



Residential Care. Care fees in aged care facilities

From 20 September 2017

From the 1st July 2014 there are two daily fees you may be required to pay if you move into a residential aged care facility. These are the **basic daily fee** and the **means-tested fee**. 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 **\$49.42**

Single people whose income is below **\$26,327.60** (or **\$25,859.60** for each member of a couple) and assets are below **\$47,500** will only pay the basic daily fee (see diagram overleaf).

The basic daily fee is also paid by residents receiving respite care.

Means-tested fee

The amount you can be asked to pay depends on your level of income and assets.

Income – For the purposes of calculating the means-tested fee, all income received by a couple is considered to be shared equally between each partner.

Assets – For the purposes of calculating the means-tested fee all assets owned by a couple are considered to be shared equally between each partner.

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 were receiving or were 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.

Means-tested annual and lifetime caps

Annual Cap – The maximum annual means-tested fee you can be asked to pay is **\$26,566.54**. 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 **\$63,759.75**.

Both the annual and lifetime caps are indexed.

How will my income and assets be assessed?

From the 1st July 2014 **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.

The Australian Government notifies residents and/or their representatives and the aged care facility of the maximum means-tested fee, if any, which you can be asked to pay.

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.

Does the government subsidise my care?

After you enter an aged care facility the staff of the facility will assess your care needs to find out how much assistance you need with daily living tasks like showering, dressing and mobility.

From this assessment, they determine 'a category of care' based on a funding framework known as the Aged Care Funding Instrument (ACFI). The ACFI sets the cost of care for each category and your fees contribute to this cost. The Australian Government subsidises the rest.

What do I pay in respite care?

You will only pay the basic daily fee standard rate of **\$49.42**. No means-tested fee can be charged for respite care. If you have respite in an 'extra services' facility, you may be asked to pay an extra fee (refer below).

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If you already receive Rent Assistance from Centrelink, it will continue for 52 days (continuous stay) or less while you are in respite. If this causes financial hardship, contact Centrelink, tel. 132 300 (local call cost).

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.

If a care recipient was in an extra service place on 30 June 2014, they will not be affected by the changes and will continue to have their fees calculated in accordance with the rules that existed on 30 June 2014.

Additional optional services

From 1st July 2014 all aged care facilities services will be able to 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 basic daily fee or a means-tested fee 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)

For help to estimate the costs you may have to pay towards your residential aged care call My Aged Care tel. 1800 200 422. Before you call you should have your financial information ready, especially details of your various forms of income and assets.

People currently in care

For people already in an aged care home before 1st July 2014, these fee changes will not apply.

If a decision is made to transfer to a new aged care home on or after 1 July 2014, there will be the option of being assessed under the new arrangements or staying with the current arrangement.

The new financial arrangements will apply if a care recipient leaves an aged care facility for more than 28 days and then re-enters an aged care facility.

