

Aged Care

AGE CARE

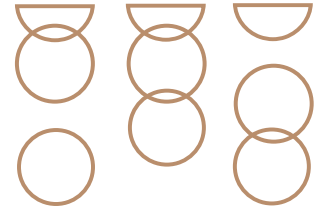
As you age, you might discover an increasing need for assistance in managing your daily responsibilities and healthcare. At times, the most effective way to access the help and care you require is by either arranging for in-home care services while continuing to reside in your own home or by transitioning to an elderly care facility.



A Suite 3.02,
7-9 Irvine Place
Bella Vista NSW 2153
P 1300 038 746
E wealth@affluens360.com.au
W www.affluens360.com.au

Disclaimer: 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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The government offers the Age Pension as a financial aid program aimed at assisting retirees in fulfilling their income necessities.

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There are two categories of aged care services, which are subject to rigorous government regulation to guarantee accessibility to all Australians. The government provides financial assistance to offset the expenses, while individuals may also contribute based on their assessable income and assets (if applicable). These categories are:

1. Home Support - Assistance in Your Own Home
2. Short-term Care
3. Aged Care Home - Residential Care

How it works

An assessment process will determine your specific care requirements and the types of care services you may qualify for:

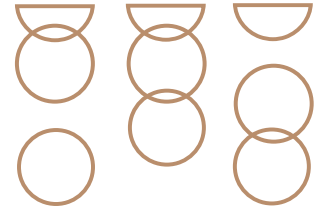
1. For individuals requiring minimal support to maintain independence in their home, a Home Support Assessment will be conducted by a Regional Assessment Service (RAS).
2. If your needs are more intricate and extensive, a comprehensive assessment will be performed by an Aged Care Assessment Team (ACAT).

ACAT Assessment

Aged Care Assessment Teams (ACAT) consist of healthcare professionals, including doctors, nurses, and social workers. Their primary responsibility is to conduct an evaluation of your requirements in order to ascertain your eligibility for various forms of care, including home care, Commonwealth Home Support, or short-term/respite or home care packages.

Home support - help at home assessment

Home Support Packages are available to assist older individuals who require coordinated services to remain in their homes. They are also accessible to younger individuals with disabilities, dementia, or other specific care needs that are not adequately addressed through other specialised services. The nature of "help at home" can vary greatly among individuals,



encompassing assistance with tasks such as shopping and cooking, personal care like bathing and dressing, and home modifications to enhance safety and mobility. These services aim to enable individuals to maintain their independence in their own homes for as long as possible.

Home Support Packages primarily cover personal services and aids, excluding expenses such as home care fees, food, household bills, or accommodation costs. If you are assessed as eligible for a Home Support Package, you will receive a letter of approval from My Aged Care specifying the approved level of support and be placed on a national priority queue for these packages. Home Support Packages come in four levels, each with a different subsidy amount:

- 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 your approval for care and the assignment of a Home Support Package.

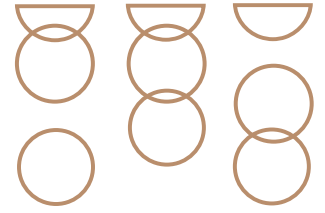
Costs for home support packages

You are expected to contribute to the cost of your care if you have the means to do so. These contributions consist of three types of fees:

1. Basic daily fee: This fee, based on your Home Care Package level, is requested by your provider to cover daily care costs.
2. Income-tested care fee: Some individuals may also be required to pay an income-tested care fee, which is determined through a formal income assessment by Services Australia. There are annual and lifetime limits on this fee.
3. Additional fees: Any extra payments for care and services not included in your Home Care Package. Information on fees, caps, and how to use your package funds can be found on the Home Care Package costs and fees page at www.myagedcare.gov.au/help-at-home/home-care-packages.

Eligibility

Eligibility is based on a face-to-face assessment of your care needs. Being an older person in need of coordinated services to stay at home or a younger individual with a disability, dementia, or unmet care needs not covered by other specialized services are the main criteria for eligibility. Your financial situation does not affect your eligibility, but it will determine your contribution.



If you believe you require minimal support, such as one or two services, you may be better suited for help through the Commonwealth Home Support Programme instead of a Home Care Package.

Short-term care

Short-term care offers temporary care and support services, catering to different needs and aiming to help with daily tasks while either restoring or maintaining independence. The duration of short-term care varies depending on your needs, ranging from a few days to several months.

What help is available?

1. Short-term restorative care: Designed to assist individuals who are beginning to require assistance with daily tasks, with the goal of delaying or avoiding the need for long-term care and support services. A team of health professionals helps develop a plan to manage difficulties independently.
2. Transition care: For individuals transitioning from a hospital stay, offering specialised care and support to safely return to everyday life and avoid the need for long-term care.
3. Respite care: Provides a short break for individuals or their caregivers. This can include a few hours of in-home care, community outings, or a brief stay in an aged care facility to meet daily needs in the absence of a caregiver.

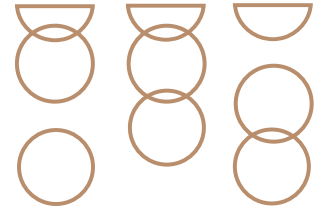
Costs for short-term packages

Your contribution to the cost of short-term care depends on the type and level of care and services you receive. The maximum amount you could be asked to pay is 17.5% of the single aged pension if you receive care at home or 85% if you receive care in a residential setting.

Am i eligible?

A face-to-face assessment is necessary to establish eligibility for any form of short-term care. To determine your eligibility and initiate the assessment process online, please consult the references section provided below.

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Age care-home - Residential care

Aged care homes, also known as nursing homes or residential aged care facilities, are designed for older individuals who can no longer live independently at home and require ongoing assistance with daily tasks and healthcare. Once approved for residential care, you can apply for placement in an aged care home.

The service provider will assess fees to encompass the expenses associated with accommodation, daily care, and day-to-day living. Additionally, charges may be applied for any extra services requested. These fees consist of:

- Accommodation payment/contribution: Payment covering room expenses and access to amenities.
- Basic daily fee: A contribution directed towards the daily care expenses.
- Means-tested fee: An additional contribution based on affordability to support the cost of care.
- Additional service fees: Generally implemented on a user-pays basis, contingent on the resident's request or agreement for supplementary services.

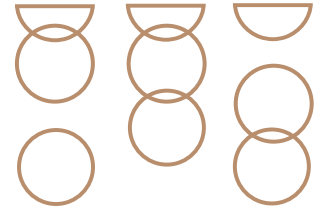
Government regulations dictate how these fees can be structured, and they should all be explicitly outlined in your Resident Agreement.

Accommodation cost - Lump sum or daily payment

When moving into permanent residential care, you must cover the cost of accommodation, determined by factors like location, quality of accommodation, and demand. Income and asset thresholds are used to assess eligibility for low-means residents who may receive government subsidies.

Accommodation payments can be made 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 offer both amounts, allowing you to choose the payment option. You can also opt for a combination of RAD and DAP.

- RAD is a refundable deposit with a maximum limit set by the government. The balance is repaid upon departure, subject to unpaid fees or specified deductions.
- DAP is calculated based on an interest rate set by the Department of Human Services, updated quarterly.



Daily living expenses - daily care fees

Each resident is required to contribute to the basic daily fee, which covers essential living expenses such as meals, cleaning, laundry, heating, and cooling. The fee is established at 85% of the annual single basic age pension and is subject to adjustment every March and September in accordance with changes in the age pension rate.

Accommodation costs

The cost of your room varies depending on a means assessment. Additionally, there could be supplementary services offered, including hotel-style amenities and care services. To determine the specific services available and their associated extra costs, it's advisable to inquire with your service provider.

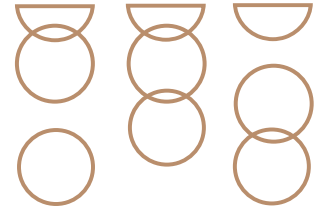
Means-tested fee

The government provides financial support to reduce the cost of care, but residents with income and assets exceeding certain thresholds may be required to pay an additional means-tested fee to contribute to care expenses. This fee is subject to annual and lifetime caps.

The Department of Human Services (DHS) calculates this fee based on your income and assets, with couples assessed jointly. The assessment process resembles the criteria used by Centrelink, although specific considerations are made for the value of a former home and the Refundable Accommodation Deposit.

To simplify the means-tested fee (MTF) assessment for residential aged care, the DHS has introduced new forms and procedures. In the past, all residents seeking to report their income and assets for MTF calculation had to complete a comprehensive 'Combined Income and Assets Test Assessment' (SA457) form, which could be a time-consuming process. Moving forward, the form and procedure may differ based on an individual's unique circumstances. In general, the process has been streamlined to only require the submission of information that the DHS does not already possess.

If you receive a means-tested pension, the DHS or DVA (Department of Veterans' Affairs) will already have some of your income and asset details on record, reducing the parts of the form you need to complete. However, if you do not receive a means-tested pension, you will need to complete the entire Combined Income and Assets form. Examples of pensions that are not means-tested include the Blind Pension, War Widow(er)'s Pension, and Veterans' Disability or Allowance.



Service fee

If you opt for a higher level of accommodation or request additional services, you may incur an extra fee. These fees are not uniform but rather vary depending on the specific aged care facility and your individual preferences. Your aged care provider will furnish you with comprehensive information about the services available and the associated fees that pertain to your specific circumstances.

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:

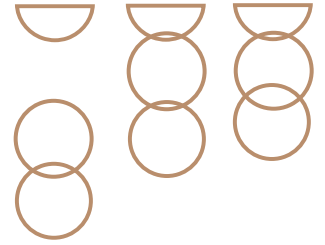
- an older person
- a younger person with a disability, dementia or other special care needs not met through other specialist services.

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.

Key Considerations

The calculation of fees can be intricate, and your decisions regarding your former home and investments can have significant effects on both your financial situation and entitlements to age pension and aged care fees. Seeking advice is crucial to compare your options and make well-informed choices.

- Existing participants already in Home Care or Aged Care arrangements may be subject to specific grandfathering rules. It is advisable to seek advice before making any alterations to your arrangements.
- Accommodation costs can vary significantly. Consider exploring different options and comparing costs and services in your preferred location, aligned with your care and lifestyle preferences. The availability of government-subsidized places may differ among nursing homes.
- Generally, rental income generated from your family home is considered as income for the purpose of calculating your social security entitlements.
- Renting out your home while in residential care, especially if you are absent for more than six years or have previously used it as a rental property, may entail capital gains tax obligations.
- If your spouse or a protected person is not residing in your family home, it will be exempt from the Assets test for two years from your entry into the aged care facility. During this time, you are considered a homeowner. After two years of absence, your home will be considered as an asset, and Centrelink will categorize you as a non-homeowner.



- When you pay your accommodation costs as a lump sum, whether in part or in full, the withdrawal of the lump sum and the commencement of daily payments are subject to the facility's discretion.
- The refundable accommodation deposit is excluded from the Age Pension/DVA Pension Assets Test but is considered in the Aged Care means-tested fee.
- If you withdraw fees from your RAD/RAC, the facility may request a top-up of the lump sum or additional daily payments. This will also affect the lump sum refund upon discontinuation of care at the facility. It is advisable to confirm these arrangements directly with the facility.
- Upon moving into an aged care facility, you will no longer be eligible for rental assistance.
- Your family home is exempt from the assets test while a spouse or a protected person resides there, or it is valued at a capped rate determined by the Government on a quarterly basis.
- For couples, income testing is based on half of your combined income, irrespective of which partner earns the income or who receives home care or aged care assistance.
- All income, including the Age Pension, is considered when determining your Accommodation Payment/Contribution and means-tested fees.
- You are required to promptly inform Centrelink/Department of Veterans Affairs about any changes in your circumstances that may affect your entitlements.
- If you receive residential respite care through an aged care home, you won't be required to pay an accommodation payment or means-tested care fees. Instead, you may be asked to pay a basic daily fee and a booking fee, which is capped at either a full week's basic daily fee or 25% of the fee for the entire stay, depending on the lower amount. Residential respite care can be available for up to 63 days each financial year, with the possibility of extensions in increments of 21 days if an ACAT assessment deems it necessary.

References

You may wish to refer to the following websites for further information about age care:

- www.myagedcare.gov.au