

# Who Pays for Your Care Home Stay - and When it Stops

Here is what happens at each stage of a care home placement in England.

## 1. NHS-Funded Short-Term Care

(Up to 6 Weeks)

After a hospital stay, the NHS may fund a short-term care placement for up to six weeks while you recover or while a longer-term plan is arranged. This is free and not means-tested. Many families do not know this window exists and miss the opportunity to use it to arrange proper planning.

Your cost: £0 - during this funded period only

## 2. NHS Continuing Healthcare

If You Qualify

If a person has a primary health need, NHS Continuing Healthcare fully funds all care costs - including accommodation - with no means test. It can apply at any point during a care home stay. Most families are never told about it. A CHC assessment must be requested. If refused, families can appeal. Retrospective assessments can result in refunds of care costs already paid.

Your cost: £0 - but only if CHC is applied for and granted

## 3. Local Authority Funded Care

Assets Below £23,250

If a person does not qualify for NHS CHC, the local council carries out a means test. If assets - including savings and some property - are below £23,250, the council contributes to care costs. Between £14,250 and £23,250 there is a sliding contribution. You still pay from income (including State Pension) and a personal expenses allowance is retained. The council places you in a home at their standard rate - which may not be the home your family chose.

Your cost: income contributions plus any third-party top-up for a preferred home

## 4. Self-Funded Care

Assets Above £23,250

If assets exceed £23,250, you pay all care costs in full until your assets fall below the threshold. The average care home in England costs over £50,000 per year for residential care and over £75,000 for nursing care. Without planning, assets accumulated over a lifetime are depleted rapidly. A Deferred Payment Agreement allows the council to lend care costs secured against your property - meaning the home is not sold immediately but a charge is placed on it.

Your cost: £50,000 up to £75,000 per year or more - until assets fall below £23,250

# £50,000+

Average annual residential care home cost in England (2026)

# 25%

Around 1 in 4 people aged 65+ already need help with daily activities, and that rises sharply with age.