



RESIDENTIAL AGED CARE FEES FOR YOUNGER PEOPLE WITH DISABILITY

MAY 2018

This fact sheet is for people aged under 65 with complex support needs, who may be eligible for the National Disability Insurance Scheme (NDIS) and are either preparing to move into residential aged care or currently living in aged care. The good news is that the NDIS may pay for some of your aged care fees and charges. This fact sheet explains the different fees and whether the NDIS can pay for them.

There are four main types of fees and charges you might pay living in residential aged care.

1. Basic daily fee:

What is it for? The basic daily fee covers day-to-day living costs such as meals, cleaning, laundry, utilities, heating and cooling.

Who pays it? All people living in residential aged care need to pay the basic daily fee. The fee is the same for everyone, whether or not you receive a disability pension.

How much is it? The basic daily fee is set by the Department of Human Services at 85% of the single person rate of the pension.

What else do I need to know about it? If you don't have much money or many assets, the basic daily fee will be the only fee you pay to live in residential aged care.

Will the NDIS help me to pay this fee? No. The NDIS will not pay the basic daily fee, because the NDIS is not responsible for daily living costs that everyone pays.

2. Means-tested care fee

What is it for? The means-tested care fee covers day-to-day personal care and nursing costs.

Who pays it? A means-tested fee is intended to apply only to people who can afford to pay it. When you move into residential aged care, you'll complete an assessment where you provide details of your income and assets. This assessment will determine how much of the means-tested care fee you need to pay.

How much is it? The amount will vary depending on your financial situation. The Australian Government Department of Human Services will, based on your income and assets assessment, work out if you have to pay this fee and if so, how much you need to pay.

At 20 September 2017, the maximum means-tested care fee you can be asked to pay in a year is \$26,566.54 and the maximum means-tested care fee you can be asked to pay in a lifetime is \$63,759.75.

What else do I need to know about it? There are annual and lifetime caps on the means-tested care fee. Once you have reached these caps, you can't be asked to pay any more means-tested care fees.

Will the NDIS help me to pay this fee? Yes, NDIS will pay your means-tested care fees.



TIP: If you choose not to have an assessment, you won't receive any financial contribution by the government towards the costs of your care and you will be asked to pay the full amount yourself.

3. Means-tested accommodation charge

What is it for? Aged care homes need regular maintenance. The accommodation charge covers both the building and the costs of maintaining it.

Who pays it? Like the means-tested care fee, the accommodation charge is intended to be paid only by people who can afford it. When you first enter aged care, you will be asked to provide details of your income and assets. The Australian Government Department of Human Services will then decide whether you are eligible for assistance with your accommodation costs, and if so how much.

How much is it? It depends on your aged care home and your financial situation.

Accommodation fees vary between individual aged care homes, and can depend on factors such as property values in the area, the size of the rooms, and the features of the home. All homes must clearly advertise their accommodation prices.

You might need to pay the full price of your accommodation or you might receive a government assistance for some or most of it. If you are living in an aged care home with low accommodation fees, and your income and assets are below a certain amount, it is possible that the government will pay all your accommodation costs.

What else do I need to know about it? There are multiple ways you can pay your accommodation charge. You can choose which of these methods fits best with your financial situation. You can pay these fees as either a lump sum, or a regular accommodation refundable payment. For more information on these payment options, see summerfoundation.org.au/ndis-and-aged-care-fees

Will the NDIS help me to pay this fee? If you choose to pay your accommodation fee as a lump sum, the NDIS will not assist you with this refundable payment.

However, if you choose to pay your accommodation fee as a daily payment the NDIS may be able to assist you. For more information on these payment options, see summerfoundation.org.au/ndis-and-aged-care-fees

4. Extra and additional service fee

What is it for? Extra and additional services might include a higher standard of accommodation, meals or other non-care services.

Who pays it? You can choose whether you'd like to pay additional service fees for a higher quality of accommodation or non-care services, such as hairdressing or podiatry. These fees are optional.

How much is it? The amount of extra and additional services fees will vary between aged care homes, as well as the type of additional services offered at each home.

What else do I need to know about it? You will need to speak to your aged care provider to agree on services offered and fee amounts.

Will the NDIS help me to pay this fee? No. The extra and additional service fees are optional and do not relate to your disability support needs, therefore these fees are not the responsibility of the NDIS.

Is there a tool I can use to calculate my total aged care fees?

The My Aged Care website has an online tool that you can use to estimate your aged care fees – including your basic daily fee, means-tested care fees, and accommodation payments. Go to: myagedcare.gov.au/fee-estimator/residential-care/form

What do I need to do? To make sure the right aged care fees are included in your NDIS plan, you should:

1. Complete your '*Permanent Residential Aged Care – Request for a Combined Assets and Income Assessment form*' within 28 days of entering RAC or you may be asked to pay the full cost of your aged care.
2. Make sure you bring the following documents with you to your planning meeting with the NDIS;
 - Accommodation Agreement & Residential Care Agreement
 - Current letters about your aged care fees from the Department of Human Services (DHS)
 - Statement/invoice from your residential aged care provider detailing your means-tested care fee and accommodation charges

If you can't find these documents, talk to your aged care home and they will be able to help.

3. Check your NDIS plan when it is finalised to make sure it includes the right aged care fees;
4. If you do have funding for means-tested aged care fees and or charges in your NDIS plan: engage a "plan management provider/financial intermediary" to help you implement your plan.



This project has been funded by the National Disability Insurance Scheme.

Where can I get advice about aged care fees?

It is best to seek financial advice before moving in to residential aged care. To contact the Centrelink financial information services, go to: humanservices.gov.au/individuals/services/financial-information-service

Alternatively, you may choose to go to a specialised financial planner for people with disability, such as Health and Finance Integrated

healthfinance.com.au

Where can I find more information?

The Summer Foundation 'NDIS and Aged Care fees guide' contains more in-depth information related to aged care fees and charges. It contains information and advice related to:

- How your aged care fees and charges are calculated
- What do aged care fees look like in my NDIS plan?
- NDIS and leave provisions

Go to: summerfoundation.org.au/ndis-and-aged-care-fees

We value your feedback about this resource – please contact the Summer Foundation at info@summerfoundation.org.au, or 1300 626 560.

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