

# Residential Care

## Care fees and accommodation payments



**Effective 20<sup>th</sup> March 2019**

### DAILY FEES

There are two daily fees you may be required to pay if you move into a residential aged care facility. These fees are a contribution to daily living costs for example meals, power, laundry and cleaning.

#### Basic daily fee

This fee is calculated on 85% of the basic rate of the single Age Pension. It is currently \$51.21.

Single people whose income is below \$27,232.40 (or \$26,712.40 for each member of a couple) and assets are below \$49,500 will only pay the basic daily fee (see diagram overleaf).

#### Means-tested fee

The amount you can be asked to pay depends on your level of assets and income. See: ASSETS AND INCOME TEST

#### Means-tested annual and lifetime caps

Annual Cap - The maximum annual means-tested fee you can be asked to pay is \$27,532.59. The year is calculated from the date of entry into aged care. Once this cap is reached, you will not pay the means-tested fee until the anniversary of the date of your first entry into aged care.

Lifetime Cap - The maximum lifetime means-tested fee you can be asked to pay is \$66,078.27.

Both the annual and lifetime caps are indexed.

### ACCOMMODATION COSTS

Accommodation costs are a contribution to the cost of accommodation and are used to maintain and upgrade the aged care facility..

#### Will I have to pay accommodation costs?

This depends upon an assessment of your assets and income. You will then be advised if you will be asked to pay towards your accommodation costs.

See: **ASSETS AND INCOME TEST**

You may be asked to pay either

1. all of your accommodation costs – an accommodation payment
2. or some of your accommodation costs – an accommodation contribution

See diagram overleaf.

### What are my payment options?

You can choose to pay for your accommodation by:

1. *Refundable Accommodation Deposit - RAD* ( the facility retains any interest earned on this lump sum amount OR
2. *Daily Accommodation Payment – DAP* (a non-refundable, rental-type payment) OR
3. or a combination of both

You will have 28 days once you enter care to choose which method you will pay the accommodation costs. Until you have decided on the method of payment you will be asked to pay accommodation costs by the daily rental-type payment.

### Refund of lump sums

When you leave an aged care facility any lump sum must be refunded within 14 days. In the case of the death of the resident, the lump sum must be refunded within 14 days from the day on which the facility is shown probate of the will of the resident or letters of administration of the resident's estate.

### Publication of accommodation payments

Aged care facilities are required to publish information about accommodation prices and key features of the accommodation on the **My Aged Care** website [www.myagedcare.gov.au](http://www.myagedcare.gov.au). If an aged care facility has their own website they are also required to publish the information on it.

### ASSETS AND INCOME TEST

Everyone entering an aged care facility needs to fill in and lodge a combined income and assets assessment form. This applies even if you are currently receiving an income support payment from Centrelink or the Department of Veterans' Affairs. The result of this income and assets assessment will determine your costs in aged care.

Residents *do not* have to supply income and asset information. However, if the income and asset information is not provided the aged care facility can charge the maximum means-tested fee and/or an accommodation payment.

**Income and assets** - For the purposes of calculating aged care costs, all income and all assets received by a couple are considered to be shared equally between each partner.

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**The home is excluded as an asset if** your spouse/partner or dependent child is still living there. It is also excluded if

- your carer has been living there for at least two years or a close relative has been living there for five years **and**
- either was receiving or was eligible for an income support payment at the time of the income and assets assessment or on the day you enter care (whichever is earlier). Note that the Carer Allowance is **not** an income support payment.

### What do I pay in respite care?

You will only pay the basic daily fee standard rate of **\$51.21**. No means-tested fee can be charged for respite care (short-term stay). If you have respite in an 'extra services' facility, you may be asked to pay an extra fee (refer below).

### Extra services facilities

*Extra services* facilities provide a higher standard of accommodation and services. They do not provide a higher level of care. An additional *extra services* amount in addition to the daily fee and means-tested fee may be charged for both respite and permanent care.

### Additional optional services

Aged care facilities services may offer additional amenities such as increased entertainment choices on an opt-in opt-out basis and charge an additional fee to be agreed with the resident.

### State-funded bed fees in country hospitals

Residents in state-funded facilities (also known as *Long Stay* or *Nursing Home Type Patients*) in country areas pay the non-standard resident contribution. No means-tested fees or accommodation payments apply in these facilities, except when the bed is located in a Multipurpose Service site. Check with the facility in question for the fees payable.

### Hardship provisions

If payment of the aged care costs will cause undue hardship you may apply for assistance.

Contact **My Aged Care tel. 1800 200 422** and request the form *Aged Care Application for Financial Assistance*.

### Assistance with financial information

For basic information about managing your finances and help with understanding aged care costs contact Centrelink's **Financial Information Service (FIS)**,

**tel. 132 300** (local call cost)

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