

Navigating the aged care system

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Welcome

 SUPERGUIDE

WEBINAR

Presenter

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IMPORTANT

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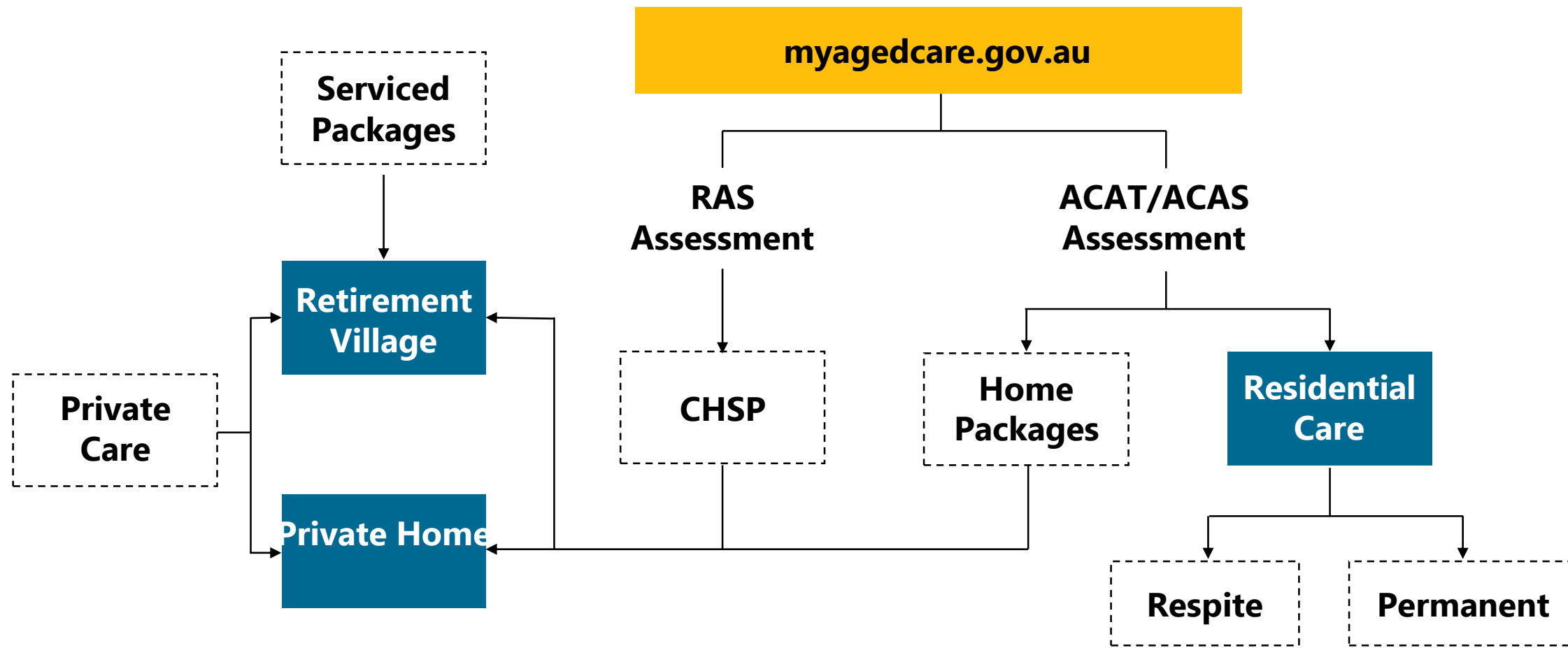
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It's good to plan ahead



Planning ahead for aged care helps to maximise choice and minimise stress

Aged care options



Retirement Village or Residential Care

RETIREMENT VILLAGE

- Personal expense
- Refund depends on the contract
- Money at risk if operator goes into liquidation
- Independent Living
- 1-3 bedrooms plus bathrooms/kitchen

RESIDENTIAL CARE

- Government subsidised
- Fully refunded accommodation cost
- RADs are Government Guaranteed
- Fully supported living
- 1 room and ensuite

Care at home

- It is most people's preference to remain in their own home as they age.
- But as we become more frail and enter those disability years, we may need some help to stay in our own homes.
- Informal care can be provided by our spouse, other family or friends, or we may need formal care.
- What options are available and how much does care in the home cost?

The aim of care in the home is to allow clients to live as independently as possible, for as long as possible.

It also reduces pressure on family members who may be the primary care givers.

There are two Government subsidised Home Care schemes:

The Commonwealth Home Support Program (CHSP) and Home Care Packages

Which one is more suitable will ultimately be determined by Government approved assessors

Support may include:

- Cleaning
- Transport
- Meals
- Personal Care
- Home Modifications

The suitability of home care may depend on:

- Your health and care needs
- Who you live with
- Family help
- Your capacity to pay for extra help
- Where you are located
- The suitability of your home

You don't have to take up or accept a Home Care Package – you can pay privately and get the carers you need

Plan ahead: Don't wait for a crisis



Plan ahead: Don't wait until the need is urgent. Planning and financial capacity may help access care while waiting for government funding.

The Cost of a Home Care Package:

	Full Pensioners	Part Pensioners	Self Funded
Basic Fee	\$4573 per yr (not always charged)		
Income Tested Fee	Nil	Up to \$17.97 per day Capped at \$6544 per yr	Up to \$35.95 per day Capped at \$13,087 per yr
Maximum Fee	\$4573 per yr	\$11,116 per yr	\$17,660 per yr
Total Package Value per year (excluding the basic fee)	Level 1: \$9,793 per yr Level 2: \$17,823 per yr Level 3: \$39,191 per yr Level 4: \$59,594 per yr		

Is a Home Care Package worth it?

It depends on:

- Your care needs/home care package level
- Whether you are going to accept the help
- Whether you will pay an income tested fee

Residential Care



Fully supported living



Generally one room and an ensuite



All inclusive provision of accommodation, food, care, activities etc

What does residential care cost?

Accommodation cost is set by the facility

Care costs are subsidised by the Government.

The cost of care is up to
year per person

68,243 a

But

You only contribute

22,214 to

54,932

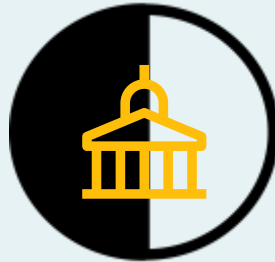
And the Government pays the rest

How much you pay for your accommodation and care will depend on your income and assets.



If assets are below \$58,500

the government covers cost of accommodation



If assets between \$58,500 and \$197,735

the government partially supports you.

Every facility has to offer a portion of supported beds

Residential Care – What will you pay?

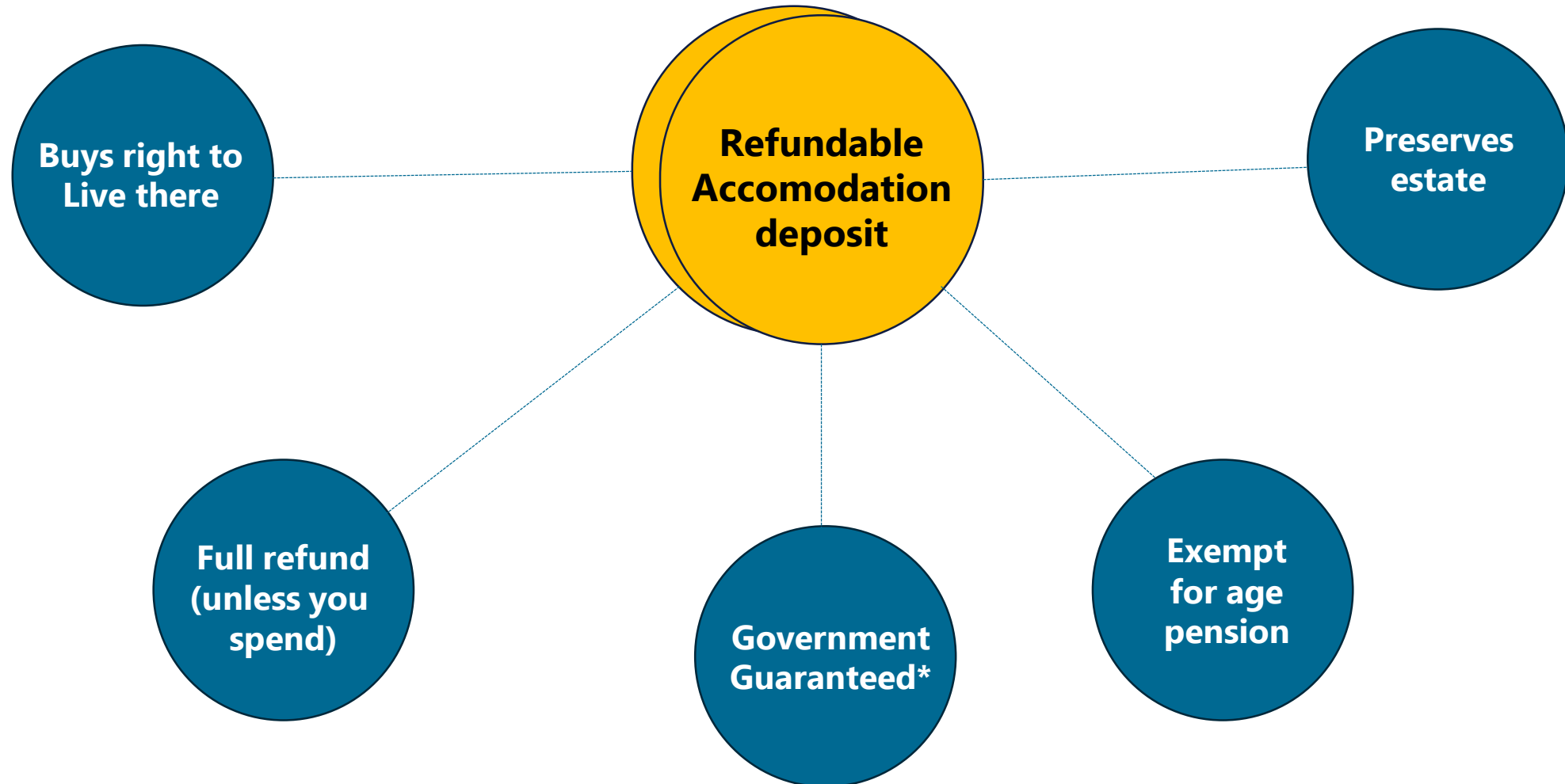
Accommodation Cost	Basic Care Fee	Means Tested Care Fee	Additional or Extra Service fees
Prices set by the facility and published on their website and MyAgedCare	Everyone Pays this fee [equivalent to 85% of the age pension]	Depends on individual income and assets	Vary between facilities
You choose lump sum or daily payment	\$60.86c/day (indexed)	Determined by Centrelink or DVA Annual and Lifetime caps	Depends on the facility \$10-\$100/day

Paying for Accommodation

Lump Sum =
Refundable Accommodation Deposit (RAD)

Daily Accommodation Payment (DAP) =
Daily interest rate
Combination of both

Understanding RADs



*if approved provider, check www.myagedcare.gov.au

RADS and RACs



Supported residents don't pay a RAD

Partially supported pay a Daily Accommodation Contribution which can be converted to a Refundable Accommodation Contribution (RAC)

Additional and extra service fees

**Extra service comes with
the room**

**non
negotiable**

**Additional service are
hotel like services**

**can be
optional**

How to choose which residential care facility

Factors might include

- Location to family and friends
- Affordability based on financial situation
- Reputation and feel of a place

Ways to check include

- A personal visit
- Star Ratings on My Aged Care
- Placement services

What about your home?

Aged care

The value of your home is capped at \$197,735 but exempt if there is a protected person (eg your spouse) living in the home

Age Pension

Exempt while spouse is living there, otherwise up to two years.
After two years the whole value is an assessable asset

Example

1. Dawn is a widow moving into aged care
2. She identifies a facility with rooms with a **\$550,000 RAD**
3. Her home is worth **\$800,000**
4. She is on a full age pension
5. She has **\$250,000** in cash and term deposits

	1 Day One in Permanent Care <small>(before the house is sold)</small>	2 Pay part RAD until house sells	3 When the house sells and RAD is paid
Refundable Accommodation Deposit (RAD)	\$0	\$200,000	\$550,000
Daily Accommodation Payment (DAP)	\$122.81 / day	\$78.15 / day	\$0
Basic Care Fee	\$60.86 / day	\$60.86 / day	\$60.86 / day
Means Tested Care Fee	\$7.01 / day	\$7.01 / day	\$42.71 / day
Total Costs – accommodation and care	\$190.69 / day \$69,596 / yr	\$146.02 / day \$53,296 / yr	\$103.57 / day \$37,802 / yr
Cash in the bank	\$250,000	\$50,000	\$500,000

Things to note

- Anything paid towards the RAD does not count towards the age pension but it does count towards age care costs
- Age pension may decrease as money in the bank increases
- Increased assets will mean an increased means tested care fee
- The DAP is based on a Maximum Permissible Interest Rate (MPIR) set by the Government

Which is the best way to pay?

- Funding options
- Impact on age pension and means tested care fee
- Estate planning
- Emotional and family considerations
- Potential value and use of the family home
- Ability to generate cash flow

Avoid 'carpark' decisions under stress

- Involve family early
- Make your preferences clear, early
- Advance care plans and Enduring Power of Attorney
- Consider estate planning
- Keep important documents together



Wrap up