Help with negotiating care fees if you are a self funder

Tips for getting the most for your money

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You may assume that care fees are simply whatever the care provider charges. So it might surprise you to know that in fact different people may be paying different rates for the same services. The biggest difference is usually between what self-funders pay and what local authorities pay. But it's also sometimes possible to negotiate a better deal if you know what makes you an attractive proposition to care providers.

This document is designed to help you understand how to either negotiate a better price, or if that's not possible, how you might get more for your money.

If you're arranging care at home

Since the Care Act came into force in England, self-funders have been able to ask the local authority to arrange care services at home on their behalf. One advantage of asking for this is that the local authority might be able to get cheaper rates than self-funders can when they arrange care themselves, so it may be worth your while asking. The local authority may charge an arrangement fee for doing this.

If someone is responsible for paying for their own care, but they don't have mental capacity to arrange it for themselves and have no one appointed to do this for on their behalf, the local authority has a *duty* to arrange their care. In these circumstances, the local authority must not charge an arrangement fee.

If you're arranging care in a residential care home or nursing home

Councils and local authorities already negotiate down the cost of care homes for the places that they pay for, but private self-funders can also try negotiating a better deal if they do a little homework. Here are some pointers:

1. **Be clear on your requirements**

Before starting to negotiate, determine exactly what you need, such as the level and type of care, and the facilities required.

2. **Be clear on the price**

When you've looked into the likely charges, work out what price you're prepared to pay for your specific requirements. Even negotiating a reduction of £50 a week could have a significant impact on your finances over time.

3. Get a clear breakdown of costs

Get a copy of the contract and ask the manager to confirm exactly what the fees cover, including any additional charges. This varies from one home to another. While some have transparent pricing and make residents aware upfront of all potential costs, with other homes it may be more difficult to establish wall the details, as some might only be referred to in the small print. So take the time to read the details thoroughly.

Find out what happens if a resident is away for any length of time. Charges might be negotiable depending on the length of the absence. Some care homes allow the resident to sublet their room on a short-term basis when they are absent.

4. **Make sure you are speaking to the right person**

Ask to speak to the care home manager; this the person who can make financial decisions. If the home is part of a group you may have to negotiate with their head office if the manager isn’t authorised to set the fees locally.

5. **Stay calm and focussed**

Be clear about what it is you want, and for what price. Ask for the care home to justify the prices it wants to charge, so that you get a better understanding of where the most costly aspect of the fee lies.

6. **Stay friendly**

Be chatty, and friendly. It should be a positive discussion for both parties. Ask as many questions as you need to, and don’t feel intimidated.

7. **Consider the alternatives**

If price isn’t negotiable, consider how you might receive added value for the same fee, such as a larger room or additional extra care and support services.

8. **Don’t take it personally**

Although finding a care home for a loved one is an emotional decision, don’t take negotiations personally if they don’t materialise in the way you had hoped. You’re trying to give them the best chance of a better deal, but there are no guarantees.

9. **Keep your options open**

If you don’t get value for money from one provider, approach other suitable homes that also meet your requirements. Remember that location and demand help to bump up prices, so choosing a care home somewhere else might work in your favour, as long as you are still happy that it meets your needs.

10. **If you are planning to take out an Immediate Needs Annuity (aka Care Plan), use this to help in your negotiations**

An important consideration for care homes is the security of future payments – i.e. is the person moving into their care home today likely to run out of money in a year or two, and be unable to continue paying their fees?

When a self-funder has arranged for their care fees to be met in full or in part through an Immediate Needs Annuity (a type of annuity sold by specialist insurance companies through qualified financial advisers), it guarantees the payment of fees at a set level for the rest of the care recipient’s life. If it turns out that you can afford this form of insurance, that it suits your circumstances and is your preferred way of paying your fees, then it’s worth using this guaranteed ability to keep paying to help you negotiate a reduction in your fees. Alternatively you could use it to negotiate a lower than average rise in your care fees each year. Or if your annuity includes an inbuilt escalation (i.e. the payments from the annuity rise by an agreed percentage each year), you may be able to get the care provider to agree to keep any annual increase in future care fees in line with the built-in escalation in the annuity.

From the care home's perspective, the existence of an immediate needs annuity provides a rare degree of certainty regarding future payments being made.

Don't Forget

If you're paying care home fees (or paying for full-time care at home) and you have developed severe health needs, you could be entitled to free NHS Continuing Healthcare (NHS CHC). If this sounds like your situation, look for our guide to NHS CHC funding, and how to give yourself the best chance of a fair outcome. You'll find it in My Care Hub.