

# Financial guide

Understanding the finances

Residential Aged Care

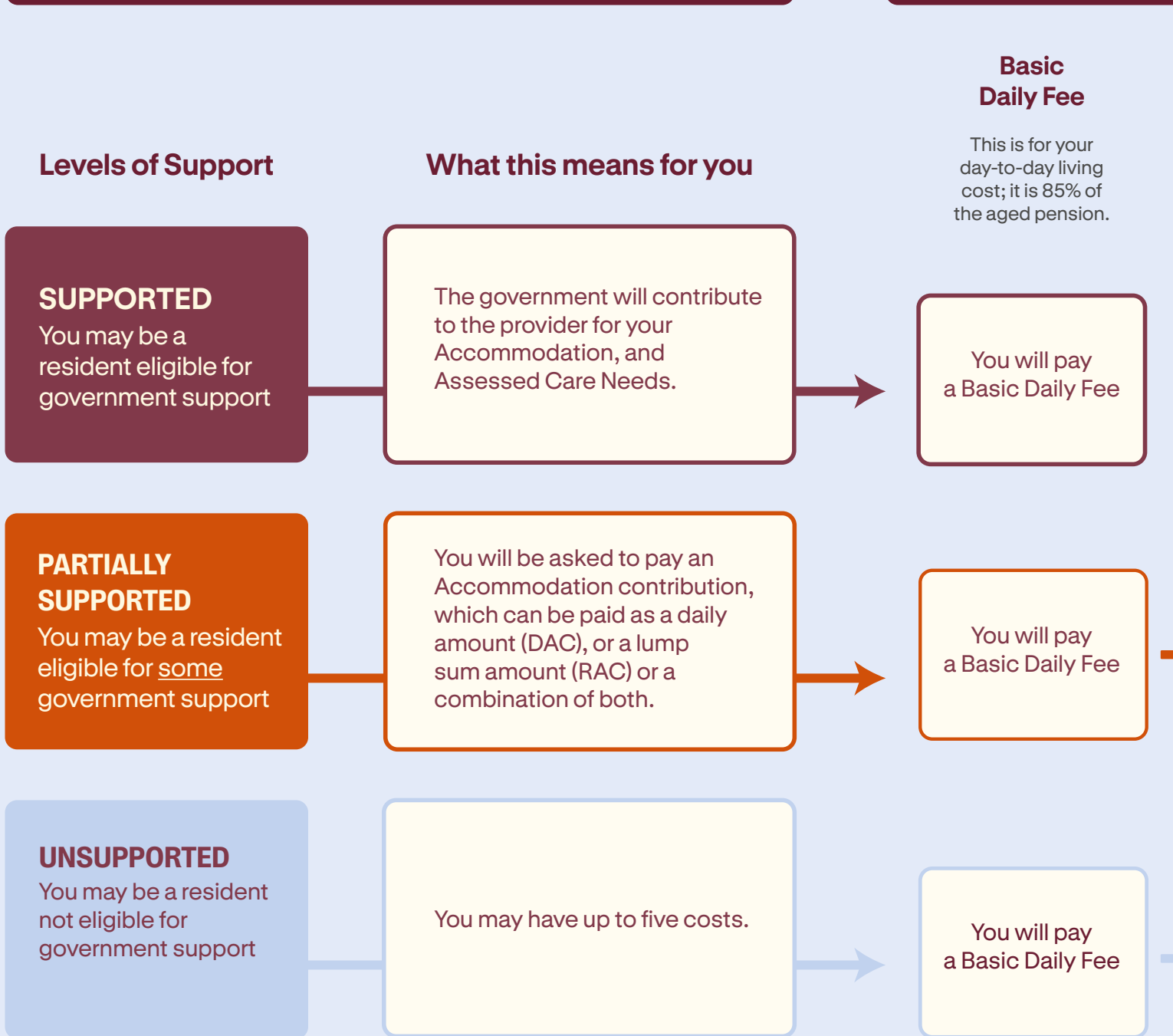


# Understanding the finances

Let us help you understand the fees and charges for Residential Aged Care. In simple terms, the government subsidises the majority of aged care in Australia. However, if you are able to afford the cost of care and accommodation, you will be asked to contribute towards these costs.

As everyone's financial circumstances are different, you may be eligible to receive some assistance towards your accommodation costs. For some residents, the government may pay all or part of the accommodation cost. Eligibility is determined by Services Australia through the income and assets assessment process.

## PART A: There are three levels of support



\*Offering may not be available at all homes across ACT, NSW, TAS, VIC, and WA. If offering is not available, you will not need to pay this fee.

**Please note:** The government frequently changes the level of income or assets thresholds based on support, so always refer to the [myagedcare.gov.au](http://myagedcare.gov.au) site and calculator for up-to-date information.

## PART B: There are five main fees and charges

### Accommodation Payment (RAD/DAP)

If you are able to afford the cost of the care and accommodation, this will be your accommodation cost.

### Higher Everyday Living Fee (HELFF)\*

This optional fee is for Higher Everyday Living Services that we call 'EverydayPlus' - providing greater meals, entertainment and lifestyle choices.

You can purchase 'EverydayPlus' services

### Hotelling Supplement

Residents may be required to pay a Hotelling Supplement fee. This means tested fee is a contribution to your basic hotel services in the home.

### Non-Clinical Care Contribution (NCCC)

The NCCC is calculated by the Department through the government income and assets assessment process and may apply once a resident is assessed to pay the maximum Hotelling Contribution.

You will also pay a partial Accommodation Payment



You can purchase 'EverydayPlus' services



You may also pay a Hotelling Supplement fee



You may also pay a Non-Clinical Care Contribution (NCCC)

You will also pay the Accommodation Payment



You can purchase 'EverydayPlus' services



You may also pay a Hotelling Supplement fee



You may also pay a Non-Clinical Care Contribution (NCCC)

# Understanding the fees

## Basic Daily Fee

This fee covers day-to-day living costs such as meals, cleaning, laundry and electricity. All residents are required to pay this fee when moving into Residential Care. It is 85% of the single aged pension and is increased twice a year in March and September by Services Australia. In some cases, this may be the only fee you are required to pay.

## Accommodation Payment

This covers the cost of your accommodation in Residential Care. Some people will have this covered in full or partially by the Government, while others will be required to pay the agreed amount in the key feature statement issued by BaptistCare.

If you are required to pay an Accommodation Payment, there are 4 different ways you can contribute:

### 1. Lump-sum 'Refundable Accommodation Deposit' (RAD)

This is a lump-sum payment which will be refunded when you leave the centre (less the RAD retention calculated and any fees owing).

### 2. Daily Accommodation Payment (DAP)

This is like a rental style daily payment. The DAP is calculated by the interest on the unpaid RAD amount. Just like rent, there will be no refund when you leave the facility. When you enter care you will be asked to pay the DAP amount until you decide which option to pay the Accommodation Payment.

### 3. Combination of a Lump-sum 'Refundable Accommodation Deposit' (RAD) and Daily Accommodation Payment (DAP)

This accommodation option allows you to pay a partial lump-sum amount which will reduce the Daily Accommodation Payment.

### 4. Combination of Lump Sum Refundable Deposit (RAD) and a variable Daily Payment (DAP) which is to be drawn down from the agreed lump-sum amount

This option allows you to drawdown the DAP from the lump-sum amount. This will reduce the lump-sum amount available for refund when you leave.

All residents have up-to 28 days after date of entry to decide how they would like to pay their Accommodation Payment. During this 28 day decision period, the DAP is payable.

## Higher Everyday Living Fee (HELFF) – 'EverydayPlus'

BaptistCare strives to provide an environment where our residents receive a high standard of respectful, reliable and empowering care, with lifestyle choices and services designed to benefit everyone. Most of our homes offer Higher Everyday Living Services, which we call 'EverydayPlus' services.

These packages are curated for value, designed to make your time with us even more enjoyable.

Services are also available for individual purchase based on your personal preferences, enabling you to have additional choices across meals, entertainment and lifestyle activities no matter your needs.

## Hotelling Supplement Fee

The Hotelling Supplement helps cover everyday living costs such as meals, cleaning, laundry and utilities. Residents may be required to pay a means tested Hotelling Contribution based on an income and assets assessment completed by Services Australia. This fee is indexed annually on 20 September following pricing advice from the Independent Health and Aged Care Pricing Authority (IHACPA).

## Non-Clinical Care Contribution (NCCC)

Residents may be required to pay towards their care through a Non-Clinical Care Contribution (NCCC).

This amount is calculated by Services Australia which has an annual and lifetime cap and is done through the government's income and asset assessment process.

This fee will be applied from date of entry and you will be advised the amount by Services Australia. Services Australia also conducts quarterly reviews and may adjust your Non-Clinical Care Contribution if your circumstances have changed during the last quarter.

\*Until further legislative change, providers cannot accept any RAD or RAC payments until a Means Assessment Letter has been issued by Services Australia. During this interim period, only DAP or DAC payments may be charged.

# The government's income and asset assessment process

## If you do not own your home

If you are receiving a means-tested payment from Centrelink or the Department of Veterans' Affairs (DVA) and do not own your home or retirement living unit, Services Australia will automatically complete an assessment for you when you enter Residential Care, provided they have your up-to-date financial information. If they do not, you will need to complete the Calculation of Cost of Care form (SA457).

## If you own your home

If you receive a means tested payment from Centrelink or DVA and you own your home (including retirement living unit), you will need to complete the Residential Aged Care Property for Centrelink and DVA customer's form (SA485). This form can be accessed on [servicesaustralia.gov.au](https://servicesaustralia.gov.au).

## If you wish not to provide your income and asset details

If you do not wish to provide your income and asset details, or you are not receiving a means tested payment, you will be required to pay the maximum Hotelling Supplement Contribution and maximum Non-Clinical Care Contribution until you reach either the daily caps (and where applicable, the lifetime cap on non-clinical care contributions).

For residents with grandfathered agreements who choose not to "opt in", a means tested care fee may still apply based on their income and assets assessment and is subject to applicable caps.

# Frequently asked questions

## How are payments made?

All fees and charges are direct debited from your nominated bank account monthly in advance. A completed Direct Debit Request form is required before admission. Refundable Accommodation Deposits (RAD) may be paid by bank cheque or electronic funds transfer. For any payment or billing queries, please contact the Accounts Receivable Team in your state.

## What if I'm in a position of financial hardship?

If you believe you are in a position of financial hardship, you can apply for Financial Hardship Assistance. Information on Financial Hardship can be found by contacting the Services Australia Aged Care Hotline on 132 300.

## If you wish not to provide your income and asset details

If you do not wish to provide your income and asset details, or you are not receiving a means tested payment, you will be required to pay the maximum Hotelling Supplement Contribution and maximum Non-Clinical Care Contribution until you reach either the daily caps (and where applicable, the lifetime cap on non-clinical care contributions).



For more information

Call 13 22 78

Email [enquiries@baptcare.org.au](mailto:enquiries@baptcare.org.au)

Visit [baptistcare.org.au](http://baptistcare.org.au)

BaptistCare is a leading purpose-led care organisation. Guided by our Christian identity, we have been serving people and communities across Australia for more than 110 years. We help people find new ways to live better, through residential aged care, home care, retirement living, community services, disability support and housing across New South Wales, the ACT, Western Australia, Victoria, Tasmania and South Australia.