

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY SENATOR S.C. FERGUSON
ANSWER TO BE TABLED ON TUESDAY 17th JANUARY 2017**

Question

Will the Minister explain:

- (a) whether there are plans to freeze the allowances for patients in residential and care homes in 2018 and, if so, how such plans support the policies to care for the ageing population;
- (b) how any patients who leave their residential home as a result of allowances being frozen will be accommodated; and
- (c) how much consultation on this matter, if any, there has been between the Health and Social Services and Social Security Departments?

Answer

Long Term Care (LTC) benefit rates will be increased by 2.67% in April 2017. This includes the benefits paid to both individuals living in care homes and people who receive care in their own home.

LTC benefits are paid from the LTC fund. This fund receives income from a 1% LTC contribution¹ paid by taxpayers and a States grant. With the increasing number of older people requiring care, the cost of providing LTC benefits is increasing from year to year. For example, the original policy paper approved by the States Assembly in 2013 (P.99/2013) identified a potential contribution rate of 3% by 2044 in order to maintain the benefits of the scheme.

At the time of the introduction of the scheme, the Social Security Minister committed to aim to hold the contribution rate at 1% for three years, i.e. until the end of 2018, if at all possible. As such, the Social Security Department will be reviewing options for maintaining the cost of the scheme within this existing income until the end of 2018. These options include both the value of the benefits paid out and the financial eligibility criteria used within the scheme.

Care providers have been advised that this work is taking place and they will be advised of any changes for 2018 by the end of June 2017.

The Social Security Department works closely with the Health and Social services Department on all aspects of the long-term care scheme.

¹ 1% is maximum rate payable. Most taxpayers pay a reduced percentage.