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An Update from The Long Term Care Working Party

Hamish Wilson
Ian Sissons



17 May 2013

What we will cover today


- Background to working party and work to date
- An update on the Government reforms – “Dilnot”
- Planned on-going work
- Discussion



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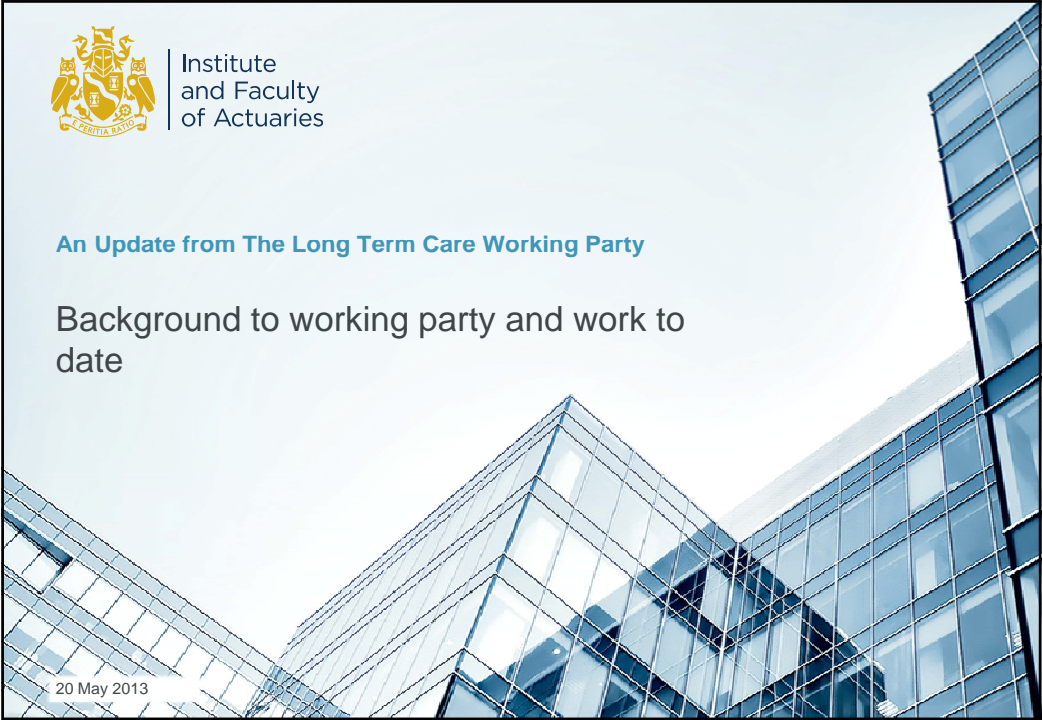


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Background to working party and work to date

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Background to working party

Hamish Wilson, Hymans Robertson (Chair)
Ian Sissons, Munich Re
Sue Elliott, Just Retirement

Alastair Gerrard, Gen Re
Sophie Golds, KPMG
Colin Redman, retired

LTC one of the professions 3 strategic initiatives

Research in LTC overseas commissioned (Southampton University)


Working party formed to analyse & complete research gaps

Sessional paper presented on overseas public & private funding

2011

2012

2013



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Sessional Paper

- Looked at alternative long-term care funding models and options within 6 countries – France, Germany, Netherlands, Japan, USA and UK (separately for the devolved nations)
- Examined the approaches each country has taken to address the funding issue with varying degrees of public/private co-operation and partnerships
- Hoped that lessons could be learned to inform the UK debate
- Paper and video of presentation & debate available at <http://openchannel.multichanneltv.com/the-actuarial-profession/long-term-care/index.php>



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Sessional paper – feedback & actions

Can we include more historical comparison from the UK?

Sessional paper will be updated to look at lessons learned from the UK product launched in the 1990's

Can we do more research into the development of insurance products?

New joint pensions and health & care PEC working party set up in April this year to take forward product ideas

Can we learn more on sustainability of funding methods overseas

Sessional paper will be updated to focus more on the sustainability of overseas models of funding


Can we use our actuarial expertise to help model the sustainability of proposed UK funding changes?

This is the direction this Long Term care working party will take – to provide qualitative overview of UK funding models



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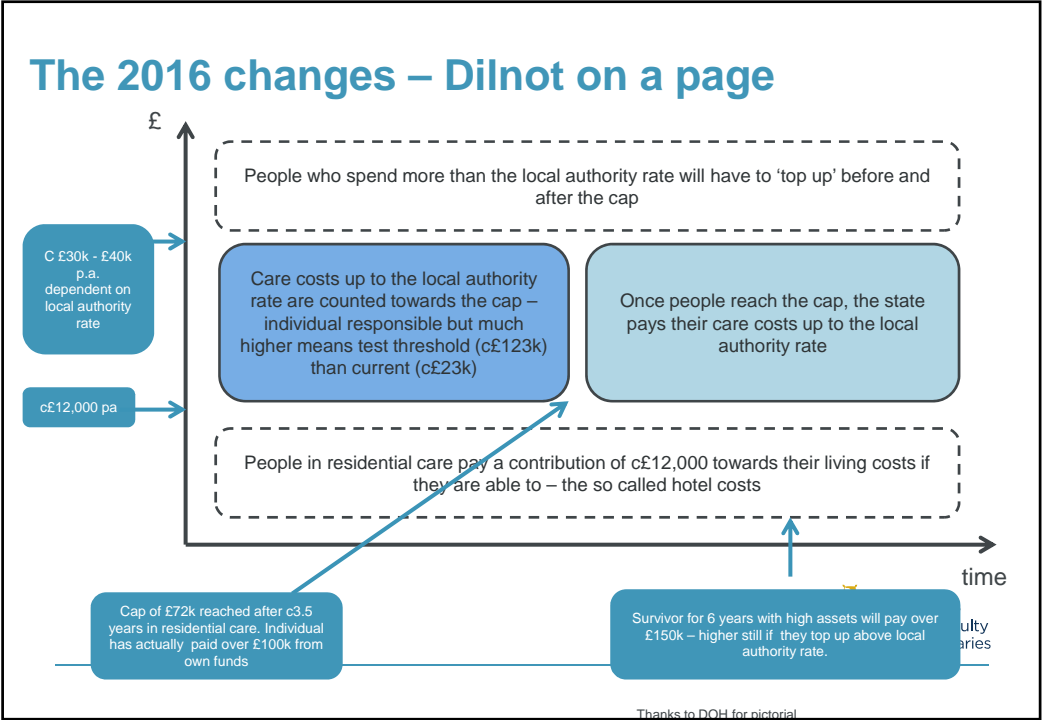
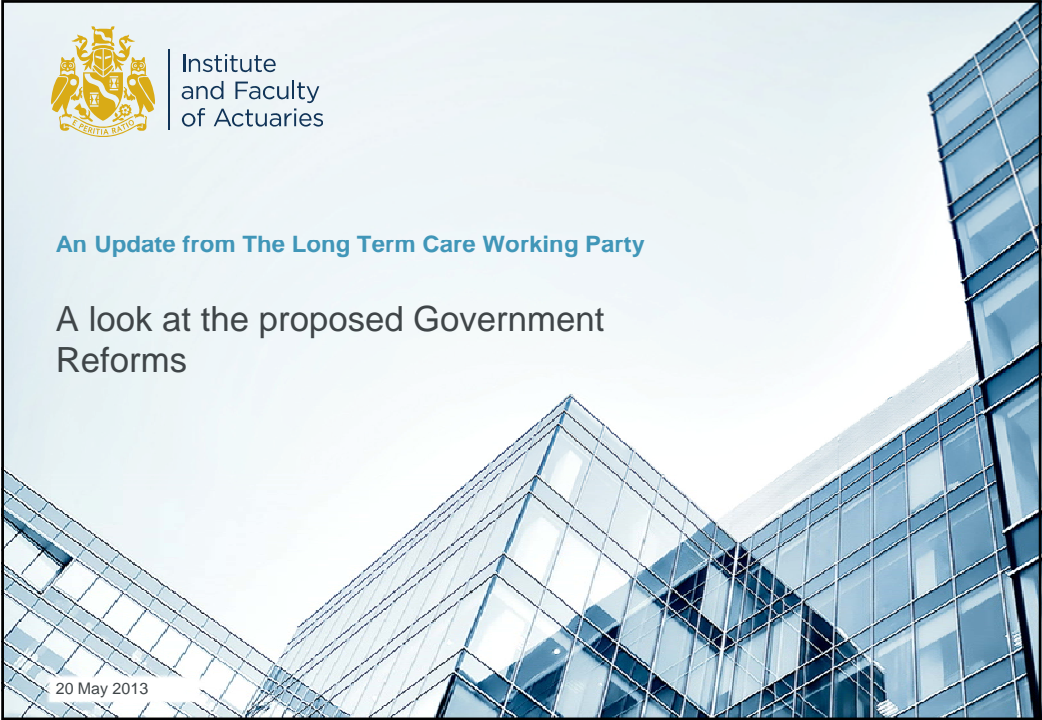


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A look at the proposed Government Reforms

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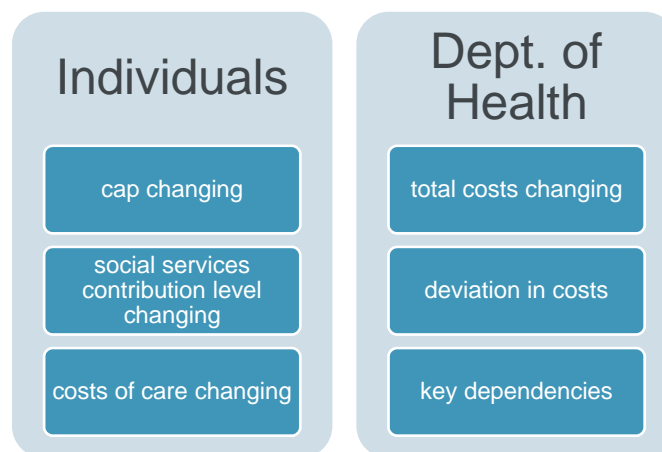



Other key changes

- **Introduction of Universal Deferred Payment Scheme**
 - Many councils currently offer a deferred payment scheme but will the nature of this change as it becomes a national framework?
- **Care and Support bill will compel advice**
 - Joint committee undertaking scrutiny of the draft bill recommended local authorities provide information to all individuals on obtaining independent financial advice on the options for paying for care and support; and where such advice can be found.
- **Introduction of Cap will mean 'all' care claimants will contact local authority**



Concerns and Risks



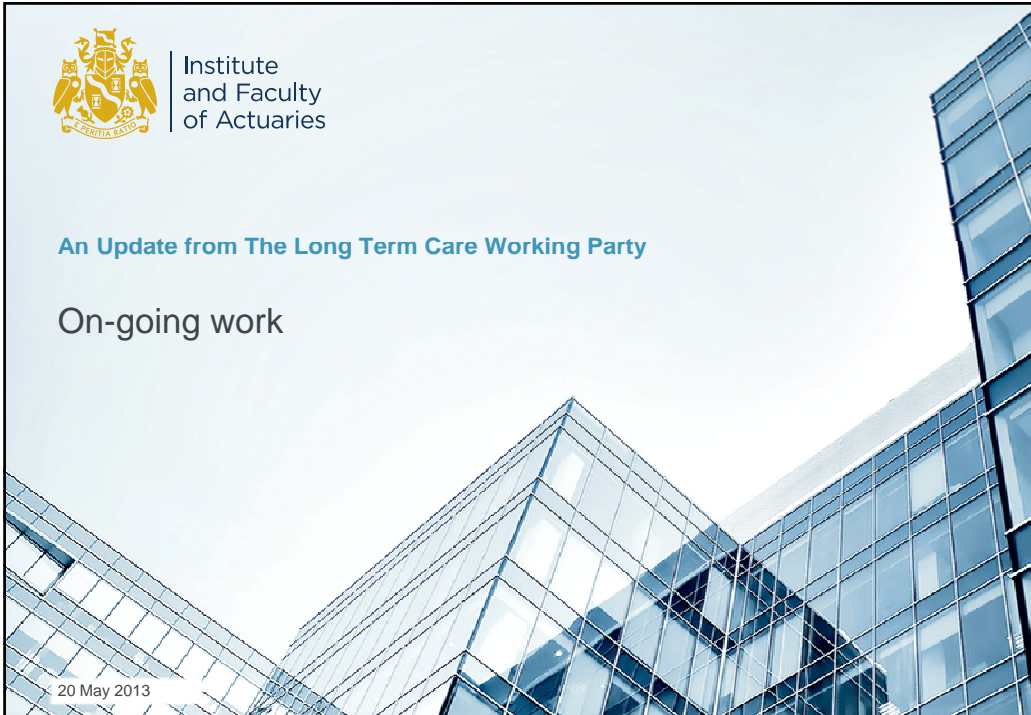


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On-going work

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H1 2013

- Update to the sessional paper covering sustainability of overseas and lessons learned from UK history
- Qualitative overview of the funding models used for projecting long term care costs
 1. Personal Social Services Research Unit (PSSRU) model used for original Dilnot paper. We've had initial discussions with PSSRU and workshop set up for June to take forward how we may work together.
 2. Dept of Health model used for latest government proposal costings. Again had initial discussions on working together and interest in taking forward to June workshop.

WE ARE NOT CARRYING OUT A MODEL VALIDATION



PSSRU models

1. Micro simulation model

- The PSSRU dynamic micro simulation model projects forward consecutive cohorts of older people, modelling their health, wealth, income, and care and support needs over time. It looks at over 65s only.

2. Aggregate models (for younger and older adults)

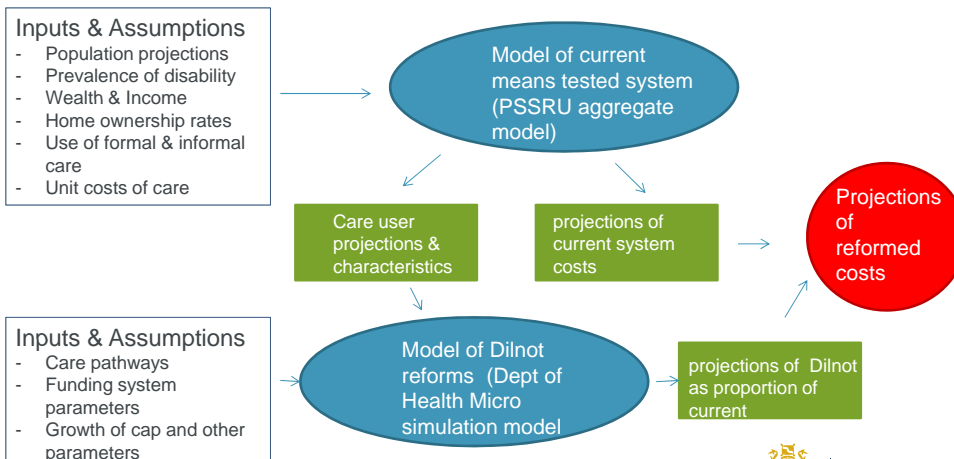
- The PSSRU long-term care projection models aim to make projections of four key variables:
 - the future numbers of people with disabilities
 - the likely level of demand for care services and disability benefits
 - the costs associated with meeting this demand
 - the social care workforce required.



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DOH older adults modelling approach



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How can we help DOH?

Initial discussions have highlighted areas where we can provide qualitative overview

General approach to modelling

Provide more insight into assumptions

Modelling longer term (beyond 2025)

DOH plan to send us 3-4 key areas

Over to you ?



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Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenter.



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