



## Roy Lilley on the future of care for the elderly

All forecasts seem to point in one direction. We can expect an avalanche of elderly people suffering from dementia. In the foreseeable future we are looking a 1.4m sufferers. That is a number equivalent to the population of Dubai.

The Government's response is a National Dementia Strategy.

Basically it has three main strands; increase awareness, improve diagnosis of the disease and define a 'pathway' of care that delivers better treatment and support.

It may make some treatments better but it is in no way a solution to an impending national disaster.

We have to deal with the unimaginable number of potential sufferers, where to look after them, who will pay and can we stop the disease in its tracks?

There are four things, four 'P's, which must be done, urgently. Of themselves they are not a cure. Taken together they might make the inevitable more manageable. They are **places, payments, people and pharmaceutical**.

**Firstly, places.** The care home infrastructure that provides care for dementia sufferers is a worrying hotchpotch of venture capital funded companies who see a lucrative market counterbalanced by what is little more than Moma-Pappa

***“...no silver bullet but there is silver buck-shot”***

shops run by a mixture of entrepreneurs, former NHS staff and well intended amateurs.

The credit crunch has worrying implications for all of them. The venture capitalists will want their money back. Tip of the iceberg is probably Four Seasons Health Care one of Britain's biggest care home companies. It was reported they had debts totalling £1.5 billion and were trying to repackage it into more manageable repayments.

Smaller care homes will see their revenues squeezed by social services struggling to cope with cuts in public spending and the banks anxious to restrict overdraft borrowing. The prospects are not looking good.

The market needs urgent consolidation. This is no place for companies that are as vulnerable as the residents they are trying to care for.

The first thing for government to do is to respond by making the care home sector a number one priority and an attractive business opportunity. In the same way they are encouraging the new 'green' industry, they should set out to encourage the 'grey' industry.

Tax incentives that encourage the sale of the smaller homes to larger operators are a good place to start. Make the tax on the capital gain on the first sale no more than 5%. This would encourage the smaller operators out of the market. For the operators who remain; reduce corporation tax to a level that makes investment worthwhile. No more than 10%.

Consolidation would improve quality, keep a lever on costs and create a sector that was robust enough to pay to be licensed by the Care Quality Commission, with-stand proper inspection and the demands of modern care. It would also have the effect of creating jobs in the sector. Jobs, that for a large part of the workforce require skills and training but not necessarily professional

***“...smaller homes will see their revenues squeezed by commissioners trying to cope with reductions in budgets”***

qualifications. Just the sort of jobs that will help reduce unemployment and help stimulate the economy. The Alzheimer's Association claim a third of care homes in England and Wales caring for people with dementia do not provide dementia-specific training for their staff. The majority of hands-on, nursing-home care is delivered by Healthcare Assistants who are not registered or regulated by the Nursing and Midwifery Council – this must change.

**Second. Payments; paying for care.** It is impossible for government to bear the full cost of care. The costs are overwhelming. A home providing nursing care can cost more than £800 a week, or around £42,000 a year. Figures from Saga revealed that fees for care homes have been going up for the past three

years at 1.5% more than the retail price index.

*“...it is impossible for the government to bear the full cost of care”*

Individuals and families will have to make a contribution. It is a fact that the only growth in the pay-for-care acute health sector is ‘self-pay’. The phrase self pay disguises the fact that many of the payments (for hip-replacement operations for example) are paid by families clubbing together and syndicating the cost of Granny’s new hip.

The syndication of costs, among family members, to help pay the cost of Granny’s nursing home care should be incentivised through tax-breaks for the individuals participating. Make it worth their while and tax efficient for families to come together to bear the costs. Indeed, why stop at family members? Close friends could be included and it is not impossible to imagine charitable giving to be included. A family paying is cheaper than social services bearing the cost. In some cases a partnership deal might be possible. Social services and families working together, with the tax-breaks making it a worthwhile proposition.

**Third; people who care.** Calculating the value of care, provided unpaid by relatives, was researched by Leeds University in 2007 and shows that carers now save the state £87 billion a year. This is a rise of 52% across the UK, an increase of £30 billion on the last figure of £57 billion which Carers UK

published in 2002. The value of care is almost as much as the annual budget for the NHS .

Where nursing home care is not a first choice, elderly relatives are often cared for at home. Some carers are little short of heroic but go unrecognised by government. If a family member is willing to give up work, undergo simple and basic training and take on the care of an elderly relative their commitment should be recognised.

The state could expect to pay for this service (relieving itself of the responsibility in the interim, if not permanently), by paying the carer two-thirds of the income they have sacrificed, by giving up work, tax-free. This would leave some headroom for Government to pay for respite care, in a contract with the principle family carer. It would also create an opportunity for domiciliary care providers to come in with packages of support care: doing the work that is beyond the home carer to cope with, such as; incontinence care, laundry and respite care in the home setting.

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**Finally, the pharmaceutical industry.** Pharma works in secret; new drugs to protect. We know several major pharma-companies are working in the dementia sector and therefore must be duplicating their research.

It would be for the government to step in and make change happen. Firstly, pharma needs to align its R&D with the needs of its customer. In this case the Government is the payer and the customer and it needs a drug to deal with dementia. Easier said than done. Government could create a pharma-priority and provide a secure, independent and safe research review facility, where pharma R&D was deposited and analysed for duplication.

Where overlapping research is discovered the companies would be encouraged to pool their knowledge and work together. A solution might be nearer than we think. Often hopeful pharma research is abandoned as a seemingly fruitful

pathway runs out. It is very likely that the ‘missing part’ of the research is in the hands of another pharma-competitor – the problem is they just don’t talk to each other. Government could create an opportunity for ‘blind-gossip’. Companies talking to each other but they won’t know who until a meaningful conversation develops.

Pharma is already well looked after by government; tax incentives and special treatment. However, such is the scale of the problem and so urgent is a remedy it would be worthwhile for the government to incentivise research in the dementia sector even further.

Like most problems, there is no silver bullet. The nation faces a huge problem. However, there might just be enough silver buck-shot, the four ‘P’s, to make the unmanageable, manageable.

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