

• AGED CARE



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As you grow older, you may find that you need more help with day-to-day tasks or health care. Sometimes, the best way to receive help and support can be arranging for home care services while you stay in your own home or by living in an aged care home.

There are two types of aged care services. These services are heavily regulated by government to ensure that care is accessible to all Australians. The government will subsidise the cost of care and you will also pay a portion of costs based on your assessable income and assets (if applicable).

- Home Support - Help at Home
- Short-term care
- Aged Care Home – Residential Care

HOW IT WORKS

As assessment will work out what care needs and what types of care services you may be eligible for:

- A home support Assessment with a Regional Assessment Service (RAS), if you need low level support to stay independent in your home; or
- A comprehensive assessment with an Aged Care Assessment team (ACAT) if you have more complex needs.

ACAT ASSESSMENT

The Aged Care Assessment Team are teams of health professionals, such as doctors, nurses or social workers, who will conduct an assessment of your needs to determine whether you are approved for home care, Commonwealth Home Support, or short-term/respite or home care packages.

HOME SUPPORT - HELP AT HOME ASSESSMENT

Home Support Packages are available for an older person who requires coordinated services to stay in the home, or a younger person with a disability, dementia, or other special care needs that are not met through other specialist services.

Help at home looks different for different people. It may mean getting help with shopping and cooking, or it could be receiving personal care to bath, dress, and get in and out of bed. It may even mean getting modifications to improve your safety and movement around the house.

Getting some help at home can enable you to continue to live independently in your own home for as long as possible.

Home Support Packages are designed to assist with personal services and aids. The packages can not be used for payments such as home care fees, food, household bills or accommodation payments, or holidays etc.

If you are assessed as eligible for a home support package, you will:

- receive a letter of approval from My Aged Care that sets out the level of home support package you are approved to receive
- be placed in a national priority queue for home support packages.

Each home support package provides a different subsidy amount. This amount is paid to your selected approved home care provider, but is portable should you wish to change service.

There are four levels:

- Level 1 - basic care needs
- Level 2 - low- care needs
- Level 3 - intermediate care needs
- Level 4 - high- care needs.

There may be a waiting period between the time you are approved for care and the time you are assigned a home support package.

COSTS FOR HOME SUPPORT PACKAGES

You're expected to contribute to the cost of your care if you can afford it. Your contribution is made up of three types of fees:

1. **Basic daily fee.** Your provider may ask you to pay a basic daily fee based on your home care package level.
2. **Income-tested care fee.** Some people may also have to pay an income-tested care fee. Whether you pay it, and how much of it you pay, is determined through a formal income assessment from the Services Australia. If you have to pay this fee, there are annual and lifetime limits on how much you can be asked to pay.
3. **Additional fees.** Any other amount you have agreed to pay for extra care and services that wouldn't otherwise be covered by your Home Care Package. You can read more about the fees, caps, and how to use your package funds on our Home Care Package costs and fees page through: <https://www.myagedcare.gov.au/help-at-home/home-care-packages>

ELIGIBILITY

Eligibility is based on your care needs as determined through a face-to-face assessment, but you must also be an older person who needs coordinated services to help them stay at home, or a younger person with a disability, dementia or other care needs not met through other specialist services.

Your financial situation won't affect your eligibility. But you will need a financial assessment to work out exactly how much you may be asked to contribute.

If you think you only need a low level of support – perhaps only one or two services – you may not need a Home Care Package. You may be more suited for help at home through the Commonwealth Home Support Programme.

SHORT-TERM CARE

Short-term care provides care and support services for a set period of time. There are different types of short-term care depending on your needs, but all aim to help you with day-to-day tasks and either restore or maintain your independence.

Depending on the type of short-term care you access, help can be provided for a few days to a few months at a time.

WHAT HELP IS AVAILABLE?

There are three types of short-term care. Each serves a different purpose.

1. **Short-term restorative care: Help with everyday tasks**

For those who are starting to need help with daily tasks and want to delay or even avoid the need for long-term care and support services.

A team of health professionals will help you reverse or slow the difficulties you are experiencing and develop a plan for how you can manage them yourself.

2. **Transition care: Help to recover after a hospital stay**

For those who need to recover and regain independence after a stay in hospital.

Specialised care and support will help you move safely from hospital and back to everyday life, avoiding the need for longer term care and support.

3. **Respite care: Help to give you or your carer a break**

For when you or your carer need to take a break for a short period of time.

This could be for a few hours at your home, a day out in the community, or a short stay for a few nights in an aged care home to provide for your everyday needs without your carer.

COSTS FOR SHORT-TERM PACKAGES

You are expected to contribute to the cost of your care if you can afford to do so. How much you may pay varies depending on the type and level of care and services you will receive. The maximum amount you could be asked to pay:

- If you receive care while living at home - 17.5% of the single aged pension.
- If you receive care while living in a residential setting - 85% of the single aged pension.

AM I ELIGIBLE?

All types of short-term care require a face-to-face assessment to determine eligibility. Please refer to the references section below to check your eligibility and apply for an assessment online.

1. **Short-term restorative care**

You may be eligible for short-term restorative care if you are an older person and you:

- are slowing down mentally, physically, or both
- need help with everyday tasks
- want to stay independent and out of long-term ongoing care arrangements.

2. **Transition care**

You may be eligible for transition care if you are an older person and:

- are a patient in a public or private hospital
- have been informed that you are ready to leave hospital
- would benefit from short-term help.

3. **Respite care**

You may be eligible for respite care if you are an older person with a carer and:

- your carer is unable to care for you for some reason, or
- you or your carer need a break from your usual care arrangements.

AGED CARE HOME - RESIDENTIAL CARE

An aged care home (sometimes known as a nursing home or residential aged care facility) is for older people who can no longer live at home and need ongoing help with everyday tasks or health care.

Once approved for residential care, you can apply for a residential care place. Myagedcare.gov.au has a finder to assist you to find homes in your preferred area and arrange a time to visit.

The service provider will charge fees to cover the cost of accommodation as well as daily care and living expenses. Charges may also be applied for other additional services. These fees include:

- Accommodation payment/contribution – payment for the room and access to amenities
- Basic daily fee – a contribution towards the daily cost of care
- Means-tested fee – an additional contribution towards the cost of care based on affordability
- Additional service fees – generally on a user pays basis where the resident requests or agrees to additional services.

The government sets rules for how these fees can be charged. The fees should all be specified in your Resident Agreement.

ACCOMMODATION COST- LUMP SUM OR DAILY (EQUIVALENT) PAYMENT

If you move into permanent residential care you need to pay for the cost of your accommodation. This price is set by the service provider based on factors such as location, quality of accommodation and demand. It is published on the myagedcare.com.au website as well as the service's own website.

If you have income and assets below certain thresholds you may be able to apply for admission as a 'low-means resident'. If approved, the government will subsidise your accommodation as well as your care and your contribution towards accommodation is determined by a formula based on your financial capacity.

The accommodation payment can be charged as a lump sum (refundable accommodation deposit or contribution – RAD/RAC) or a daily equivalent fee (daily accommodation payment/contribution – DAP/DAC). The service provider will provide both amounts to you and after you move into care you can choose which option you wish to pay. You can also choose a combination of a RAD and a DAP.

The RAD is a refundable deposit, with the maximum limit set by the Government. The balance, after fees and costs, is repaid to you or your estate when you leave. The service provider can only deduct amounts if you have fees unpaid or you have asked them to deduct fees from the RAD instead of paying the fees from your cashflow. If you pay a RAD to an approved provider, repayment of the RAD is guaranteed by the Government.

The DAP is calculated based on an interest rate set by the Department of Human Services. The interest rate is calculated quarterly and is available on myagedcare.com.au.

DAILY LIVING EXPENSES- DAILY CARE FEES

Basic daily fee

Every resident is asked to pay a basic daily fee. This is a contribution towards the cost of living expenses such as meals, cleaning, laundry, heating and cooling.

This fee is set at 85% of the annual single basic age pension and will increase each March and September in line with changes to the age pension rate.

Accommodations costs

A varying cost for your room based on a means assessment. There may also be additional services such as hotel-type and care services. You will need to check with your Provider as to the types of services that they caters for and what the additional costs would be.

Means-tested fee

The government subsidises the cost of care, but residents who have income and assets over a certain level will be asked to pay an additional means-tested fee to help cover the costs of care.

This fee is capped at an annual amount and is also capped over a lifetime.

The fee payable is calculated by the Department of Human Services (DHS) based on your income and assets, with couples jointly assessed. The assessment is similar to the rules used by Centrelink, but specific treatment applies to the value of a former home and the Refundable Accommodation Deposit.

The DHS has rolled out new forms and processes to simplify the means-tested fee (MTF) assessment for residential aged care. Previously, all residents wanting to report their income and assets to have their MTF calculated, had to complete a 'Combined Income and Assets Test Assessment' (SA457) form. This was a lengthy process. Going forward, the form and process to follow varies based on an individual's specific circumstances. Broadly, the process has been simplified so that the individual only has to provide details that DHS does not have on record. If you are paid a pension that is means-tested, the DHS or DVA will already hold some of your income and asset details and you will only need to complete some parts of the form.

If you are not paid a pension that is means-tested, you will need to complete the whole Combined Income and Assets form. Examples of pensions that are not means-tested include:

- Blind Pension
- War Widow(er)'s Pension
- Veterans' Disability or Allowance.

Services fee

An additional fee may apply if you choose a higher standard of accommodation or additional services. The fees vary from home to home and are specific to you. Your aged care provider can provide you with details of these services and the fees that apply.

Am I eligible for a subsidised place?

Eligibility is based on need, determined through a face-to-face assessment.

To be eligible, you must be unable to live independently at home and can be either:

- an older person
- a younger person with a disability, dementia or other special care needs not met through other specialist services.

Your financial situation doesn't affect your eligibility to live in a government-subsidised aged care home. It will impact the amount you may have to pay.

WHAT YOU NEED TO CONSIDER

- The calculation of fees can be complex and decisions you make in relation to your former home and or investments can impact not only your cashflow but also your age pension entitlements and aged care fees payable. It is important to seek advice to compare options so you can make an informed decision.
- **Existing entrants already in Home Care or Aged Care arrangements may be subject to specific grandfathering rules.** You should seek advice prior to making changes to arrangements.
- Accommodation costs can vary widely. You may wish to shop around and compare the costs and services in your desired location for your preferred care and lifestyle needs. The number of available Government subsidized places can vary between nursing homes.
- In general, rental income derived from your family home is assessed as income for the purpose of calculating your social security entitlement.

- If you rent out your home while in residential care and are absent from your home for more than six years, or if you have previously used this home as a rental property, you may have to pay capital gains tax.
- If your spouse or a protected person is not living in your family home, your home is exempt under the Assets test for two years from the date you enter the aged care facility, during which time you are considered a homeowner. After you have been absent for two years, your home will be counted, and Centrelink will consider you to be a non-homeowner.
- If you pay your accommodation costs as a lump sum, either in part or in full, you can only withdraw the lump sum, and commence paying daily payments, at the discretion of the facility.
- If you pay your accommodation costs as a lump sum, the refundable accommodation deposit is excluded from the Age Pension/DVA Pension Assets Test, but will be assessed for your Aged Care means tested fee.
- If you draw any fees from your RAD/RAC, the facility may ask you to top up the lump sum, or commence paying additional daily payments. This will also impact the lump sum refund you receive when you cease care at the facility. You should confirm these arrangements directly with the facility.
- If you move into an aged care facility you will not be eligible for rental assistance.
- Your family home is exempt under the assets test while a spouse or a protected person is still living there. Alternatively, it will be valued at a capped rate set by the Government quarterly.
- For a couple, income testing is based on half your combined income, regardless of which partner earns the income or whether only one person is receiving home care or aged care assistance.
- Any income, including the Age Pension, is taken into account when determining your Accommodation Payment/Contribution and your means tested fees.
- You are required to notify Centrelink/Department of Veteran Affairs within 14 days about any change to your situation that may affect your entitlement.
- If you receive residential respite care through an aged care home, you won't have to pay an accommodation payment, or any means-tested care fees. You can expect to be asked to pay a basic daily fee and a booking fee, which is no more than either a full week's basic daily fee, or 25% of the fee for the entire stay, depending on which amount is the lowest. Residential respite care may be available for up to 63 days each financial year. This time can be extended in lots of 21 days if the ACAT assessment finds that this extra time is necessary.

REFERENCES



You may wish to refer to the following websites for further information about Aged Care services:

- www.myagedcare.gov.au

The information in this document is of a general nature and does not take into account your own financial objectives, circumstances or needs. You should consider your own personal situation and requirements before making a decision.

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