

[Spending for old age](#) [1]

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The recent furore over the funding and reform of social care for the elderly seems to have abated for now, but the problems persist. Currently, the government only provides free care for those with assets under £23,000, who are also judged to be worthy of care by their local authority. This is grossly unfair - not only does the access to state-funded care vary significantly by area as local authorities will fund anything from those with moderate to critical needs, but those just above the threshold are forced to fund their care entirely, often necessitating the sale of their home, and penalising those who saved for old age.

With such perverse incentives, the already burdensome demand for state-funded social care can only grow as more people opt to spend their wealth and qualify for free care. Replacing an all-or-nothing threshold with a more tapered form of funding may go some way to help.

However, many still believe that social care services would be free based on need alone rather than wealth. Those ignorant of the system may underestimate the extent to which they must save up for old age (or in the case of the perverse incentive, spend for old age!) and consequently suffer. Public information may be justified in this case by making it clear that saving up for private forms of insurance may be necessary. This could further reduce the cost of state-funded care.

Another grave problem is with the quality of care. It varies widely by council, and choice is minimal. Personal budgets, allowing users of state-funded care to choose their providers have been trialled in some areas, but not extended. This is a shame, as they also counter a further problem with the current system: the ambiguity of funding streams.

Local authorities could also counter problems with quality by breaking open the monopoly on state-funded care homes or services. The contracts issued allow providers to exercise a monopoly on state-funded care for the duration of that contract. There could be perpetual competition between social care providers if they were instead paid per person eligible for free social care.

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