



Eventide Lutheran Homes
& Hamilton Village

Residential Aged Care Facility

FEES & CHARGES

As determined by the Aged Care Act 1997

A guide for new residents
(Effective 20th March 2022)

Fees & Charges

Welcome to Eventide Lutheran Homes. The following pages outline the fees and charges policy for residential care. The fees and charges are prescribed by the Aged Care Act 1997; however they may be difficult to understand and therefore we have provided this guide to help you understand how your residential aged care fees are calculated.

1. Basic Daily Care Fee

All new residents will pay a basic daily care fee which represents 84% of the full aged pension. This fee is currently set at \$54.69 per day. There are some transitional arrangements that may apply for residents that were admitted prior to 20th September 2009. The amount of the Basic Daily Care Fee is adjusted twice per year in line with increases in the age pension (each March and September).

2. Means Tested Fees

Means tested fees are an additional fee levied by the government. The Commonwealth reduces the subsidy payable to an aged care facility where a resident is assessed to have income and/or assets at a higher level than the relevant threshold. To recover this lost subsidy, residents are asked to pay a Means Tested Care Fee. Each extra dollar charged to you in means-tested fees is to offset a dollar reduction in Commonwealth Subsidy received by the aged care facility.

Means tested fees are payable if your fortnightly income exceeds the Centrelink threshold, (currently \$1,114.40 for singles and \$1,094.40 for each member of a couple). Income includes your pension **and/or** Assets exceed the Centrelink Threshold (currently \$178,839.20)

What is Income?

Income for aged care purposes is not the same as taxable income. It may include any money, valuable consideration or profits you may have earned, derived, or received from within, or outside Australia. Examples include:

- Income support payments from the Australian Government, such as the age pension, a service pension or an income support supplement.
- Deemed (not actual) income from financial investments; Current Centrelink deemed income rates are:
 - Single - First \$53,600 of financial investments – 1.00%
 - Couple – First \$89,000 of financial investments – 1.00%
 - - balance of financial investments – 2.50%
- Net income from rental property (there are some concessional treatments available if you rent out your former home).
- War widow/widower pension and some disability pensions
- Net income from businesses, including farms.
- Superannuation and overseas pensions, income from income stream products such as annuities and allocated pensions.
- Family trust distributions or dividends from private company shares; and
- Deemed income from excess gifting.

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A detailed calculation of the means tested fee can be obtained by phoning My Aged Care on 1800 200 422 or by visiting the My Aged Care Website on www.myagedcare.gov.au.

We have provided this explanation of Means Tested Care Fees for your information; however, it is important to note that “means-tested” fees are determined by Centrelink or the Dept of Veterans’ Affairs and are beyond the control of Eventide Lutheran Homes.

3. Accommodation Payments

In addition to the Basic Daily Care fee and Means Tested Fee, residents with assets and income above the Commonwealth Government Supported Resident Threshold (currently \$178,839.20) will also be asked to pay an accommodation payment. Residents will be given a choice of paying this accommodation payment by a Refundable Accommodation Deposit (RAD), Daily Accommodation Payment (DAP) or a combination of the two.

Residents who have limited assets (below \$52,500) are assessed by the Commonwealth as ‘supported’. No Accommodation Bond or Daily Accommodation Payment will be payable. Instead, Eventide Lutheran Homes will receive extra daily subsidies from the Commonwealth.

You will have 28 days from the day you enter care to decide on your payment method.

How are my assets/income assessed?

You can call My Aged Care on 1800 200 422 to help you estimate how much you may have to pay towards your residential aged care. Before you call, you should have your financial information ready, especially details of your various forms of income and assets.

Before entering aged care, you should lodge an income and assets assessment form which will be used to determine your fees. The Australian Government will conduct your income and asset assessment. They will advise you and the aged care home if you can be asked to pay towards your accommodation costs, and if so, how much.

It is not compulsory to complete the income and assets assessment form; however, you should be aware, that if you decide not to complete the assessment, Eventide Lutheran Homes will charge the maximum (published) price for your chosen Aged Care facility.

How are Accommodation Payments Calculated?

The accommodation payment price will be calculated on an asset/income-tested basis. Eventide Lutheran Homes publishes our maximum bond price and equivalent Daily Accommodation Price on our website and on the My Aged Care website. The resident must be left with a minimum asset value of \$52,500.

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The home will not however be assessable as an asset if any of the following three tests apply:

- Your partner will remain in the home
- Someone who has cared for you and has lived in the home for the past 2 years AND is eligible to receive an income support payment from Centrelink or the Department of Veterans' Affairs (example Age pension or Service Pension)
- A close relation (either your mother, father, sister, brother, child, or grandchild) who has live in your home for the past 5 years AND who is currently eligible to receive an income support payment from Centrelink or the Department of Veterans' Affairs (for example Age pension or Service Pension).

If none of these three tests apply, the home will be assessable as an asset however, the value will be capped at \$178,839.20.

The value of the income/assets of a resident who is a member of a couple is taken to be 50% of the sum of:

- a) the value of the resident's income/assets; and
- b) the value of the income/assets of the resident's partner.

If a person has income/assets jointly or in common with one or more other people, the value of their interest in the income/asset is included in the means value assessment.

Your assets include \$10,000 for your household furnishings and personal effects unless you advise a different value for them.

Refundable Accommodation Payment (RAD)

Residents with assets assessed at a level higher than the asset threshold (currently between \$52,500 to \$178,839.20) will be given a choice to pay a Refundable Accommodation Payment (RAD) or Daily Accommodation Payment (DAP). The maximum RAD is published on www.myagedcare.gov.au and on Eventide Lutheran Homes website www.Eventide.org.au under Fees.

Why are accommodation bonds payable?

Capital funding from the Commonwealth is only available in special circumstances. The Commonwealth expects that Aged Care Facilities will charge residents Bonds and Periodic Payments to create sufficient capital to rebuild/renew/replace buildings.

When will the Refundable Accommodation Deposit be payable?

A full DAP will be charged based on the asset assessment until such time as an Accommodation Deposit (RAD) is either deposited into the Eventide Lutheran Homes Bank Account or cheque given to Finance or Administration staff.

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Will I get any of my bond back?

The value of your bond (less any amounts that you have agreed to have drawn down from your deposit) will be repaid to you or your estate following departure from the aged care facility. Eventide Lutheran Homes will pay interest on any bond balance from the date of departure until payment.

Daily Accommodation Payment (DAP)

The daily accommodation payment (DAP) is an equivalent daily price based on the lump sum amount (RAD) that would ordinarily payable. The interest rate used to calculate the daily accommodation payment is the Maximum Permissible Interest Rate (MPIR) which is updated published by the Department of Health and Ageing on a quarterly basis. The current MPIR as of 21st March 2022 is 4.04%.

If the DAP is chosen as the method of meeting the accommodation payment, then this will be paid over and above the basic daily fee and the means tested fee.

If a resident elects to pay by a combination of RAD and DAP, they can choose to have their remaining DAP payments drawdown from the RAD balance.

Financial Hardship

The Aged Care Act 1997 (the Act) has “financial hardship” provisions for residents who have difficulty paying the above care fees. Residents may apply for:

- a reduction in their basic daily care fees; and/or
- the reduction of the means tested fee and/or accommodation payment (RAD or DAP).

Financial hardship assistance applications will be considered on residents’ overall financial circumstances, i.e., their total income and assets, their eligibility for a pension, whether any of their assets are unrealisable, and whether they have income or assets which they can use to pay their care fees.

If you would like to apply for financial hardship, you can obtain the application form from the Finance Officer at Eventide Lutheran Homes.

For further information about the hardship provisions please telephone 1800 020 103 (toll free) and ask for the individual financial hardship assistance area.

Contact

If you would like any further assistance or would like to make an appointment to discuss any of the Residential Aged Care Fees, please contact Sharyn on 55710444, or email finance@eventide.org.au