are of course other costs in having a relative in a care home – costs of travel to visit, flowers, taxis to hospital visits etc. But these are minor compared to the great subsidy. Please note I am not averse to the richer members of society looking after the poorer through a fair system of income distribution and general taxation, but this subsidy is hidden and dishonest. Self-payers have contributed to the life of the country all their working lives and many feel cheated that at this stage, when they can least afford it, they are being asked to directly subsidise other unfortunate older people.

The shortage of money in the local authority system means that many residents (including my husband) should be entitled to Continuing Care payments. However it is no surprise that he has failed the gateway tests. (There are now firms of solicitors who take individual cases through the courts –and win).

It is hard to see how real competition could exist in the care home sector as currently constituted. Far too many of them are existing on a financial knife-edge, even the best ones. The consumer has no idea whether they are choosing a provider who is about to go bust or who is in it for the long-term (maybe they should all be required to have an up-to-date simplified copy of their accounts and assets on their websites). Current news reports a record number of homes are closing. Given the amount of people who need this care, availability will become an issue.

Value is masked by the need to cross-subsidise and quality is impossible to judge until you have experience of the system (and by then, it is probably too late to move the resident). Choice is based on a feel and an impression, usually done in a heightened emotional state.

The emotion in moving a close relative from home to a care home is complex – guilt, feelings of failure, tragedy at the loss of the person you once knew and their transition into a person who can no longer understand anything or help themselves. People are very much at the mercy of availability, location and affordability. The demands on relatives are substantial – they have not got rid of their responsibilities, but developed other, different ones.

I firmly believe that this dishonesty in charging must be dealt with. There should be a lifetime cap on fees for the individual. Their income tax could be reduced during the years a person was in care. (If a 'death tax' is introduced those who have paid for years for themselves, and by default for others, should not be liable). Unlike other risks in life, care needs are not pooled. Illnesses, like cancer, are looked after by the health service, free. If you are unfortunate enough to get dementia then you face the need to pay.

The current model of care in the UK is under-funded, unclear and unfair. It needs a proper independent investigation .

A Consumer – Wife of current resident  
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