

Aged Care

When you're no longer able to continue living independently in your own home, you may need to move into a residential aged care facility or need assistance to remain living in your own home.

These facilities and services are heavily regulated by government to make care accessible to all Australians. The government will generally subsidise the cost of care and you will also pay fees based on assessable income and assets.

What is the first step?

Before being eligible to move into a government subsidised aged care facility you need to have approval from an ACAT (Aged Care Assessment Team). These are teams of health professionals, such as doctors, nurses or social workers, who will assess your needs and provide information, advice and assistance.

An ACAT can:

- Approve eligibility for entry into residential aged care, in either low care or high care
- Give you information about residential aged care and home care services in your area
- Help you arrange special respite care if this is what you need
- Approve eligibility for a home care package of community care to help you continue living at home or refer you to other services that will help you to continue living at home

What fees are payable?

Home Care Packages

If you receive a home care package you can be asked to pay:

- *A basic fee* – everyone receiving a home care package can be asked to pay. This fee is 17.5% of the single basic age pension
- *An income-tested care fee* – an extra contribution toward the cost of care that you may need to pay, on top of basic fee – depending on assessable income. The Department of Human Services (Centrelink) will assess whether you need to pay this fee and how much.

Residential Care

Everyone moving into an aged care home can be asked to pay:

- *A basic fee* – For some, this is the only fee they may need to pay. This fee equates to 85% of the single basic age pension
- *A means tested care fee* - an extra contribution towards the cost of care on top of the basic fee, depending on income and assets. Annual and lifetime caps have been set to limit how much you will need to pay in means tested care fees.
 - *The annual cap is \$28,087.41 (this changes from time to time)*. Once you reach the annual cap, you will no longer have to pay any means tested care fee until the next anniversary of the date you first entered the aged care home.
 - *The lifetime cap is \$67,409.85 (this changes from time to time)*. Once you reach the lifetime cap you will no longer have to pay any means tested care fees. The Government will pay for your care costs. If you were paying an income tested care fee for a Home Care Package before you moved into an aged care home, the amount you've paid in income tested care fees will count towards your lifetime cap.

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- The caps only apply to means tested care fees in residential care and any income tested care fees in home care paid.
- *An accommodation payment* - a payment for accommodation in an aged care home. Some will have their accommodation costs paid in full or in part by the Australian Government. Others will need to pay the accommodation price they negotiate with their aged care home.
 - *Refundable Accommodation Deposit (RAD)* – a lump sum payment for accommodation in an aged care home. This is the price of a room, in lump sum form, that residents have agreed with their aged care home to pay. This can be paid periodically in some cases.
 - *Daily Accommodation Contribution (DAC)* – the daily contribution for accommodation in an aged care home that residents would need to pay, if they also receive Australian Government assistance with their accommodation costs.
- *Fees for extra or additional optional services* – an extra payment if you choose a higher standard of accommodation or additional services such as hairdressing, or pay TV in your room.

How are the fees calculated?

Everyone entering an aged care home for the first time needs to complete and lodge an income and assets assessment form which will be used to determine your costs. It's important to lodge this form even if you currently receive a means-tested income support payment from Centrelink or the Department of Veterans' Affairs.

The Australian Government will conduct your income and assets assessment. They'll advise you and the aged care home of the fees that your service provider can ask you to pay.

If you don't complete and lodge the income and assets assessment form, you can be asked by your service provider to pay the maximum daily means-tested fee and/or an accommodation payment, and you wouldn't be eligible for any Australian Government assistance.

Income, for the purposes of aged care, is not the same as taxable income. Your assessed income can include all types of personal income, even deemed income. We can help you define what would be included, what special rules can apply, and how your financial assets are treated for aged care purposes.

How is your home treated?

A capped value of your former home may be counted in your assets assessment, but there are some exceptions to this. It won't be counted as an asset if:

- your partner or dependent child is living there, or
- a carer eligible for an Australian Government income support payment has been living there for at least two years, or
- a close relative who is eligible for an Australian Government income support payment has been living there for at least five years.

The full value of your home won't be included in the assessment of your assets. Instead a capped amount of \$171,535.20 will be included or the net market value of your house, if lower.

It can be really daunting to get through the paperwork, understand the rules and deal with so many different organisations. Superior Alliance is here to help – call us to arrange time to talk over your affairs. We can help you make the best of your situation.