STATES OF JERSEY

FUNDING OF LONG-TERM CARE: GREEN PAPER – RESPONSE SUMMARY

Presented to the States on 24th June 2010
by the Minister for Social Security

STATES GREFFE

Social Security Department

Summary of Responses

States of Jersey

Green Paper on the funding of long-term care

22 June 2010

The Green Paper on the funding of long-term care was published on 14 January 2010. Consultation formally closed on 31 March 2010, with responses accepted for a few days after this date.

The consultation was designed to encourage responses from the public and key stakeholder groups on how to fund long-term care given the growing proportion of older people in the population and the corresponding fall in the proportion of people of working age. Taken together, these factors are likely to pose a significant challenge to current funding arrangements. The Green Paper sought to inform the public about the full extent of the estimated cost of long-term care in the island and how it is presently funded. A number of options on how to pay for long-term care in the future and on how to fund any new system were presented. In particular, people were asked to comment on the balance between States funding and the level of payment required by an individual should they need care.

Overview of the results of the consultation

There was significant support for change and for a new approach to the funding of long-term care. The majority of respondents observed that:

- there should be a new benefit covering the cost of long-term care for all adults and funded by compulsory contributions
- any means testing should allow individuals to retain a proportion of their assets
- the value of the main residence should not be taken into account in any means testing
- the new benefit should only be paid for care provided in Jersey
- depending on the eligibility rules chosen, the benefit should only be paid to people who have lived here for at least five years immediately before applying or, alternatively, who have been previously continuously resident for ten years, or who have ten years' contributions.

Response from the Minister for Social Security

I am grateful to all those who took the time to complete the questionnaire and to attend the meetings on long-term care funding. The responses will be invaluable in informing policy development on this important issue. However, as one respondent observed: 'This has not been an easy task and it will be impossible to please everyone!'

I welcome the fact that, in most cases, a majority of respondents have expressed clear preferences for a particular way forward. I recognise that there is a strong desire for change and given the rejection of the status quo, I will now propose a new scheme for the funding of long-term care.

I will be formulating detailed plans, which will be published this year in a White Paper. It is my intention to bring legislation to the States in this electoral cycle.

Conducting the consultation

The main consultation Green Paper was accompanied by a summary document incorporating a questionnaire. All the documents (including large print versions) were available to download from a dedicated page on the States of Jersey website, from where the questionnaire could also be completed online. The home page featured links to all the documents.

The summary document was intended to improve accessibility to the consultation by recognising that many people would neither have the time nor perhaps the inclination to read the detailed 60-page Green Paper. The questionnaire was included as part of the summary document and was available from parish halls, the Public Library, Cyril Le Marquand House, the Social Security Department, the Citizens' Advice Bureau, Age Concern and Communicare. Copies were also available from the airport, Liberation Station and doctors' surgeries.

An electronic link to the consultation document was sent to everyone on the Consultation Register maintained by the States of Jersey Communications Department. Letters were sent to stakeholder groups advising them that the consultation was taking place and inviting them to attend a workshop. Two such workshops were held at Social Security, attended by representatives from various charities and stakeholder groups, including Jersey Society for the Disabled, Amos (Christian group), Citizens' Advice Bureau, Women's Institute, Good Companions Club, Jersey Mencap, Age Concern and Family Nursing and Home Care.

In addition, a number of presentations were given to members of the Carers' Association (two meetings), the Standing Conference of Women's Organisations, the Alzheimers Society, the Jersey Care Federation (owners and managers of care homes) and Social Security staff.

Presentations were also given to the Corporate Management Board, the Council of Ministers, the Health, Social Security & Housing Scrutiny Panel, States Members, the Ministerial and Senior Management teams at Health and Social Services, and the Comité des Connétables.

Two early evening public meetings were held at St Paul's Centre where members of the public had the opportunity to hear a presentation from the Minister and to ask questions or make comments.

Particular efforts were made to engage with young people and three presentations were given to sixth formers. Their interest culminated in pupils from Hautlieu School putting forward a proposition for debate on long-term care funding at the Youth Assembly in March.

Press coverage after the public launch included two detailed features in the Jersey Evening Post, coverage in at least one parish magazine, a feature in the Consumer Council's newsletter, a number of radio and TV interviews with the Minister and an interactive banner on Jersey Insight inviting viewers to complete the questionnaire online.

‘Additional comments’

Around half of respondents took the opportunity to provide ‘additional comments’ on the last page of the questionnaire. These ranged from a few lines to a page of A4. Many expanded on the choices that they had made in the questionnaire, while a number sought to explain in more detail the respondent’s thinking on certain issues or raised points that were not dealt with directly in the questionnaire. We have sought to give a flavour of the responses in this document. Where possible, they have been linked to the appropriate question. However, a number do not fit easily into this format and are reproduced towards the end of this document. **(Please note that the number that prefixes each comment relates to the internal number applied, for ease of reference, by the Social Security Department to each individual response.)**

The great majority of respondents ticked the box stating that they were happy for their comments to be made public, but not attributed. A small number said they were happy for their name to be published, but as these were very much the exception all comments have been kept anonymous. We have, however, given an indication of respondents’ backgrounds in terms of age, property tenure and length of time in Jersey.

Attached to this document as Appendix A are the ‘Summary and conclusions’ from the Health, Social Security and Housing Scrutiny Panel’s response to the Green Paper. The response was written by the Panel’s adviser Professor Julien Forder.

Summary results from the consultation

Who responded?

- nearly half of the 552 respondents were in the age band 45-64 (according to the 2001 Census, 31 per cent of the adult population are in this age group)
- over 87% of respondents had lived here for at least 20 years (according to the Jersey Annual Social Survey 2009, around two-thirds of the population - aged 16 and over – have lived in Jersey for 20 years or more)
- over 70% of respondents were homeowners (the 2001 Census shows 57 per cent of households are in owner-occupied accommodation)

Under each of these criteria, the respondents to the consultation were overrepresented compared to their presence in the population at large. This is perhaps not surprising as they are the groups who are most likely to have views about long-term care given their age (they or their parents may require it). And those who have lived here for some time are more likely to own their own house, which means they may well be more inclined to respond and to comment on whether the value of the main property should be considered in any new scheme, for example.

Type of system

- over three-fifths of respondents supported the idea of a new benefit covering some care costs for everyone needing care, with people paying their own everyday housing and living costs if they live in a care home
- only a quarter of people supported a system that had means testing as its prime focus
- there was support for the States paying more towards the cost of long-term care with over half of respondents agreeing to this; only 10 per cent thought the States should pay less

Funding method

- the preferred funding mechanism was regular compulsory contributions (similar to Social Security contributions); this was supported by over 70 per cent of respondents; support for tax-funded options (increasing income tax or GST) was at only half this level
- over half of respondents were prepared to pay between one and three per cent in additional compulsory contributions; only one in eight was not prepared to pay anything
- a small majority thought contributions should be limited to working age adults, although two-fifths of respondents thought those of pension age should make a contribution
- over three-fifths were prepared to pay towards a benefit that covered the cost of the care and most people preferred a standard contribution rate whatever the total cost of this care

Attitude towards savings and the main residence

- there was support for the idea that people requiring means-tested support should use at least some of the value of their savings and investments towards long-term care; the most popular option was to allow people to *keep* between £40,000 and £50,000 in savings or, alternatively, 50 per cent of whatever they had
- over 60 per cent of respondents opposed the idea of part of the value of the main property being used when calculating means-tested support; however,

approaching 30 per cent took the contrary view and thought that the house should be included

- if it was necessary to release value from the main property, a States-provided loan was the most popular option, but was still only acceptable to four in ten respondents

Who should qualify for a long-term care benefit?

- over 60 per cent of respondents thought that any long-term care benefit should cover all adults with long-term care needs (as opposed to just those above pension age)
- approaching three-quarters of respondents thought that any long-term care benefit should only be available to people receiving care in Jersey
- there was strong support for the idea that any long-term care benefit should be available to people who have been living in Jersey immediately before making the application – with up to five years' residence the most common response, with ten years not far behind
- half of respondents agreed that people should also be able to qualify if they had lived in Jersey in the past – ten years was suggested as the appropriate qualification in this case
- just under half of respondents supported the idea that those who had not lived in Jersey for the minimum amount of time could still qualify for the benefit so long as they had made contributions towards the benefit, with a period of ten years the most favoured option.

Demographic information

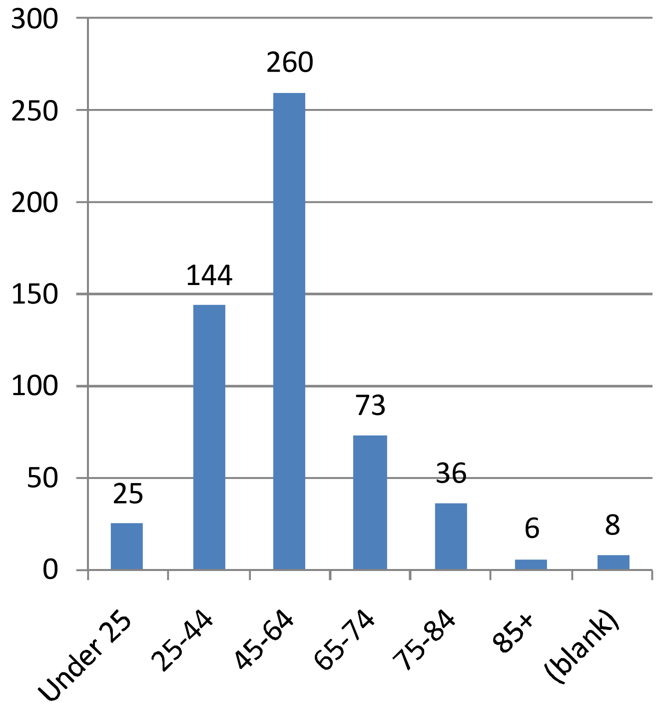
There were 552 valid responses. Of these, over two-thirds (373) were questionnaires submitted online, with 179 questionnaires completed as hard copy.

Broken down by age, residency and household tenure the make up of the responses was as follows:

Age of respondents

Approaching half of the respondents were in the 45-64 age group, with over a further quarter aged 25-44.

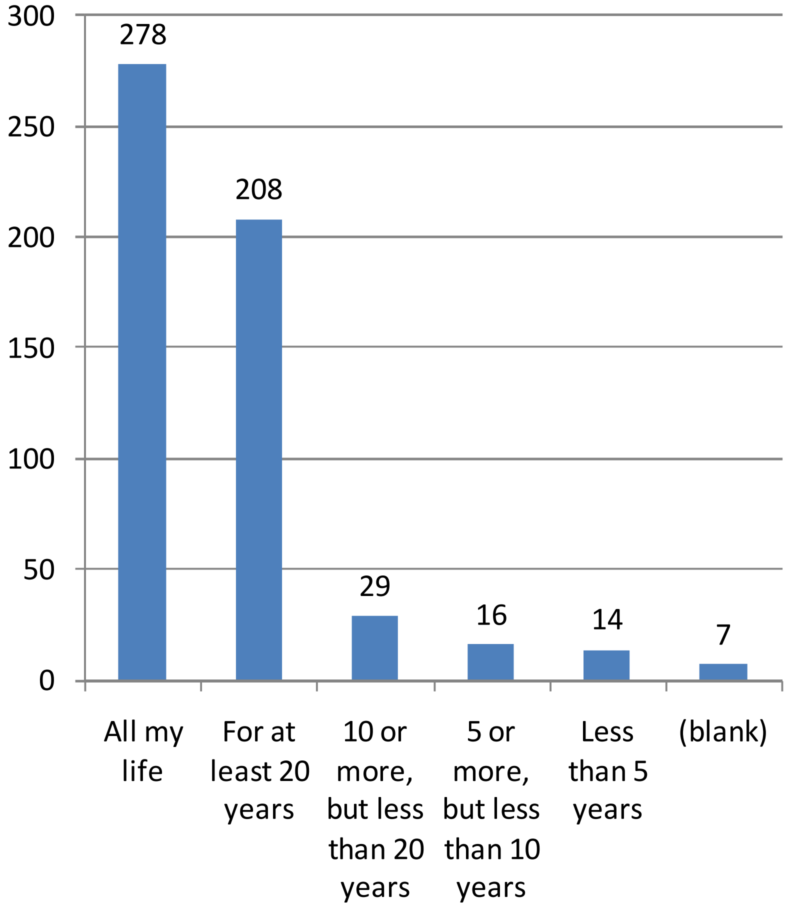
Age of respondent	Under 25	25-44	45-64	65-74	75-84	85+	(blank)	Total
Number	25	144	260	73	36	6	8	552
Percentage	5%	26%	47%	13%	7%	1%	1%	100%



Residency

Over 87 per cent of respondents had lived in the Island for at least 20 years, with over half having lived here all their life.

Jersey residency	All my life	For at least 20 years	10 or more, but less than 20 years	5 or more, but less than 10 years	Less than 5 years	(blank)	Total
Number	278	208	29	16	14	7	552
Percentage	50%	38%	5%	3%	3%	1%	100%



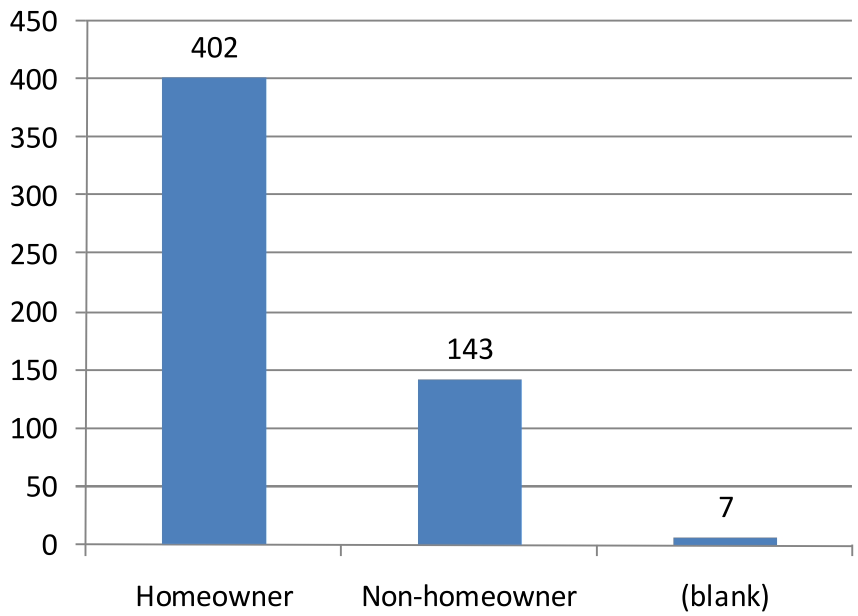
Tenure

Over 70 per cent of respondents were homeowners, with just over half of the homeowners still having a mortgage or loan.

Tenure	Homeowner without a mortgage/loan	Homeowner with a mortgage/loan	Tenant	Other	(blank)	Total
Number	196	206	105	38	7	552
Percentage	36%	37%	19%	7%	1%	100%

This can be summarised as:

Tenure	Homeowner	Non homeowner	(blank)	Total
Number	402	143	7	552
Percentage	73%	26%	1%	100%



Results for each question

Please note that because of rounding, the percentage figures in some of the tables and graphs may not add up to 100.

Q1. How acceptable or unacceptable are the following options for changing the funding of long-term care?

*Please tick **one** option for each line*
Highly acceptable   Acceptable   Unacceptable   Highly unacceptable   Don't know

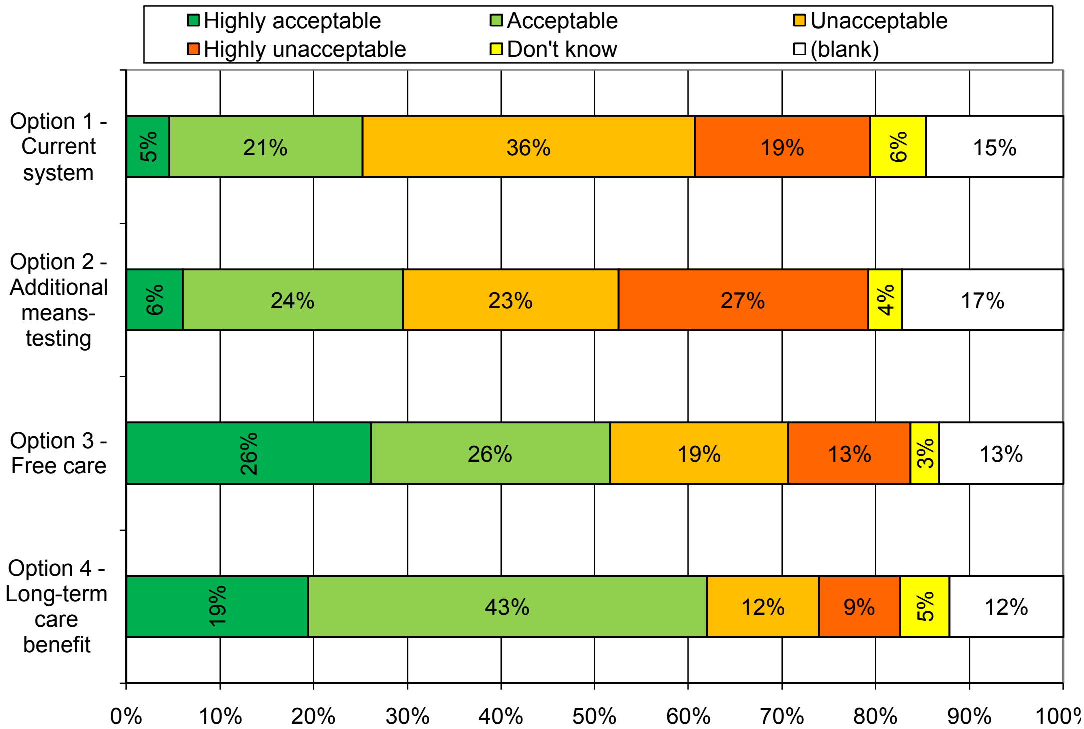
Option 1 – Keep the current system

Option 2 – Charge for all long-term care services and introduce a consistent means test

Option 3 – Provide all long-term care services free at the point of use

Option 4 – Introduce a new benefit that covers some care costs for everyone needing care, with people paying their everyday housing and living costs if they live in a care home

Results for Q1



The responses show a majority in favour of changing the basis of the current system of long-term care funding. Over half of respondents declared the current arrangement (option 1) *unacceptable/highly unacceptable* – a proportion higher than for any of the other three options.

Of the four options presented, the idea of a long-term care benefit that meets some of the cost of care (option 4) was the option thought highly acceptable/acceptable by the largest proportion of people – around 62 per cent. And over 50 per cent thought the option of long-term care free at the point of use (option 3) was acceptable or highly acceptable. Therefore, the responses appear to reflect a desire for the risk attached to long-term care funding to be spread across the population generally, rather than just borne solely by the individual requiring care.

The concept of means testing, which is core to options 1 and 2, was only supported by around a quarter of respondents. It is interesting that the percentage of people saying that they were opposed to option 3 (no means testing) at around 32 per cent was not dissimilar from the percentage in favour of option 2 (more means testing) – around 29 per cent. This suggests some consistency in the findings on the part of respondents in their attitude to means testing.

Option 4 includes an element of means testing relating to the financial assistance that would be provided with everyday housing and living costs and this probably accounts for the extent to which it was deemed acceptable – probably receiving some support from those who really favoured much greater means testing as required under options 1 and 2.

Nearly two-thirds of homeowners were in favour of option 4, compared to just over half of non-homeowners.

Additional comments

A few comments focused on means testing and the pros and cons of this approach.

206 (part) All care should be means tested. Those who can afford to pay should contribute more to their care needs. This however should not be to the detriment of families still living in the main home… (age 45-64, homeowner with a mortgage and lived here for at least 20 years)

193 The rate at which people should pay for their care should be proportional i.e. there should be set minimum (and possibly maximum) benchmarks that mean that people with substantial savings pay a higher percentage, but that people with much less also need to contribute in some way. … It is not morally right that those who have saved should lose it all in their old age…. (age 25-44, homeowner with a mortgage and lived here all their life)

However, others said:

135 Means tests unfairly punish those who have saved and been careful with their money. The people who don't save, who spend unwisely, and don't try to buy their own property, are the ones who benefit from a means-tested system. Obviously, some people are luckier or more able than others; the way to collect from them is via taxation, over their whole life-time. Taxation on income does not unfairly advantage the profligate spender, or unfairly punish the saver (age 45-64, homeowner without a mortgage and lived here all their life)

224 (part) A means-tested system favours the profligate at the expense of the prudent who have saved for their old age. It is also open to abuse by giving away assets (age 65-74, homeowner without a mortgage and lived here for at least 20 years)

One pointed out that:

64 When considering an individual's position it seems reasonable to expect them to contribute to their care. However, the situation in respect of married couples is less fair. A person can have worked hard all their life to save money for their retirement. They have paid their taxes but then find that nearly all their savings are taken in providing care for their partner as well as a debt against their property. Any means testing should take a far more reasonable approach to ensuring the remaining partner does not spend the rest of their life in seriously reduced circumstances because the other partner has to go into care (age 45-64, homeowner without a mortgage and lived here all their life)

An opposing minority view was also expressed:

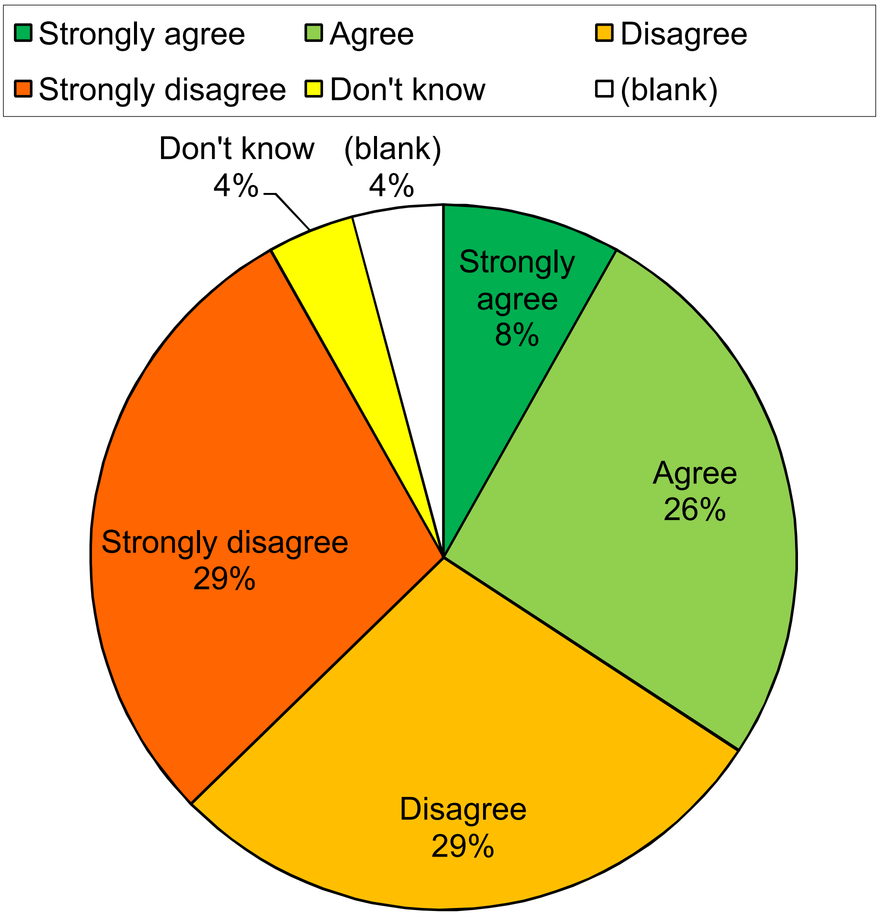
133 I firmly believe that it is an individual’s responsibility to provide for their own long-term care and disagree that the States should be required to provide for anyone (age 45-64, homeowner with a mortgage and lived here for at least 20 years)

(Please note that the number that prefixes each comment relates to the internal number applied, for ease of reference, by the Social Security Department to each individual response.)

Q2. Do you agree or disagree that someone with income and savings above a certain level should be responsible for the full costs of their own long-term care?

*Please tick **one** option*
Strongly agree Agree Disagree Strongly disagree Don't know

Results for Q2



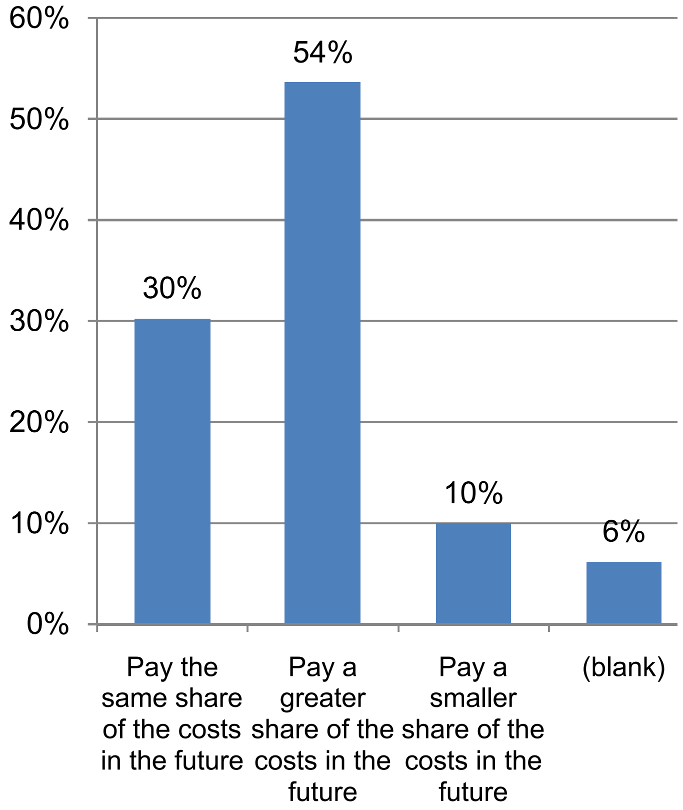
Consistent with the support shown for means-testing options in question 1, just over a third thought that those with substantial income and/or assets should pay the full costs of their care. However, 58 per cent disagreed with the idea of an upper limit that would preclude such individuals from receiving any assistance with care fees.

Q3. At present, the States (using taxpayers' money) pays just over half of the total estimated cost of long-term care in the Island, with the remaining cost being funded directly by people themselves when they need care. Should the States...

*Please tick **one** option*

Pay the **same** share of the costs in the future
Pay a **greater** share of the costs in the future
Pay a **smaller** share of the costs in the future

Results for Q3



Over half of respondents wanted the States to pay a greater share of the costs in the future. This is not too different from the percentage of respondents who supported options 4 and 3 which involves the States' contribution increasing as the amount that is means-tested reduces. The 30 per cent who want the States to pay the same share of costs in future is broadly in line with the 25 per cent or so who want to keep a means-tested system, which would maintain the States' contribution at its current level.

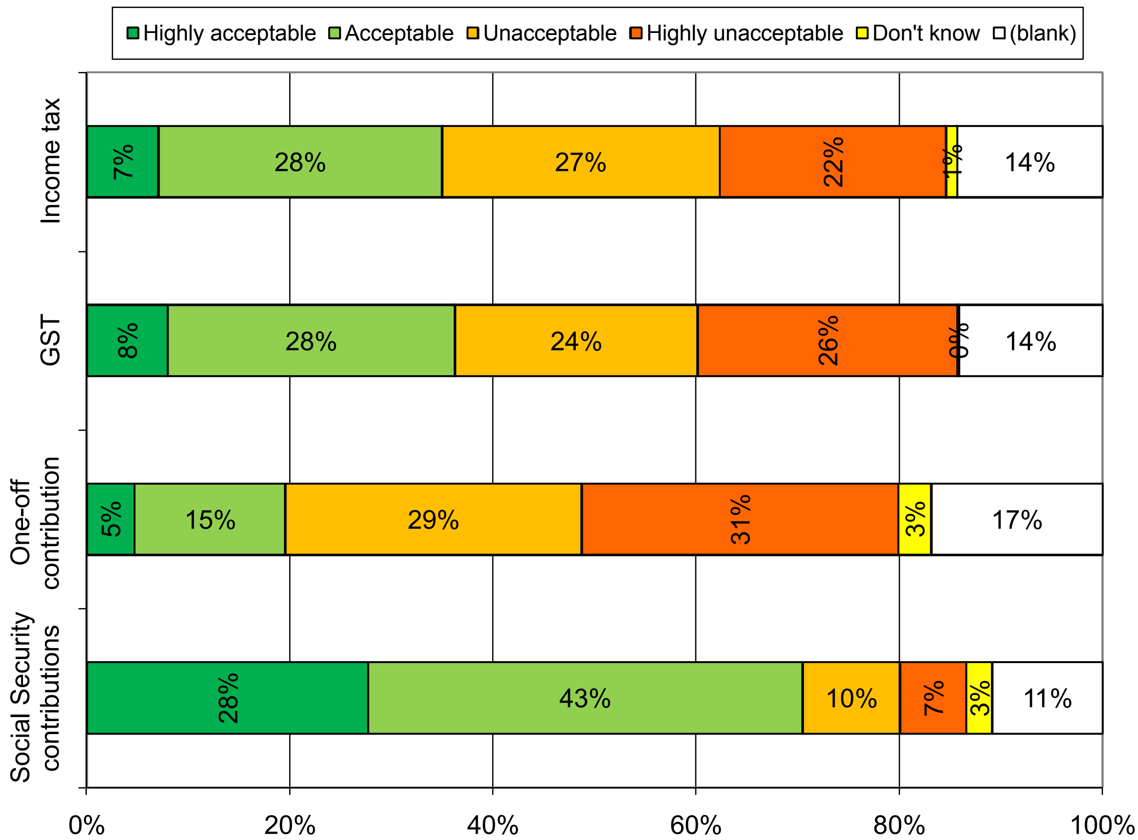
Q4. Raising the money to meet the increasing cost of long-term care
Whichever system is chosen, the States will need to raise extra money to meet the increasing cost of long-term care in the future as the number of older people increases. The total cost of long-term care is likely to at least double by 2026, from £55 million to £110 million a year (at current prices).

How acceptable or unacceptable are the following methods for increasing the States' funding available for long-term care?

*Please tick **one** option for each line*

	Highly acceptable	Acceptable	Unacceptable	Highly unacceptable	Don't know
Increase income tax					
Increase GST					
One-off compulsory contribution on reaching pension age					
Regular compulsory contributions (similar to Social Security contributions)					

Results for Q4



Funding long-term care through regular compulsory contributions (similar to Social Security contributions) was the option suggested as being highly acceptable or acceptable by the largest proportion of people – over 70 per cent. Only 16 per cent saw this option as unacceptable or highly unacceptable.

Increasing either GST or income tax was looked on positively by around 35 per cent of respondents (ie half of the figure favouring a compulsory Social Security-type contribution). A fraction under half of respondents found each of these tax-raising measures unacceptable or highly unacceptable. A one-off compulsory contribution was the least favoured option and the one attracting the most uncertainty.

Additional comments

A number of interesting options were suggested by respondents:

172 (part) Unlike an increase in Income Tax or Social Security, if a small increase was added to GST, EVERYONE would be contributing, but protection would still be there in the form of Income Support. If an increase in GST were adopted, it should be made very clear to the public that part of it is for free care for all should they need it. (age 25-44, lived here all their life)

28 (part) …Introduce a two-tier tax system and increase tax allowances to help low and middle earners. Tax any bonuses, share options, mortgage subsidies, other benefits such as private healthcare offered free to employees. Capital gains on second or more properties. Increased sales tax on high value goods i.e. cars over £5k. Increase the tax threshold for any income over £100,000 (age 25-44, homeowner with a mortgage and lived here all their life)

202 Suggest Capital Gains tax as an alternative option to fund cost of long term care (q4). Consider a progressive Income Tax so that high earners pay more than the basic rates. Poor health in older years is a 'lottery' and it therefore seems fairer that society pays for this from general taxation. As an analogy, education is paid for by society as a whole through taxation not just by those with children; hospitals are paid for by all, not just those using them (age 45-64, homeowner with a mortgage and lived here for at least 20 years)

89 (part) I believe that the retirement age should be immediately raised by two years, and that all of the social security contributions for the last two years of a person's working life should be used to pay for/contribute to long term care costs (age 45-64, homeowner with a mortgage and lived here all their life)

181 (part) I am of the view that none of your options are suitable on their own. It is not fair that the working population from the inception of the Long Term Benefit system should have to initially fund those who need long term care in their later years. From date of inception those who are 65 and over must use the existing system for at least 5 years. Option 4 then should be used as the basis for the Long Term Care (age 65-74, homeowner without a mortgage and lived here all their life)

A number of comments suggested that the present cap or earnings ceiling should be removed from Social Security contributions. Suggestions to this effect were also made at nearly every meeting and focus group.

(Please note that the number that prefixes each comment relates to the internal number applied, for ease of reference, by the Social Security Department to each individual response.)

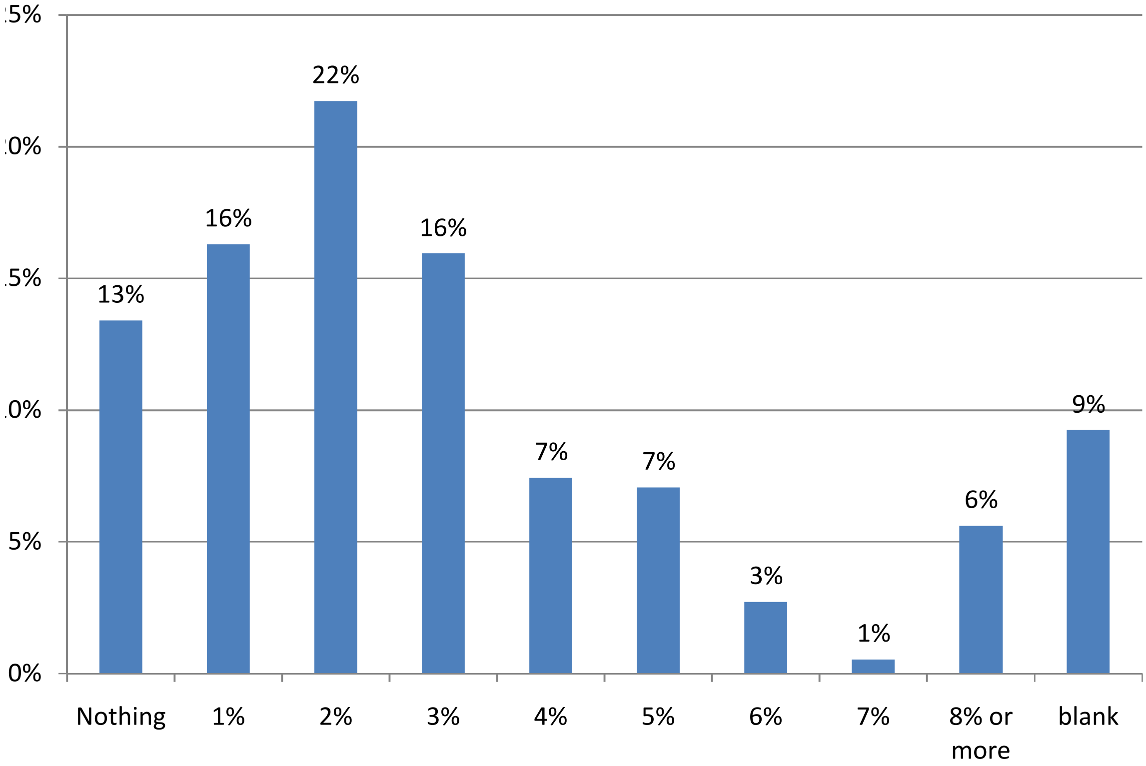
Q5. Regular compulsory contributions
Employees currently pay 6% of their gross wages as their Social Security contribution – mainly towards funding old age pensions. Those over pension age do not make contributions.

If it is decided to raise money for a long-term care benefit from regular compulsory contributions from people, how much extra would you be prepared to pay within the next ten years?

*Please tick **one** option*

Nothing
1%
2%
3%
4%
5%
6%
7%
8% or more

Results for Q5



Answers to previous questions indicated that a majority of respondents are in favour of a system where there is greater involvement by the States and expressed a preference for this to be paid for through increased contributions. The answers to this question indicated that if it was decided to raise money for a long-term care benefit from regular compulsory contributions, over three-quarters of respondents were prepared to make extra contributions. Taken together, over half of all respondents were prepared to pay an amount in the 1 to 3 per cent bracket, with 2 per cent the most popular option. And while 13 per cent were not prepared to pay anything, approaching a quarter of respondents were prepared to pay 4 per cent or more.

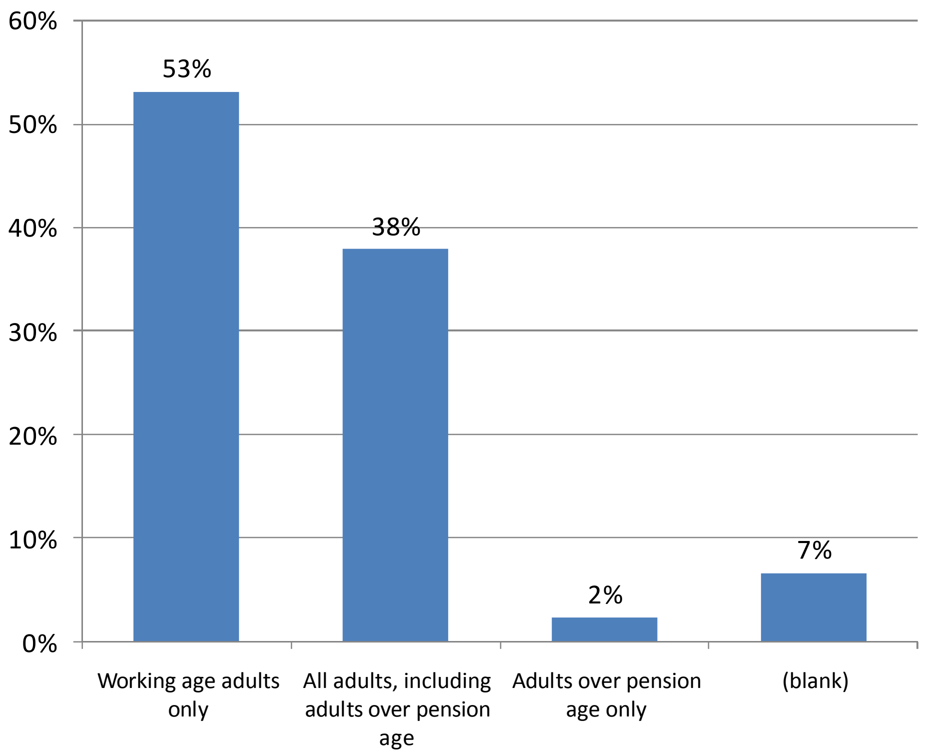
These figures are consistent with the desire for the States to meet a greater part of the cost in the future, while they as individuals make contributions to provide the States with the funds to pay for a long-term care benefit.

Q6. If it is decided to raise money from regular compulsory contributions from people, which age group should make these contributions?

*Please tick **one** option*

Working age adults only
All adults, including adults over pension age
Adults over pension age only

Results for Q6

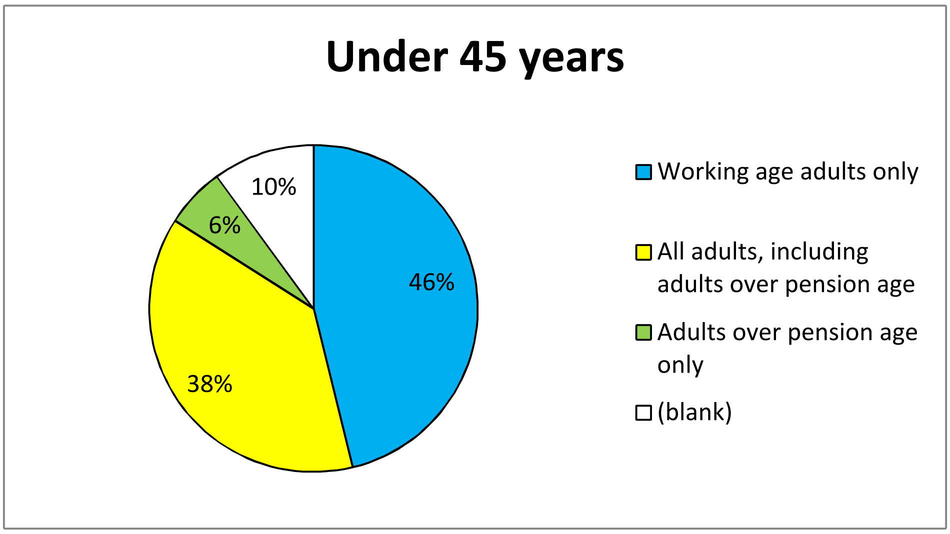


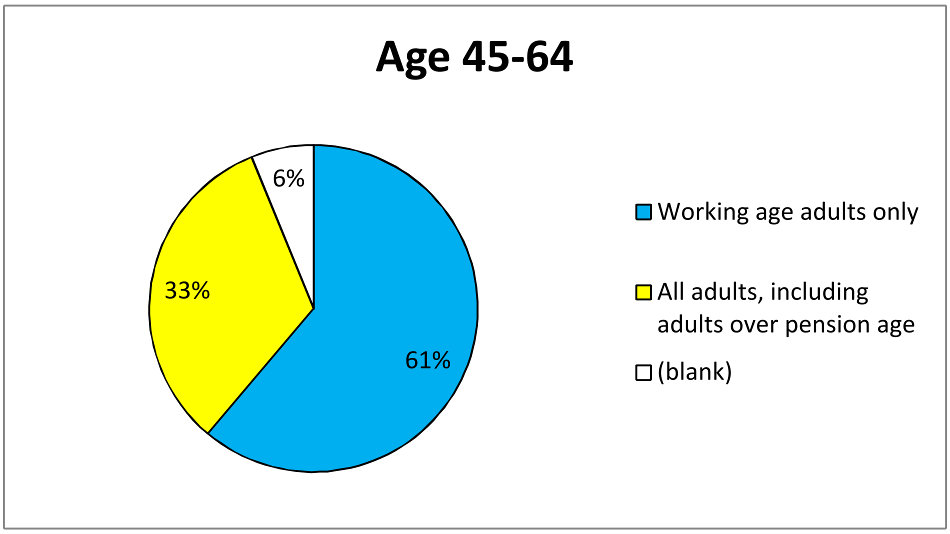
Just over half of respondents thought that any contributions to long-term care should be limited to working age adults only. However, a significant minority – around 40 per cent – thought that those over pension age should be among those making a contribution.

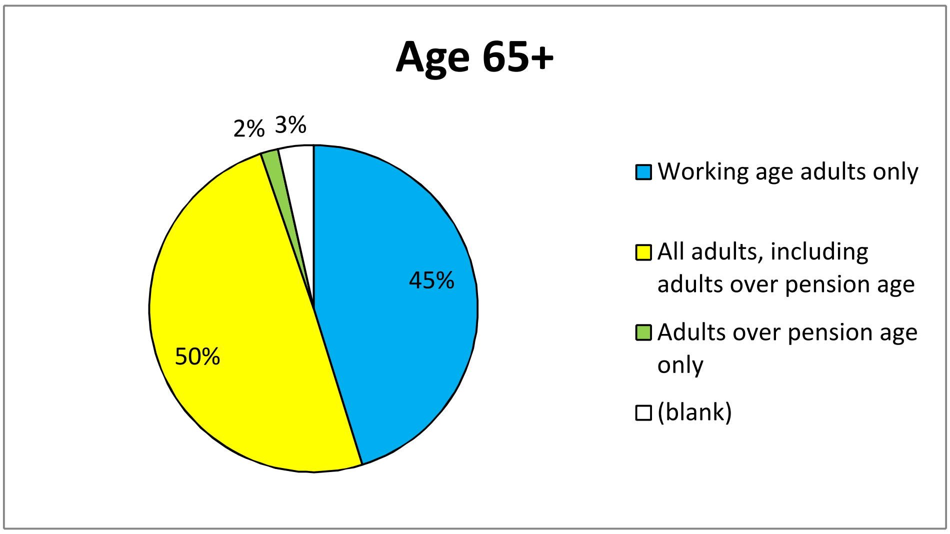
If responses are broken down by age (see the pie charts on the next page), then those who are pensioners themselves are much less reluctant to contribute – of those aged 65-74, just over half suggest that pensioners should be among those contributing.

For those under 45, there is almost an equal split between those who think adults over pension age should be contributing and those who think that contributions should be limited to those who are working; in the 45-64 age group, the proportion suggesting that working age adults only should contribute is almost twice that who think that pensioners should be included.

Charts showing who should be contributing to long term care funding – responses by age







Additional comments

The difference in opinion among pensioners is shown in these two contrasting comments:

169 There is a sharp division between those who just have their OAP and those who have a generous occupation pension too. There is also a big difference between those who reach 65 owning their home and no mortgage and those who are still renting. In many cases, older people are subsidising younger members of their family rather than being a 'problem', thus people over 65 (who have the means to do so) should continue to pay a contribution to the social security fund, which can help them at 80 or 90 when they will eventually need care. The burden of funding long term care should not fall just on working age people. Many of the 60+ generation are the fortunate ones with subsided education and lower housing costs when they were younger (age 65-74, homeowner without a mortgage and lived here all their life)

On the other hand:

181 (part) **…** the suggestion that those in retirement should pay Social Security contributions is unfair and creates additional need for bureaucracy. Pensioners that are liable already pay tax on their pensions…. (age 65-74, homeowner without a mortgage and lived here all their life)

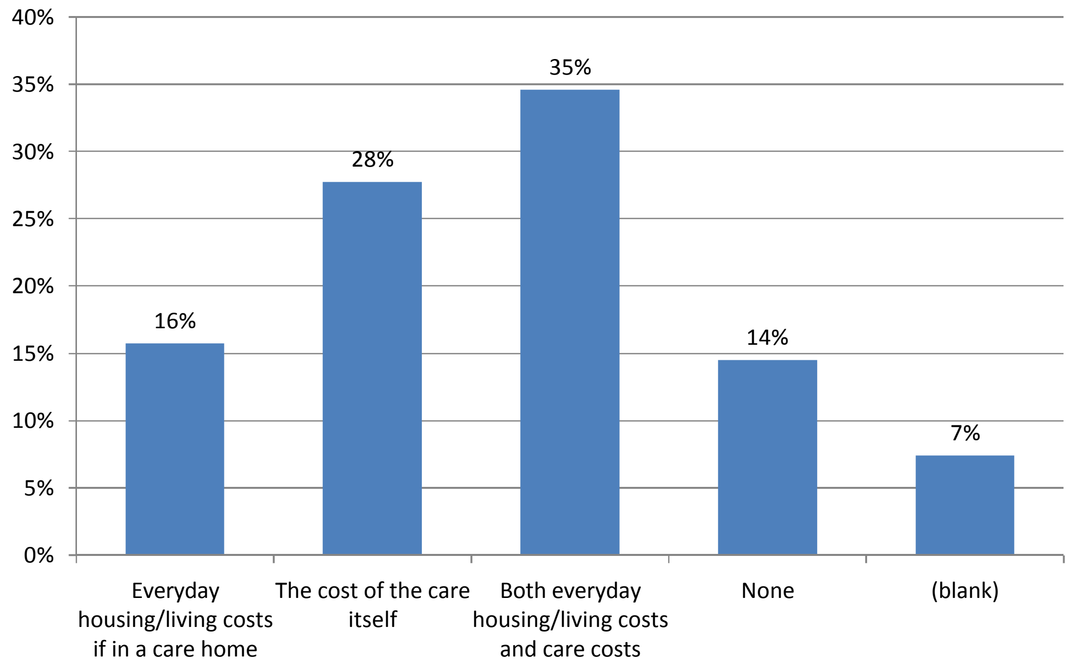
(Please note that the number that prefixes each comment relates to the internal number applied, for ease of reference, by the Social Security Department to each individual response.)

Q7. Would you be prepared to pay towards the cost of a new benefit that covered:

*Please tick **one** option*

Everyday housing/living costs if in a care home
The cost of the care itself
Both everyday housing/living costs **and** care costs
None

Results for Q7



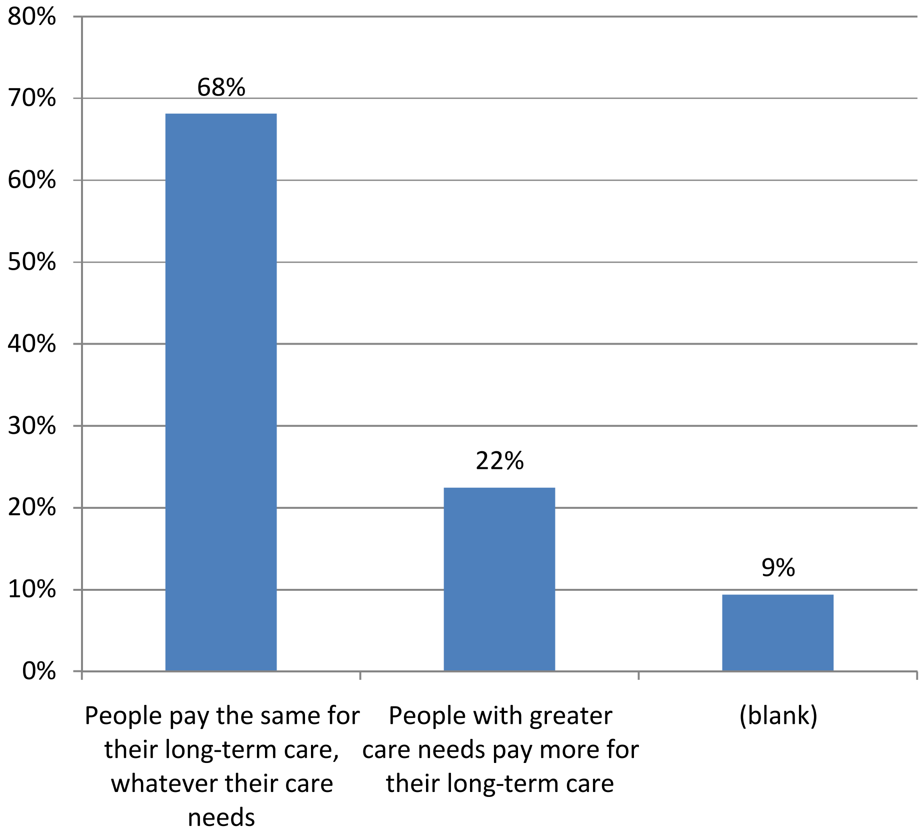
Of those that responded, approaching 80 per cent of respondents were prepared to make some payment towards the cost of a benefit. There was a strong preference for care costs to be covered by this benefit.

Q8. If a new benefit does not cover all care costs, would you prefer at the point of needing care that...

*Please tick **one** option*

People pay the **same** for their long-term care, whatever their care needs
People with greater care needs pay **more** for their long-term care

Results for Q8



Over two-thirds of respondents thought that whatever their care needs people should pay the same towards their care. So, for example, somebody requiring a higher level of care than average would not have to make a higher contribution towards the cost. By implication, there was therefore relatively little support for ideas such as a cap on payments related to the type of care or the length of time care is required for. Nonetheless, over a fifth of respondents did express some support for differentiating between the cost of care.

Q9. Whichever system is chosen, it is likely that everyone will need to make some payment towards their own costs at the time of needing long-term care. People who cannot afford to make this payment will receive means-tested financial support based on their income and assets (savings, investments, property ownership etc). They will be expected to use any regular income (pensions, etc) towards the payments.

How much do you agree or disagree with the following statement? People who need means-tested support should be expected to use at least some of the value of their *savings and investments* towards meeting the cost of their care.

*Please tick **one** option*
Strongly agree Agree Disagree Strongly disagree Don't know

If you agree or strongly agree that at least part of the value of savings and investments should be used towards meeting the cost of an individual's own care, please give details:

People should be allowed to keep at least £xx from the value of their savings and investments, whatever their total care costs

Q10. How much do you agree or disagree with the following statement? Homeowners who need means-tested support should be expected to use at least part of the value of their *main property* towards meeting the cost of their care.

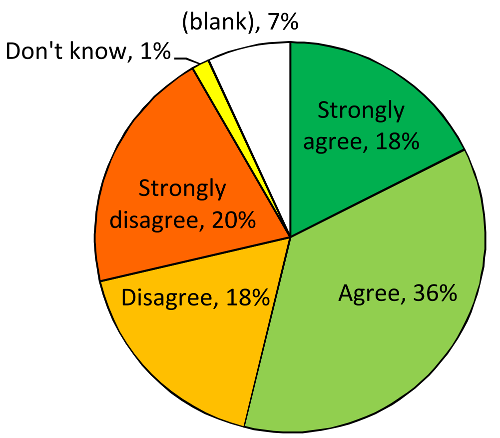
*Please tick **one** option*

Strongly agree Agree Disagree Strongly disagree Don't know

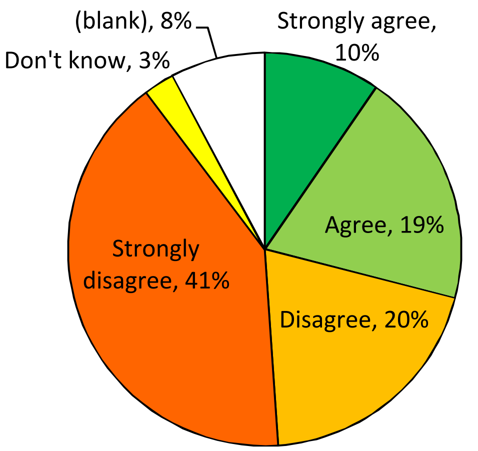
If you agree or strongly agree that at least part of the value of the main property should be used towards meeting the costs of an individual's own care, please give details:

The homeowner should be allowed to keep at least £xx from the value of their main property, whatever their total care costs

Results for Q9 & Q10



Treatment of savings & investments (Q9)



Treatment of the main property (Q10)

Analysis of these two questions has been taken together as there are common issues regarding the treatment of savings/investments (Q9) and the main residence (Q10) when it comes to means testing.

Treatment of savings and investments

A majority of respondents – 54 per cent – agreed that people who needed means-tested support should be required to use at least some of their savings and investments. Disagreement or strong disagreement was registered by 38 per cent. Of those who indicated support for the statement, the most popular option chosen as the amount of savings and investments that people should be able to **retain** before contributing towards means-tested support was between £40,001 and £50,000, with up to £10,000 the next most popular.

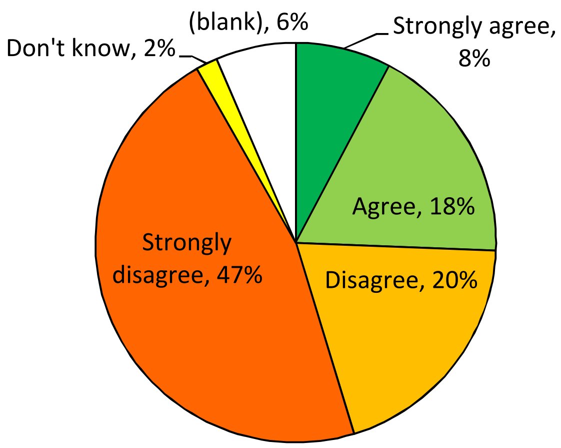
Some respondents expressed the sum to be retained as a percentage of an individual's savings and investments and, in this case, 50 per cent was by far the preferred option (although this was based on a small sample of less than 40 people answering in terms of a preferred percentage).

Treatment of the main property

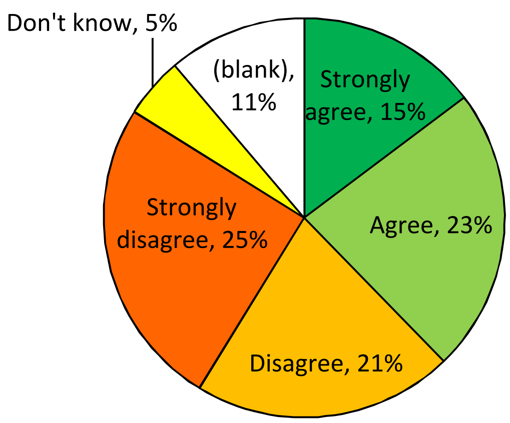
The answers to this question indicated reluctance on the part of the majority of respondents to use part of the value of their main property towards meeting the cost of care. Over 60 per cent thought this should not happen, with 41 per cent of them strongly disagreeing.

However, 29 per cent agreed or strongly agreed that the value of the main property should be considered. Of those taking this approach, a majority of the respondents (47 of 89) thought that people should be **allowed to keep** up to £100,000 of the value of their property. A number of respondents framed their answer in terms of the percentage of the value of the property that people should be allowed to keep – 50 per cent was selected by over half of those replying in this way (17 of 31).

When looked at by tenure (see the pie charts below), only a quarter of homeowners were prepared to use at least part of the value of their home (strongly agree/agree), with two-thirds disagreeing. The response from non-homeowners was more balanced with 46 per cent against the use of the value of the home and 38 per cent in favour.



Homeowners



Non-homeowners

Additional comments

Whether the main residence should be included when considering means-tested support was the issue that overall prompted the greatest interest.

Most of the comments opposed the idea of the family home being taken into account and saw this approach as unfair. Many expressed concern that people who had worked hard during their lives to buy a house were at risk of being unable to pass it on to their children if they had to sell it to pay for care. Many remained convinced that they would be forced to sell their home if they sought assistance from the States. The sense of unfairness was greater given the perception that people who had deliberately chosen not to buy property and/or opted for a 'lavish' or 'reckless' lifestyle were likely to receive greater assistance from the States with their care fees.

Some concerns were also expressed over the situation of the surviving spouse or partner if a charge on the home had been taken by the States in return for the interest-free loan to pay for care fees. In reality, at no point would anyone be forced by the Social Security Department to sell their home So, for example, if a property was owned jointly and one of the couple died in care, then the surviving partner would not be expected to vacate the property. Only when the property next changes hands (on the death of the partner or a voluntary decision to sell) would the States (ie the taxpayer) require the loan to be repaid.

A number of comments implied that some people pay nothing towards their care. Subject to minor anomalies in the current system, at present everyone has to contribute a high percentage of their income towards the cost of their care.

A representative selection of the comments regarding the main residence and means testing is reproduced below.

32 (part) My key point is that those individuals who own their own modest houses should not be forced to sell them in order to fund their care. I think that everyone should pay their fair share towards their care, and it is acceptable to use income in the form of pensions to help fund the cost but definitely no selling of the family home. It is different if individuals own several properties then I think it is acceptable to have to fund their own care but only to the point where they still have their main family home to pass on to their children (age 45-64, homeowner with a mortgage and lived here all their life)

104 (part) I have worked hard all of my life and paid income tax and social security for over 40 years. By working hard my wife and I own our home which in Jersey terms is probably valued at over £600,000. However, we are NOT cash rich. Our savings are limited and in the current climate would not cover care for one person for more than 1-2 years. We have two daughters. Their only inheritance is our home. Why should they be disinherited by the States of Jersey when it is through our hard work that we are now homeowners? This would be totally unfair and discriminatory as if you choose to live off the state you receive every benefit available, from cradle to grave (age 45-64, a homeowner without a mortgage and lived here all their life)

82 It is grossly unfair that people who have worked hard all their lives, saved and bought a house should have to sell it and use all their savings to pay for care in their old age. Those who have squandered, never worked hard or used all their money uselessly have care paid for. Any new system MUST be equitable and not force the sale of a person's home to pay for care (age 45-64, homeowner with a mortgage and lived here for at least 20 years)

123 I am very much against a person living a lifetime in Jersey, struggling to buy a house for themselves and family and then when they are expecting to settle back and enjoy retirement get taken bad and see the house they have saved up for sold and the family go without an inheritance (age 75-84, homeowner without a mortgage and lived here all their life)

On the other hand, some respondents acknowledged the impact of the growth in the value of property in recent years. This view was also expressed strongly in one of the focus group meetings.

214 (part) … Property appreciation means that unprecedented amounts of wealth are being transferred between generations – furthermore, the absence of inheritance tax in Jersey means that there can be quite significant levels of inter generational wealth transfer. A retired individual could and should use their assets to fund their care – why should the taxpayer be subsidising the beneficiaries of this individual's estate? (age 45-64, homeowner without a mortgage and lived here for more than ten, but less than 20 years)

A suggestion was that:

249 (part)…An individual should not be made to sell their home if they have made contributions to the system for more than 15 years, but a specified percent of the value of the home should be given to the States after their death towards care they have received eg 15-50% regardless of the value of the property. Thus individuals who have worked hard to buy property are not penalised for doing so and the family will still inherit the property by paying off the agreed amount. This percent should depend on how long an individual has been in care eg 1-5 years 15% and also taking into consideration the individual's care needs eg residential or nursing care… (age 25-44, homeowner with a mortgage and lived here all their life)

(Please note that the number that prefixes each comment relates to the internal number applied, for ease of reference, by the Social Security Department to each individual response.)

Q11. How acceptable or unacceptable are the following methods of releasing some or all of the value of someone's main property towards funding their own long-term care?

*Please tick **one** option for each line*

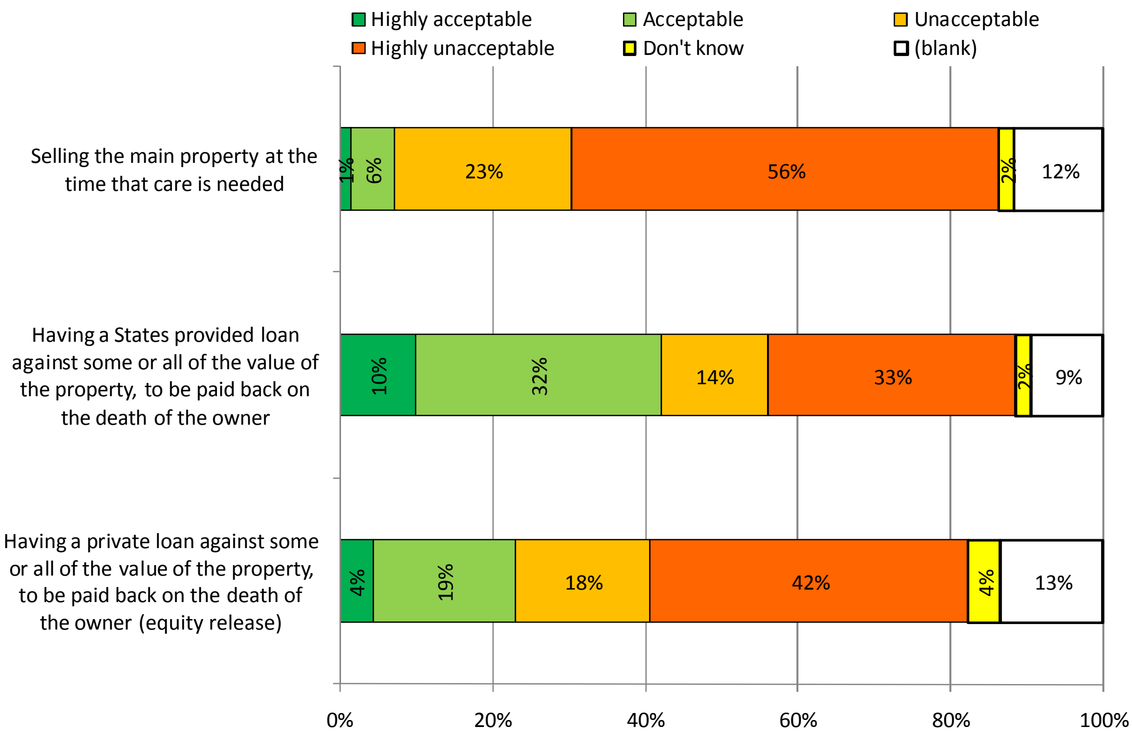
Highly acceptable   Acceptable   Unacceptable   Highly unacceptable   Don't know

Selling the main property at the time that care is needed

Having a States-provided loan against some or all of the value of the property, to be paid back on the death of the owner

Having a private loan against some or all of the value of the property, to be paid back on the death of the owner (equity release)

Results for Q11



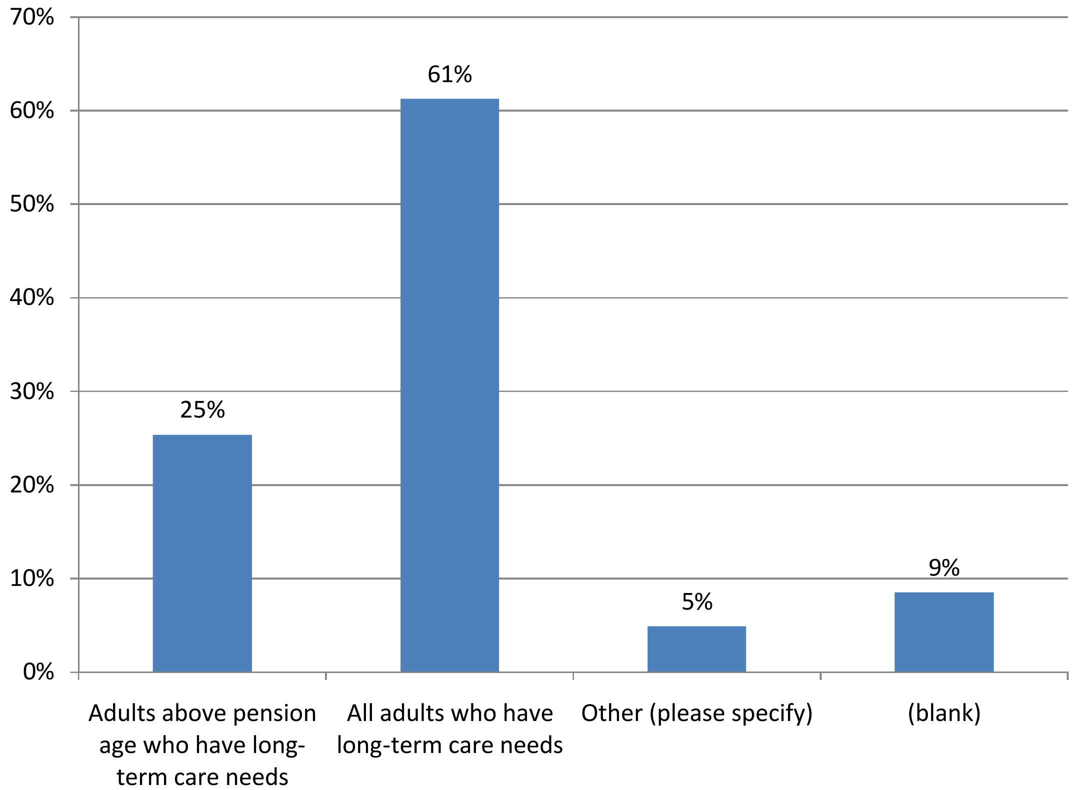
The marked reluctance on the part of respondents to include the family home in any means testing has a bearing on this question and therefore it is perhaps unsurprising that none of the options suggested here received much support. Nearly four-fifths dismissed the idea of selling the main property at the time that care is needed and nearly 60 per cent were not in favour of a private loan to be paid back on the death of the owner. The option deemed to be most acceptable/highly acceptable was a States-provided loan to be paid back on the death of the owner – although respondents were fairly evenly divided on this option.

Q12. Which age groups should be eligible for a new benefit covering long-term care?

*Please tick **one** option*

Adults above pension age who have long-term care needs
All adults who have long-term care needs
Other: (please specify)

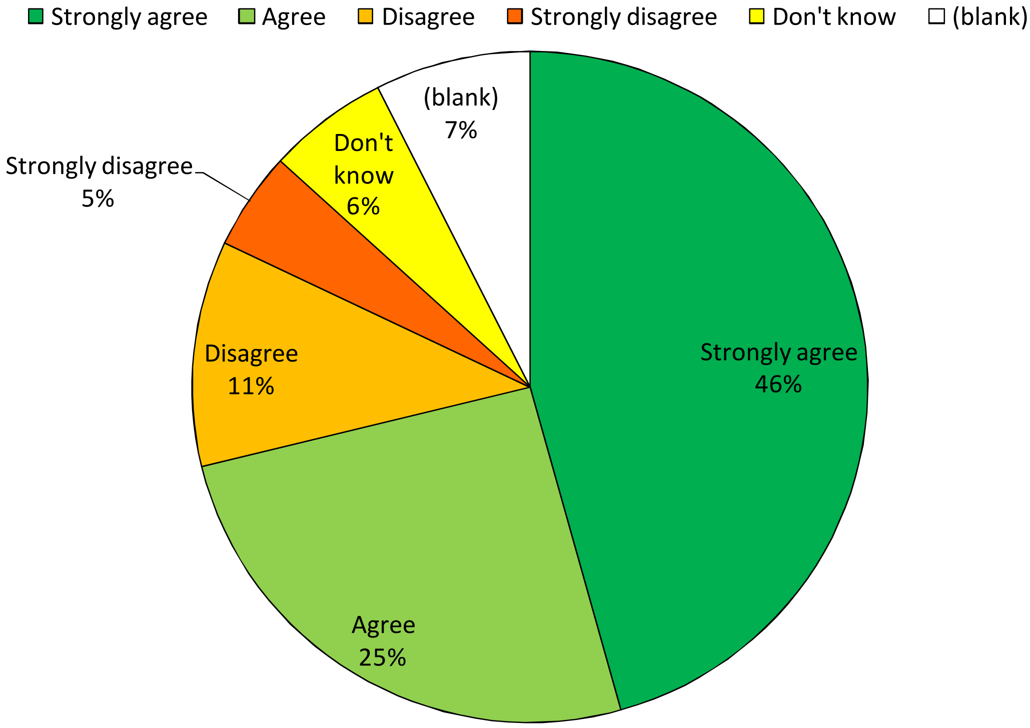
Results *for Q12*



Over 60 per cent envisaged a long-term care benefit that covered all adults who have long-term care needs; around a quarter thought the benefit should be limited to those above pension age only.

Q13. How much do you agree or disagree that a new long-term care benefit should only be available to people receiving care in Jersey?
*Please tick **one** option*
Strongly agree Agree Disagree Strongly disagree Don't know

Results for Q13



There was strong support for the idea that the long-term care benefit should only be available to people receiving care in Jersey. Over 70 per cent thought this should be the case, with only 16 per cent thinking otherwise. This would mean, in effect, that there would be no transferability of any benefit that might have been built up in Jersey or elsewhere.

Additional comments

Some respondents suggested that an agreement with the UK would be useful.

126 (part) …With regards to eligibility, as with pensions and other social insurance benefits, we should negotiate a bi-lateral agreement with England & Scotland so that those that come to work in the Island are not disadvantaged so that our system could work in conjunction with that adopted in the UK to allow those individuals to move back to the U.K. and have their contributions made here in Jersey also recognised there and vice versa (age 45-64, homeowner without a mortgage and lived here for at least 20 years)

220 (part) …if contributions are made towards a DEFINED benefit then it might be transferable outside of the island ie some people may chose care in the UK nearer to children or relations thus saving Jersey the majority cost, but providing some incentive to move away (age 65-74, homeowner without a mortgage and lived here for at least 20 years)

(Please note that the number that prefixes each comment relates to the internal number applied, for ease of reference, by the Social Security Department to each individual response.)

Q14. If a long-term care benefit is introduced, it could be available only to people who have lived in Jersey for a certain time. This could be at any time in the past, or immediately before the person needed care.

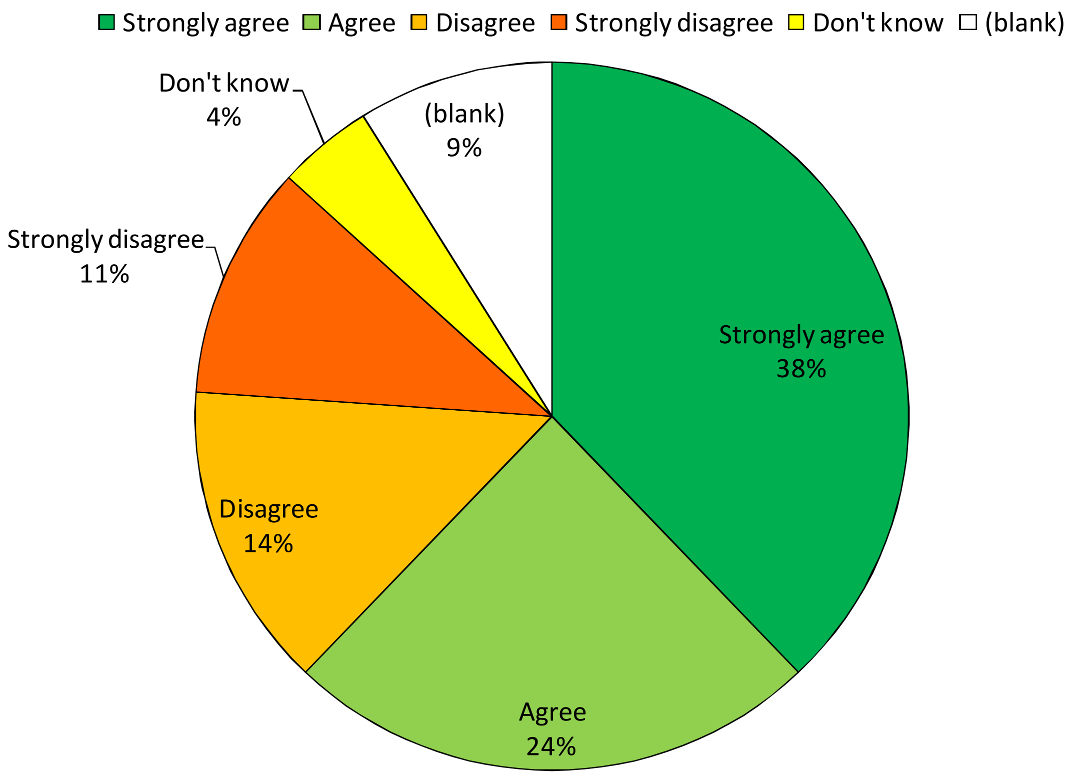
How much do you agree or disagree with the following statement?

A new benefit should only be available to people who have been living in Jersey immediately before making an application.

*Please tick **one** option*

Strongly agree | Agree | Disagree | Strongly disagree | Don't know

Results for Q14

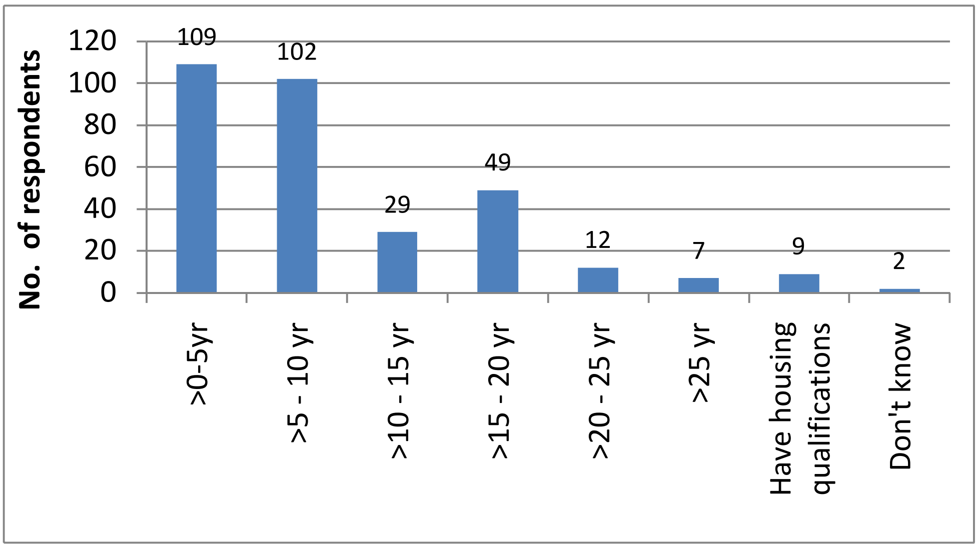


There was strong support for the idea that an individual must have been living in Jersey immediately before making an application to be eligible for the benefit. Over 60 per cent advocated this, while a quarter were opposed to this approach.

Q14a. If you agree or strongly agree that people should have lived in Jersey for some minimum period immediately before applying, please complete the box below:

You should have lived in Jersey for xx years immediately before you need care to be eligible for long-term care benefit.

Results for Q14a



When those who agreed or strongly agreed with the statement were asked to suggest the number of years someone should have lived here to be eligible, five years or less was (narrowly) the most common response, with greater than five and up to and including ten years almost as popular. In all, around two-thirds of those agreeing or strongly agreeing with the statement suggested up to ten years as a qualifying period immediately before needing care.

Additional comments

205 New long term care benefit needs to be linked to some earned Jersey benefit e.g. Jersey Old Age Pension – so if someone away gets a Jersey Pension then they should be entitled to the benefit, which should be available if they return to the island. If someone is entitled to 50% of an OAPension then this should equate to some proportion of the new long term care benefit (age 45-64, homeowner without a mortgage and lived here all their life)

224 (part) … If my preference of option 4 is accepted, then it will need to be different criteria for people who don't meet the residence or contribution levels (with) a facility to 'catch up' with contributions and/or lower retention of main property value (age 65-74, homeowner without a mortgage and lived here for at least 20 years)

163 (part) … I have said 20 years' residency/contributions because that would equate to something like the average life expectancy after retirement. If people

chose to leave the island for a number of years, they cannot expect to return and be cared for at taxpayers' expense, unless they have paid a lump sum in to the scheme.

Five years residency which I believe is the current period for payment of some social security is completely unrealistic. I know of at least two people in care homes who have only tenuous links to the island (children now live here and have brought them over) and have almost certainly never contributed to social security. Jersey tax and social security contributors cannot be expected to contribute to their care… (age 45-64, homeowner with a mortgage and lived here all their life)

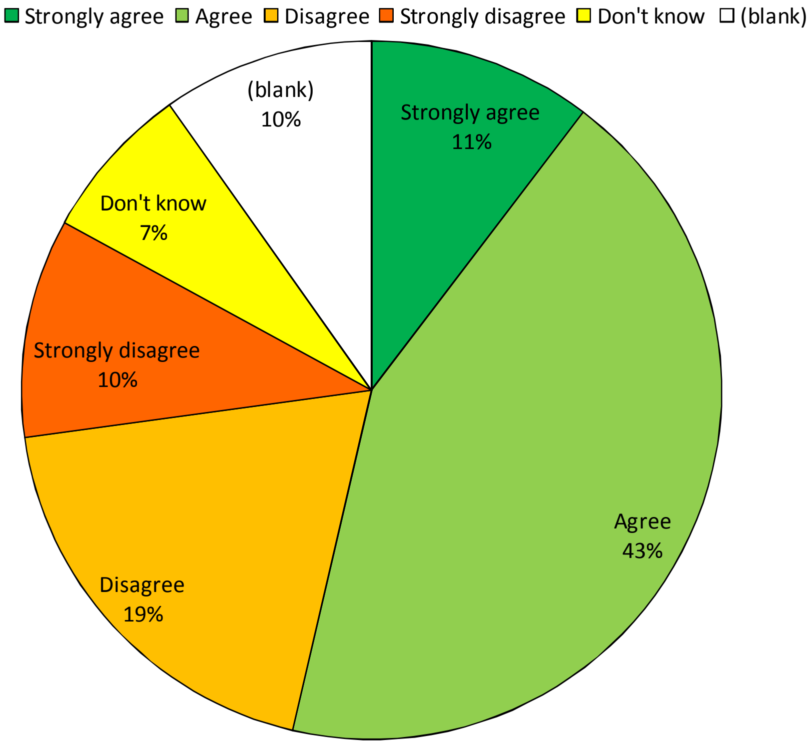
260 I believe that people should have contributed to the tax that will eventually pay for their care in order to receive it. I think there should be two possibilities around this statement. 1) If you have worked in Jersey (thus paying social security etc) for a period of 8 years then you should be made eligible for a higher contribution of States-paid funding towards your care than someone who has not. 2) If you have a property in Jersey but do not/have not worked in Jersey then up to 25% of the value of your property must be considered to be loaned to the States to contribute towards your care. NOTE: Option 2 will work well as the loan could be at a very low interest rate and could almost be guaranteed to be paid back due to house prices in Jersey continuing to rise (under 25, living at parents' home and lived here all their life)

(Please note that the number that prefixes each comment relates to the internal number applied, for ease of reference, by the Social Security Department to each individual response.)

Q15. To what extent do you agree or disagree that a new long-term care benefit should be available to people who have not lived in Jersey immediately before they need care, but who have lived in Jersey continuously at some time in the past?

*Please tick **one** option*
Strongly agree Agree Disagree Strongly disagree Don't know

Results for Q15



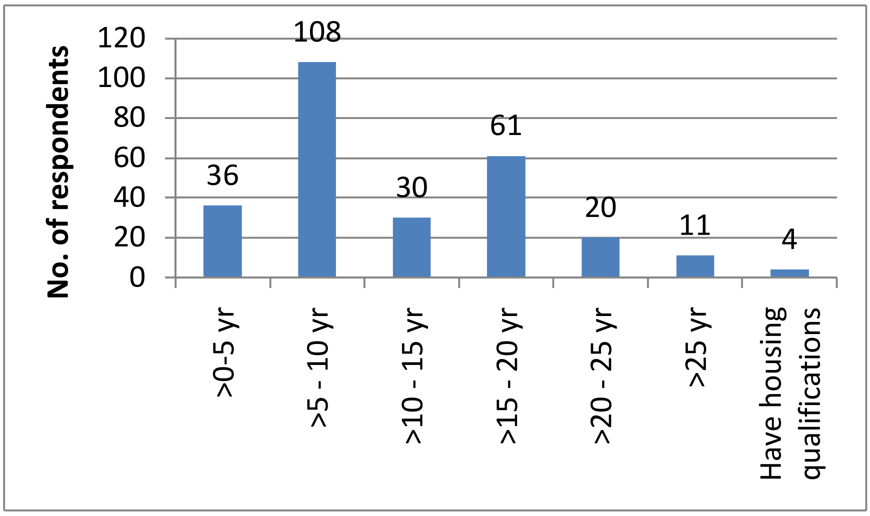
Over half of respondents supported the idea that eligibility for a new benefit should be dependent on whether you had lived here continuously at some time in the past, as opposed to not having lived here immediately before needing care (eg someone who had worked here all their life, then moved to Spain for ten years, and then returned here when they needed care). Around 30 per cent disagreed.

Compared to immediate residency as a prerequisite for qualifying for a benefit (see Q14), respondents were less accepting of the idea that living in Jersey previously should count.

Q15a. If you agree or strongly agree that people who have lived continuously in Jersey at some time in the past should be able to apply, please answer the following questions:

You should have lived in Jersey continuously for xx years at some time in the past before being eligible for long-term care benefit.

Results for Q15a

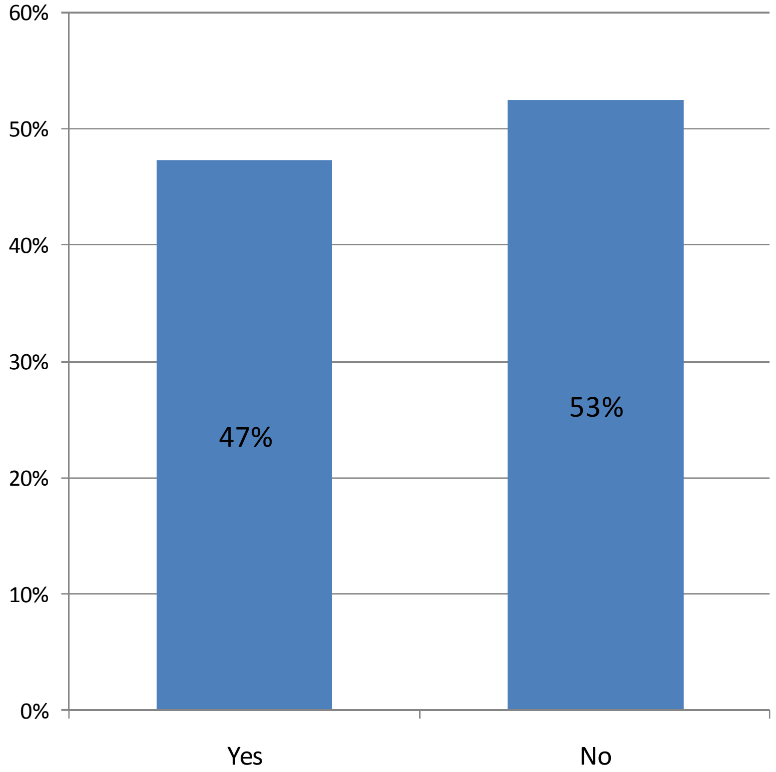


A period of more than five years and up to and including ten years was the most favoured option for those supportive of the idea of continuous residence, with the level of support almost twice that of the next most favoured option (greater than 15 years and up to and including 20 years).

Q15b. Should time spent in Jersey below the age of 18 count?

Yes No

Results for Q15b



When asked whether time spent in Jersey below the age of 18 should count, there were similar proportions for and against (53% versus 47%).

Additional comments

157 One of the fundamental issues with addressing long term care is to avoid a recurrence or worsening of problems along the lines of "health tourism". Solid methods and counter-checks should be put in place to make it impossible to move to the island with the intent of receiving benefits which contributions have not been paid towards. It is also critical that any system is as fair as possible and simple to administrate in order to avoid the system itself placing an extra burden on public coffers (age 25-44, homeowner with a mortgage and lived here for at least 20 years)

Other comments stressed the need for some flexibility in how any eligibility conditions relating to a long-term care benefit were applied and suggested alternatives for those who might not qualify for the benefit straight away:

120 (part) …we all live in a transient world. For example, Islanders who work in the financial industry, may spend most of their working lives abroad or be posted on secondment etc but return to live in Jersey. They may contribute for a period but then have to leave, how will they be catered for? I think there needs to be some flexibility

in the scheme. Perhaps a cumulative total of years would be better than consecutive years ie you need to contribute for 10/15 years in total but that could be at different times in the past. We no longer live in a society where people stay in Jersey from cradle to grave. If we want to study, we have to pursue further education in the UK. Many people come back then leave, come back and then return when they have families etc. All past contributions should be taken into account. You need to create a system which reflects the society in which we live (age 25-44, a tenant, who has lived here all their life)

220(part) People coming to the island to retire or near retirement date ie 11K's or taking up inheritances from parents should be required to make a one-off payment towards possible long term care. I believe Australia has this system – say £20k per annum (age 65-74, homeowner without a mortgage and lived here for at least 20 years)

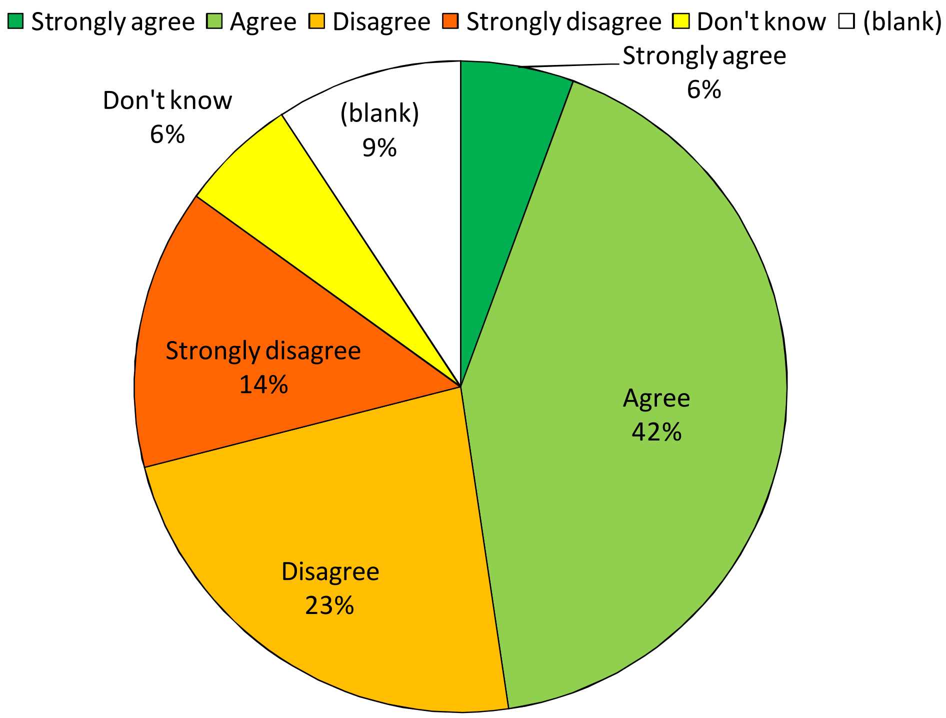
(Please note that the number that prefixes each comment relates to the internal number applied, for ease of reference, by the Social Security Department to each individual response.)

Q16. To what extent do you agree or disagree that the new benefit should be available to people who have not lived in Jersey for the minimum time required as long as they have made contributions towards the funding of the benefit for a certain period?

*Please tick **one** option*

Strongly agree Agree Disagree Strongly disagree Don't know

Results for Q16



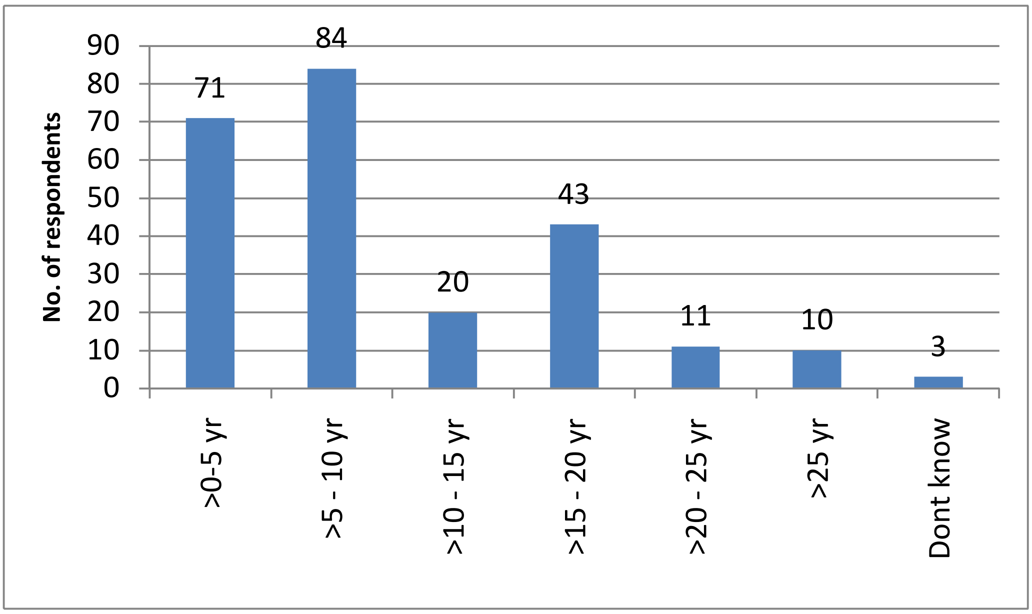
When the focus on eligibility turns to contributions rather than residence, just under half (48 per cent) of respondents agreed that eligibility should be granted to people who did not meet any residency criteria, but had made contributions towards the funding of the benefit. However, 37 per cent disagreed.

Fewer people supported this option when compared to the residency options put forward in questions 14 and 15 and there was a correspondingly higher proportion disagreeing with this 'contributions' approach.

Q16a. If you agree or strongly agree that the new benefit should be available to people who have not lived in Jersey for the minimum time required as long as they have made contributions towards the funding of the benefit for a certain period, please answer the following question:

You should have made contributions towards the funding of a long-term care benefit for XX years (not necessarily consecutive) to be eligible for long-term care benefit.

Results for Q16a



Those supportive of contributions thought that a contribution record of greater than five and up to and including ten years was required, with up to and including five years the next most favoured option. There was some support for a qualifying period that was greater than 15 years and up to 20 years.

Additional comments

There were a number of miscellaneous comments that raise interesting issues for further discussion.

Care at home

There were a number of comments that stressed the need to have a funding arrangement that allowed people to be cared for in their own home, not just in residential care. (The Green Paper recognised this and proposed that if someone had care needs that would qualify them to go into a care home, then they would also be helped with the cost of care if they chose to stay in their own home.)

(Written response from an established homecare provider) (part) Our key stance is to stress the importance of a system that does not push more people into the institutionalised care home option, as opposed to the less expensive and more dignified way of being cared for at home, which is the preferred choice of most people.

….The cost of community care should also include equipment costs, drugs/prescription costs, adaptations to people's homes and GP costs, if community care is going to be offered as a real option, delivery of care is only one element

and

…People need to be encouraged to seek help early to prevent rapid deterioration and high end care (and high cost). These low level needs should be incorporated into the care benefit system as this is likely to reduce the overall cost of long-term care.

34 (part) At present, there is inequality as people under 65 can access a care package via Social Services to remain in their own homes with help. This works very well, but needs to be extended so older people have the same opportunities. Also most people want to stay in their homes so when looking at long term care funding it should include expanding services to enable this to happen and not just nursing/residential homes provision. Respite is another area to be considered as this again can help people stay in their own homes for longer…. (aged 45-64, homeowner without a mortgage and lived here for ten or more years, but less than 20)

56 I believe it would be more cost effective and more in keeping with what people who need care want, to put more money and resources in to care in their own homes – and only use residential care for extreme cases. Relatives who care for people need to be paid (they are saving the state – taxpayers – quite a bit of money). This would keep people out of long term care homes longer and make carers feel their contributions were valued (age 25-44, homeowner with a mortgage and lived here all their life)

206 (part) … As a community worker in Health and Social care I have had many conversations with clients who would have preferred to receive states funding to keep them at home over 24 hours rather than pay over the top prices in a care home. My preference is to put more money into the community setting – at home. This in the Long term would have benefits to say husband and wife and main carers. I have also witnessed recently that carers of children with special needs are now at the end stage of their life with the special needs person being the main carer. Remember that people will also be healthier and living together for longer – why not invest in providing more suitable accommodation for the older age group with grants for home

improvements, Community health care workers to help them, supply home aids and equipment etc? Invest in the home environment rather than care homes all the time. My concern is that care homes will increase prices but not care if they think that money will be freely available. Who will staff the care homes? The working population will be smaller therefore recruitment may be an issue too (age 45-64, homeowner with a mortgage and lived here for at least 20 years)

The cost of residential care

53 (part) Improvements need to be made to the number and type of long-term care homes available. There must be a diverse type of establishment available. For example, more sheltered housing with the option of stepping up to full time nursing care if an individual's state of health and independence deteriorates. There is no need to transfer to another home as the nursing care will already be provided in the same complex. This benefits the individual who has continuity of care and is already familiar with the environment. As the person moves into a more nursing focused care environment, the sheltered accommodation is available for someone else. This type of environment has been established in the UK and is well tried and tested. It provides the optimum standard of care in a social and nursing capacity and means an individual does not have to be shunted around until a suitable place is found. I believe that with more focus and emphasis on care in the community type home, hospital admissions will reduce as staff will be able to manage and nurse the type of conditions that lead to hospitalisation. Admission to hospital is sometimes because staff are not trained to care and cannot manage changing health situations. Staff training and skills is also a key part of managing this and there is not enough emphasis on training staff to recognise and care for the elderly. Money of course plays a large role in this which is why skill mix in some private care homes is undesirable (age 45-64, homeowner with a mortgage and lived here all their life)

Tax, savings and alternative sources of funding

131 ….there is absolutely NO TAX RELIEF for old age care. How can the States justify this when they give Tax Relief to families who employ nannies and childminders and to people who pay into Private Health Care Schemes? (age 45-64, homeowner without a mortgage and lived here all their life)

111 Why not introduce a tax free / deduction ISA that all people in Jersey can apply for and put away a tax fee sum of up to £7000 per annum. This will encourage more people to save which in the long term means they will have a larger sum available to help them later in life (age 25-44, homeowner with a mortgage and lived here all their life)

130 A further option would be to use some of the strategic reserve. This is taxpayers' money invested for us by the States to be used in a crisis. By using some of this would help to keep the costs down for all persons in the future (age 65-74, homeowner without a mortgage and lived here for at least 20 years)

132 I think the prospect of paying into a scheme which would cover the whole cost of any long term care needs either at home or in a care environment would be more appealing if there was a ruling that should you NOT have claimed any benefit in terms of needing care at certain points of your life there was a pay out – a percentage of what long term care from 65 till 100 would cost for instance. This could be payable every 5 or 10 years; even if minimal it would be an incentive, say 5 or 10% (the lower figure allows some of the money to stay in the public domain) of the determined amount every 5 years when you reach 70 then 75 etc for example, or maybe 10 or 20% every 10 years, when you reach 75 then 85 then 95 and/or that a

lump sum is payable on your death to a beneficiary or beneficiaries of your choice if you did not access it in your lifetime. Something along those lines would help people see it more in terms of the investment in old age it should be seen as. That is that we all pay for our own care, the same percentage of what we earn across the board, but if we don't need it either ourselves or someone else benefits form the investment we have made (age 45-64, a tenant who has lived here for more than five years, but less than ten)

156 It is not acceptable to go on increasing the burden of direct and indirect taxation on people living in an already over expensive Jersey. Such money must be found within current receipts and any increases paid for by Financial Services Industry which dominates Jersey's economic landscape and whose employees are the principal beneficiaries of the good life in this 'low tax' Island (age 45-64, a tenant who has lived here for more than five years, but less than ten)

203 In order to fund increases in long term care costs, instead of raising Income Tax, Social Security or GST, I believe that the profits of all companies operating and/ or registered in the Island should be taxed in the Island irrespective of where the owners or shareholders live (age 45-64, homeowner with a mortgage and lived here all of their life)

117 To make any sense out of any provisions, it would be necessary to: 1) Raise the age at which the state pension is payable to at least 70 years with the aim of raising it further as life expectancy rises. 2) Allow nature to take its course at the end of life for the elderly and 'not strike officiously to keep alive' to the detriment of the living (age 75-84, homeowner without a mortgage and lived here for at least 20 years)

251 Any funding should be long term, such as a States insurance scheme. This should require a period of at least 30 years contributions to gain full payment of nursing home costs. Less years will then require "Top up" payments from income, investments or property. The scheme should start now, and begin paying out part payments in 20 years time. All EU or UK persons who have not paid in would not receive any payment and be liable for all bills. Any person entering the Island to work / live should then undertake to pay any future costs by taking out a compulsory insurance, at the time of entry, if they work here for less than 30 years. If the States ran all nursing homes costs would be less, as savings on scale, profit levels etc. All States funding therefore only available to States-owned nursing homes (age 45-64, homeowner without a mortgage and lived here for at least 20 years)

At one of the meetings, a suggestion was made that homeowners who wanted to avoid any potential charge on their property could pay a premium on their foncier rate to ensure that their main residence was ‘protected’.

A small number of responses (from older people) mentioned euthanasia as an option that should be considered.

(Please note that the number that prefixes each comment relates to the internal number applied, for ease of reference, by the Social Security Department to each individual response.)

Appendix A

How should we pay for long-term care? A response to the Green Paper by Professor Julien Forder on behalf of the Health, Social Security & Housing Scrutiny Panel.

[The response runs to 15 pages – the 'Summary and conclusions' are reproduced in full here.]

Summary and conclusions

'In conclusion, the Jersey Green Paper (GP) addresses an important policy area and covers the main issues well. But it is rather tentative and does not offer any favoured proposals (it is a very 'green' Green Paper).

After the introductory chapters, chapter 4 of the GP gives an overview of the range of LTC services currently provided in Jersey. The range of mainstream services provided in the Island is fairly extensive, although there is a bias towards residential provision. The funding questions of the GP primarily concern mainstream LTC, but would also benefit from considering the funding implications of new forms provision as well as mainstream services.

The GP estimates the current total costs of LTC in Jersey to be around £55m per year and gives a useful break-down of costs as between funding source and type of service. This serves to underline the relatively high proportion of costs that are met directly by the individual, especially for over 65s. It would be helpful to have some indication of the total current spend on accommodation costs in care homes.

The ageing of the population is a significant driver on the future costs of care. In chapter 5 the GP notes that the growth in the number of older people over the next 30 years is predicted to be faster in Jersey than in England. But the most relevant and indeed difficult question to answer is about how many people will have care needs in the future and for how long. The other key factor on future spending requirements is unit cost of services. It would be useful for the GP to consider recent trends in prices for care in Jersey.

There is also the related point about whether the range and quality of LTC in Jersey is appropriate for the future. On balance the GP estimates that the costs of care in Jersey will (at least) double by 2026. This estimation seems reasonable given the information available.

Chapter 6 of the GP describes the main features of four proposals regarding the funding of long-term care in Jersey. In this respect, the GP may benefit from considering the underlying philosophy and preferences people hold regarding public provision of long-term care. Two questions are particularly relevant. First, what level of coverage is required; that is, what part of the population should be eligible for some support from the public system; should it be universal or just focused on support for the poor? Second, how should the public system be funded: general taxation or some form of dedicated or earmarked care contribution?

The GP proposals can be classified on the basis of these two dimensions. They also suggest another option that should be separately identified – the *partnership payment* model where the state funds a variable level of care from general taxation and where people make an additional top-up payment at the point of need. The GP would benefit from including this variant in its proposals.

This chapter of the GP focuses on detailing the features of funding proposals. But, given the complexities of this issue it would help people if some of the main pros and cons of these funding alternatives were outlined.

The pros and cons of the different options concern: affordability for the individual (and hence levels of 'unmet' need if people are put off by high charges); sustainability of the system on the public purse; fairness and incentives for people to make financial provision for their old age; the ability to insure (but not over-insure) against the risk of needing care; perverse incentives that might mean that financial concerns conflict with needs-based judgements about appropriate care choices; and equity concerns – who benefits and who loses out if a new arrangement were implemented.

In brief, means-testing systems are most fiscally sustainable but they are particularly punitive for people with middling levels of assets, who must (initially) pay the full costs of care themselves, raising real questions about affordability. They do not insure all people against the risk of care and they penalise people that save.

The advantages of a free LTC system is that unmet need is much reduced because all people are covered by the public system. The biggest problem is the cost of this system on the state and that people might be over-insured. It should also be noted that the total costs of a free LTC system will be higher than the £55m suggested by the GP because with a zero price, demand will increase.

The GP discusses various hybrid or combined options, many using an earmarked contribution arrangement. This section of the GP is a little underdeveloped, particularly in view of the potential benefits of hybrid systems. Readers of the GP would benefit from greater clarity about these options.

Chapter 7 on funding considers (a) the size of contributions that will be needed i.e. rates of income tax or GST and (b) how any new dedicated, earmarked contribution system would be structured. The GP is rightly concerned about competition for public funds from different service areas, but could also indicate that there are some interdependencies e.g. between LTC and health and LTC and housing. Good coordination has the potential to reduce total spending requirements.

There are many ways that earmarked funding could be configured. An important point covered by the GP is whether contributions should be sought from pensioners. But other questions also apply e.g. should contribution rates reflect the likely costs of care of the individual (i.e. be riskrated); how would contributions be means-tested to make them affordable to people on low incomes?

Most established LTC insurance systems require contributions from people over pension age. So long as contributions are means-tested, there is little justification for not having pensioners make a contribution.

The GP (and also the recent English Green Paper's on LTC funding) considers one-off payment options where people reaching pension age pay a single premium. It is important to note that these premiums would have to be means-tested because many people would not have the money to make this payment. This would significantly reduce revenue into the scheme, particularly in the short term. The illustrative example in the GP of the amount raised from a one-off contribution is likely to be an over-estimate.

On-going payments through the social security system seem like a straightforward and so attractive option. The main problem is the substantial time separation from when people begin to make payments at the start of their working age and when they might expect to benefit at the ends of their lives. It would take significant trust in the state that the system was still there to support working age people when they needed care in their old age.

Means-testing is considered in chapter 8. The primary function of means-testing is to improve affordability and sustainability by differentiating the amounts that people need to pay according to their income. The GP raises some important questions about how means-testing would work and covers the main pros and cons. This concerns issues of: affordability and potential to raise revenue; incentives for accumulation and de-accumulation of assets of different types; intergenerational fairness; and perverse incentives. To this could be added the costs of administering means-tested systems.

The GP is rather underdeveloped in its discussions about how means-testing could work for partnership models. There are proposals for the staggering of the means-testing with respect to income. But it does not deal with the testing of assets and the problems of ‘cut-off’ eligibility in this regard. The GP should also discuss ‘variable support models’ where means-tests are used in partnership models to determine how much support people receive from the state and how much they need to pay themselves.

In chapter 9 there is a discussion of assessment of need-based eligibility for support, differentiating a system of care entitlement from a budget-rationed system. Again the main arguments are made, but the reader would benefit from more direction in relation to these complex policy questions. In particular, it would be difficult *not* to have entitlement if a social insurance funding option was implemented.’