

RESIDENTIAL AGED CARE COSTS FOR NDIS PARTICIPANTS

Information for residential aged care facilities (RACF), NDIS plan managers and financial intermediaries

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In September 2017, the National Disability Insurance Agency (NDIA) introduced two new Core Support line items related to residential aged care facility (RACF) costs. These line items may be included in a participant's National Disability Support Scheme (NDIS) plan.




The aim of this fact sheet is to describe these line items and to provide RACFs, NDIS plan managers and financial intermediaries with tailored information and guidance for the smooth implementation of this reform.

It's important for RACFs to understand that they are not required to make any changes.

They will continue to get paid the same amount for residents who become NDIS participants.

An example of the Core Support budget in an NDIS participant's plan

CORE SUPPORTS

	BUDGET: \$162,000 (example)
	DETAILS: STATED SUPPORT: assistance with daily living (residential aged care subsidies and supplements \$77,539)* - NO ACTION REQUIRED STATED SUPPORT: Assistance with daily life tasks provided in residential aged care facility aged care costs, including the means-tested care fee, income tested fee (if they entered before 1 July 2014), if applicable, and accommodation costs paid by the NDIA \$22,461)** FUNDING FOR A PLAN MANAGER/FINANCIAL INTERMEDIARY WILL BE PROVIDED TO ADMINISTER THIS ITEM Social community and civic participation, flexible support to explore and participate in community-based activities of interest and to develop, build and maintain friendships \$62,000 (example)
	HOW WILL THE SUPPORT BE PAID: NDIS will pay my support provider and my plan management agency for these supports.

*** Assistance with Daily Living Item 49:**

STATED SUPPORT: \$77,539 per year indicative amount for residential aged care subsidies and supplements paid under aged care legislation.

What is this? This payment amount represents the indicative cost of subsidies and supplements paid for each individual residing in aged care. The purpose of showing this payment amount in a participant's plan is to make transparent the approximate cost to the Department of Health (DoH) of providing residential aged care place to the care recipient.

How will this support be paid? The aged care facility will continue to claim aged care subsidies and supplements from the aged care system. No action is required.

Explanation: This item will appear as 'agency managed' in the participant's plan and cannot be claimed against by the RACF provider, the participant or their plan manager.

Note that the \$77,539 per year is an amount that will be put in all plans as at September 2017. This is an indicative amount only, and will increase in line with the indexation of aged care subsidies and supplements.

**** Assistance with Daily Living Item 50:**

Individualised amount for assistance with this participant's daily support needs in a residential aged care facility.

What is this? This item only appears in the plans of participants paying means-tested care fees and/or accommodation costs as a rental style payment. Whether or not a participant pays a means-tested care fee, income-tested fee or accommodation costs is determined by the permanent residential aged care combined assets and income assessment completed during their permanent admission to residential aged care.

How will this support be paid? NDIS participants can continue to pay their means-tested RACF fees and charges and then submit evidence of payment to their plan manager/ financial intermediary who will reimburse them. Participants who are self-managing can continue to pay their aged care provider as per their normal method and claim this amount directly from the NDIA after providing evidence of the expense, such as an invoice and proof of payment from their RACF.

No action is required from the aged care provider, as RACFs cannot claim this amount from the NDIA

LIFETIME CAPS ON MEANS-TESTED CARE FEES

For people who entered RACF after 1 July 2014, means-tested care fees are subject to annual and lifetime caps. The NDIA will reimburse participants' means-tested care fees until these caps are reached.

The aged care provider will stop invoicing the participant for means-tested care fees once they reach their annual or lifetime cap. The Government will then pay the full subsidy to the aged care provider.

To see the current annual and lifetime cap on means-tested care fees, go to:

🌐 <https://agedcare.health.gov.au/funding/schedule-of-fees-and-charges-for-residential-and-home-care-from-20-march-2018>

People who entered RACF prior to 1 July 2014 may be paying an income-tested fee to contribute to the cost of their care. The NDIS will reimburse participants' income-tested fee.

ACCOMMODATION COSTS

The NDIS will cover accommodation payments up to the applicable accommodation supplement amount for the participant's room, either \$36.10 for rooms built before 20 April 2012. Or \$55.44 per day for rooms built or significantly refurbished on or after 20 April 2012 at the 20 September 2017 rate provided they are being paid as a daily payment. The NDIS will not reimburse participants who have paid their accommodation cost as a lump sum because these amounts are refunded to the participant when they leave the RACF.

For participants who entered RACF on or after 1 July 2014

A REFUNDABLE LUMP SUM:

Lump sum **refundable accommodation deposit** (RAD): The RAD is an option for people who must pay the full cost of their accommodation. A lump sum payment is made to RACF and refunded to you or your family when you leave, less any agreed deductions.

NDIS will **not provide funding for this**.

Lump sum **refundable accommodation contribution** (RAC): The RAC is an option for people who are eligible for government assistance with their accommodation costs. A lump sum contribution is made to the RACF and refunded to you or your family when you leave, less any agreed deductions.

NDIS will **not provide funding for this**.

DAILY PAYMENT:

Daily accommodation payment (DAP): The DAP is an option for people who must pay the full cost of their accommodation. The DAP is a regular payment, like paying for a rental property.

The NDIS **will** fund this up to the applicable daily maximum for your room.

Daily accommodation contribution (DAC): The DAC is an option for people who are eligible for government assistance with their accommodation costs. The DAC is a regular contribution, like making a payment for a rental property.

The NDIS **will** fund this up to the applicable daily maximum for your room.

COMBINATION RAD & DAP OR RAC & DAC:

RAD and a DAP

The NDIS will fund the daily accommodation payment (DAP) up to a daily maximum.

RAC and a DAC

The NDIS will fund the daily accommodation contribution (DAC) up to a daily maximum.

For participants who entered RACF prior to 1 July 2014

A REFUNDABLE LUMP SUM:

Accommodation Bond is a lump sum accommodation payment. The accommodation bond is returned to you or your family, less any amounts taken out that you have agreed on, when you leave aged care.

NDIS will not provide funding for this.

NON-REFUNDABLE PAYMENT OPTIONS:

Periodic bond

Retention amount

Interest paid in lieu of paying a bond

An accommodation charge

The NDIS **will** fund this up to the applicable daily maximum for your room.

COMBINATION BOND AND ANOTHER PAYMENT OPTION

This is a combination of a lump sum payment and another payment option.

The NDIS **will not** provide funding for refundable bonds.




The NDIS **will** fund the non-refundable component up to the applicable daily maximum.

THE ROLE OF PLAN MANAGERS AND FINANCIAL INTERMEDIARIES

When the NDIA puts Item 50 in a participant's plan this should flag the further requirement to include funding for a financial intermediary/plan manager to manage payment of this item. Participants who have chosen to self manage their entire plan don't need this funding.

An example of Improved Life Choices budget in the plan of an NDIS participant paying means-tested care fees.

CAPACITY BUILDING

	SUPPORT AREA: Improved Life Choices (example)
	BUDGET: \$1,395 (example)
	DETAILS: Financial intermediary set up costs (\$218). Monthly processing fee for your plan manager to manage your plan (\$1,177)
	HOW WILL THE SUPPORT BE PAID: NDIS will pay my support provider directly for these support

Ideally the provision by the NDIS of funding for applicable means-tested RACF fees will improve participants' cash flow. In order to achieve this, plan managers can work with participants to pay their aged care fees after the service has been delivered, as per with the amount in Item 50.

We recommend that financial intermediaries / plan managers request a participant's RACF to generate two invoices:

1. Invoice the NDIS participant itemising:

- The basic daily fee
- The means-tested accommodation cost paid as a daily payment above the accommodation supplement applicable for the participant's room. That is \$55.44 per day for rooms built or significantly refurbished on or after 20 April 2012. Or \$36.10 per day, for rooms built prior to this date that have not been significantly refurbished (as at September 2017). The NDIS participant is responsible for paying the remainder. For example, if a person has a daily accommodation payment (DAP) or periodic bond of \$75 per day and the NDIS participant's room is eligible for the higher accommodation supplement, the NDIS will pay \$55.44 on the participant's behalf and the participant will need to pay the remaining \$19.56. The RACF would need to invoice the participant for the \$19.56.
- Any extra or additional service fees that the resident has agreed to pay

2. Invoice the participant's financial intermediary/plan manager itemising the participant's:

Means-tested care fee or income-tested fee

The applicable means-tested accommodation cost paid as a daily payment up to \$36.10 or \$55.44 per day (20 September 2017 rate).

Note that it's important that plan managers ensure participants' RACF invoices are paid in accordance with the RACFs terms of business.

RESIDENTIAL AGED CARE COSTS THE NDIS WILL NOT PAY

Basic daily fee

All residential aged care residents can be asked to pay a basic daily fee for day-to-day living costs including meals, laundry, heating and cooling. The basic daily fee is set at 85% of the basic rate of the single age pension, currently \$50.16 per day (20 March 2018). This amount is indexed twice a year in line with changes to the Pension. Aged care providers can continue to ask NDIS participants living in residential aged care to pay this.

Extra service fees

May be charged by aged care provider for facilities or rooms within a facility that have been granted Extra Service Status by DoH. Extra service fees are for higher standards of food, accommodation and hotel type services such as recreational services and activities, but not for care and are payable by those occupying an Extra Service place.

Additional services fees

Are fees agreed to by the resident, or their guardian, and detailed in the Resident Agreement. They vary between facilities but may cover services such as community access and physiotherapy. Note that residents who have entered into an agreement to purchase supports that are funded by the NDIS from their RACF should discuss this at their NDIS planning meeting as if the NDIS decides they are reasonable and necessary they can provide funding for them in the participant's plan. The participant can then exercise choice and control over the provider of these supports. Once the participant has their NDIS plan with funding for, in this example, community access and physiotherapy, they may choose to cancel their contract to purchase these supports from their RACF provider.

Residents who have entered into an agreement with their aged care provider for extra* or additional services** will still be required to pay these fees.

Note some RACFs bundle residents' accommodation charges and additional service fees together. In order for the NDIS to work out the funding a participant is entitled to these charges are set out separately in the Resident Agreement. Where these charges are bundled together a plan manager/financial intermediary can assist the participant to work with their RACF provider to separate the accommodation charge from the extra service fee so that the NDIS can provide funding for the accommodation charge.

THE NDIS AND LEAVE PROVISIONS

52 nights social leave

The NDIS will fund a participant's aged care bed while they are on 'social leave' for a maximum of 52 nights per financial year. If a participant is away from their RACF for more than 52 nights, the Department of Health will stop paying aged care subsidies and supplements to the RACF. The RACF may ask the participant to make up this amount. Participants can continue to be asked to pay their basic daily fee, means-tested care fee, income-tested fee (if they entered before 1 July 2014) and/or accommodation costs (if paid by daily payment) while on social leave.

To ensure a gradual and safe transition from aged care to a more appropriate living situation a participant can request extra funding at their planning meeting to cover extra costs if they anticipate being away from the facility for more than 52 nights in a financial year.

Hospital leave

The NDIS will fund a participant's aged care bed while they are in hospital. The number of days per year is uncapped. Participants can continue to be asked to pay their basic daily fee, means-tested care fee, income tested fee (if they entered before 1 July 2014) and/or accommodation costs (if paid by daily payment) while on hospital leave.

Once a person has taken hospital leave for more than 30 consecutive days, the amount of aged care subsidy paid to the aged care provider will be reduced to 50 per cent. The NDIS will not make up the reduced subsidy.

HOW IS THE NDIS CALCULATING A PARTICIPANT'S AGED CARE COSTS?

The planner will ask the participant, their guardian, family member or supporter for the following documents to determine the amount and type of aged care costs the participant is paying:

- The two letters they received from the Department of Human Services (DHS) when they entered RACF detailing the fees that they may be asked to pay on the basis of an assessment of their income and assets.
- A recent RACF invoice, statement or receipt detailing their means-tested care fees and accommodation charges.
- Information from the RACF provider stating the maximum residential aged care supplement available for their room. It will be either \$36.10 or \$55.44 (as at September 2017).

NDIS participants entering RACF for the first time should complete the 'Permanent Residential Aged Care – Request for a Combined Assets and Income Assessment form' or they may be asked to pay the full cost of their aged care. If they are required to contribute to the cost of their aged care they should be encouraged to seek financial advice about the best way to pay these costs, as everyone's circumstances are different.

FOR MORE INFORMATION

We have produced a guide for people aged under 65 years residing in, or about to be permanently admitted to residential aged care, their families and supporters summerfoundation.org.au/ndis-and-aged-care-fees

The NDIA and the DoH have produced two fact sheets with information for residential aged care facilities and NDIS participants about the transition arrangements:

For aged care providers: Providers with younger people in residential aged care: agedcare.health.gov.au/sites/g/files/net1426/f/documents/10_2017/factsheet_providers_with_younger_people_in_residential_aged_care_-_octob.pdf

For NDIS participants: Younger people in residential aged care: agedcare.health.gov.au/sites/g/files/net1426/f/documents/10_2017/factsheet_younger_people_in_residential_aged_care_-_october_2017_edits.pdf