Study of Preferences for Paying for Long Term Care for Older People

A short summary of study findings prepared for webinar on 15 May 2020

Bob Erens, Sanna Read, Raphael Wittenberg, Gerald Wistow, Josie Dixon,
Andrew Trathen, Francis Dickinson, Nicholas Mays and Martin Knapp

Policy Innovation and Evaluation Research Unit

The financing of social care has been the subject of debate in England over at least the last 20 years. A central issue has been the balance between the responsibilities of the service user and the state to pay for social care in old age. At present, access to publicly-funded social care is subject to an assessment of both care needs and financial means (income and savings). While debate on how best to fund social care in England continues, information about public attitudes on this issue is limited.

The Department of Health and Social Care (DHSC) commissioned the Policy Innovation & Evaluation Research Unit (PIRU) to conduct a study among the general population of England to secure greater understanding of public attitudes to financing social care for older people. This was to inform the development of policy options to reform the current funding system for social care. The study comprised qualitative research using focus groups and two surveys of the general public.

The focus group study involved eight groups, conducted in four geographical areas during May 2018. Fifty-three participants, aged 25-82 years, took part. The aims were to explore: (a) the factors influencing whether and how people prepare to meet the costs of future social care needs; and (b) values concerning how social care should be funded and provided. Findings informed the design of the surveys. Participants described multiple uncertainties and difficulties that created barriers to planning for future social care need. These included not knowing how much care they would need or how much to save, with '*no normal person*' able to save for higher-end needs. They worried that they would not be able to obtain good-quality care, regardless of resources. They felt it unrealistic for families to provide more than low-intensity care. They noted an absence of advice and suitable and secure ways of saving. The use of housing assets to pay for care was thought unfair, both for those who owned their homes and those without property, who were left reliant on the state. Planning was also hindered by the lack of certainty surrounding government policy on care funding.

Participants' values concerning any new arrangements were that these should be inclusive, affordable, sustainable, transparent, good-quality and honest. They preferred to make regular contributions rather than find considerable sums at times of crisis and favoured a collective arrangement with everyone obliged or heavily encouraged to contribute according to their means and with care available when it was needed. They thought that a large public safety net would

always be needed if people had to meet their own costs. Transparency was valued, with concerns that a complex system favoured those who knew how to *'work the system'* and that thresholds and caps could be manipulated. People also wanted to know that any additional tax or social insurance payment would be safe and secure.

We commissioned two surveys of the general public from Kantar. One was a web survey using an online volunteer panel of people aged 18 to 75 (n=3,000), and the other comprising face-to-face interviews of people aged 65 and over within an established national omnibus survey (n=466). The reason for the interview survey was to include older people without access to the internet. The surveys were conducted in December 2018.

Both surveys showed some differences between the achieved samples and external population data on a number of characteristics (such as age, marital status, educational level), but the differences for these socio-demographic variables are generally quite small. More details about survey methodology and representatives can be found in Erens et al (2020).

Most respondents to the online survey were aged between 35 and 64 years of age (54%). A majority had a partner (61%) and 29% had a child under 16 years living in the household. Ninety-one percent of the sample identified themselves as white. Most owned their own home (64%), whereas 17% rented from the Local Authority and 19% rented privately. Most people had upper secondary (53%) or higher (42%) education and a non-manual occupation (63%). Twenty-four percent were caring for someone and 14% were cared for by someone. A majority (62%) reported their health as good or very good, and 26% had a limiting long-term illness. Most people were either moderately (30%) or slightly (27%) concerned about the cost of care when old. More than a third answered that it was somewhat likely that they would care for someone in the future (37%), followed by 23% who said it was very likely they would care for someone in the future. Most people wanted to see somewhat more spending on public services and nearly half the sample supported a lot more spending on the NHS and one third supported a lot more spending on social care for older people.

The same questionnaire was used for both the online and interview surveys. It was developed by the research team following the focus groups. It began with a short introduction to social care in England, which provided very brief descriptions of what social care involves, who receives social care, and how it is paid for. Respondents were then given four vignettes of individuals' circumstances and asked how they thought care should be paid for in each case. They were also asked whether there should be a 'ceiling' on care costs within each vignette. Two vignettes focused on individuals needing home care and two on individuals needing residential care. The costs of care in the vignettes were indicative estimates of likely current costs; i.e. £220 per week for home care and £750 per week for staying in a care home.

Respondents were asked how they thought the care should be paid for – fully by the state, fully by the service user, or shared between the two – at varying levels of the user's savings, income and housing wealth. This approach ascertained whether respondents who considered, for example, that the state should meet the costs of care for people with low incomes also felt that the state should meet the costs for people with higher incomes. Respondents who responded that the costs should be shared between the state and the service user were asked the amount the user should

contribute. They were also asked whether a 'ceiling' should be placed on the level of costs individuals should meet in each vignette. Lastly, we included questions on general attitudes to public spending plus the usual socio-demographic questions.

Fewer than one-fifth of the online sample and one-quarter of the interview sample considered that the state should meet the full costs of home care whatever users' resources. A similar proportion of the online sample and a slightly lower proportion of the interview sample considered that the state should meet the full costs of residential care. Considerably lower proportions believed that service users should meet full costs in all cases. Two-thirds of the online sample and half of the interview sample thought that costs should be shared between users and the state. For residential care, 40% of the online sample and 30% of the interview sample thought that users should contribute to their care costs even at low levels of personal resources. For home care, lower proportions believed that users should contribute even at low levels of resources. The proportion of costs users should contribute was relatively low, rising from 20% where people contribute at low levels of incomes or savings to 50% where people contribute only if they have high incomes or savings. They were similar for home care and residential care; but users should contribute to residential care costs at a lower asset level than to home care costs. Figure 1 illustrates the findings for the online sample: vignettes 1 and 3 involve three levels of service user income, vignette 2 service user savings and vignette 4 service user housing assets.

Figure 1. The distributions of the vignette responses (%) on paying for care in the online sample
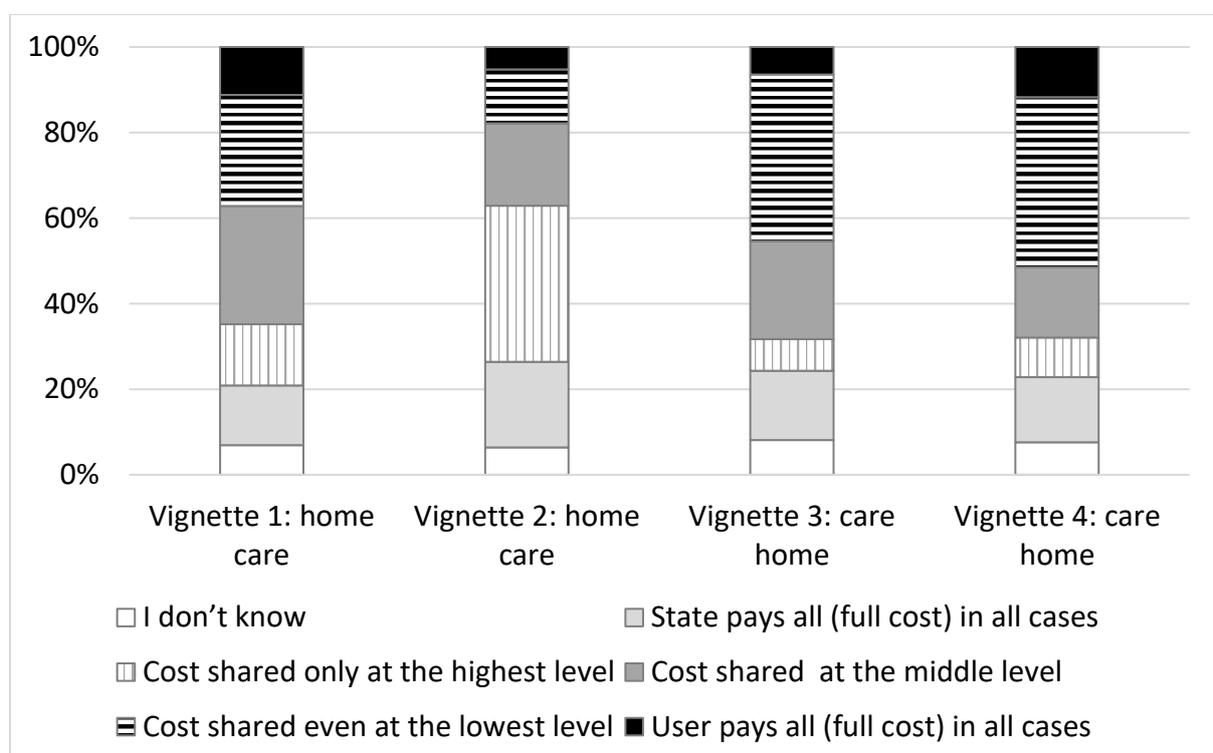
Since reforms to the funding system for social care are likely to affect different groups in society differently, it is important to understand how public attitudes vary by demographic and

socioeconomic groups. To examine this we divided the respondents to the online survey into five distinct groups (or profiles) using latent class analysis: class 1 (58%) preferred that the state and the service user should share the costs of social care; class 2 (18%) preferred the state to pay all costs regardless of the user's savings, income or housing wealth; class 3 (15%) preferred the user to pay all costs at all levels of savings, income and housing wealth, with the exception of those unable to afford the costs; classes 4 and 5 (each 5%) were characterised by different patterns of 'don't know' responses.

People who preferred the state to pay all the costs of care (class 2) were generally more likely to be male, own a home of medium value, report having poorer health status (but not a limiting longstanding illness), not provide informal care for anyone, be more concerned about the costs of care in old age and be more supportive of increased public expenditure than those who preferred that the costs be shared between the state and the service user (class 1). People who preferred that the service user pays all the costs of care (class 3) were generally more likely to be male, younger, own a home of high value, report a good health status, be concerned about meeting the costs of care in old age and expecting to provide unpaid care in the future but less likely to support increased public expenditure than those who preferred that care costs be shared (class 1). There were no statistically significant differences between these classes by marital status, ethnicity or education.

The study illustrates that public views elicited by using vignettes can help inform reforms of social care funding. It found that the majority of the public considered that the costs of social care for older people should be shared between the state and the service user, at least for people with higher incomes and savings. However the user contribution should be at most half the full cost of care.

Papers

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