



Living longer, living better



Get in before June 30 to beat Aged Care changes



GOVERNMENT reforms to Aged Care will make it more expensive for many people looking to move into aged care residences after June 30.

Paul Phillips, Managing Director of Grange Aged Care said a change in legislation under the 10 year plan

“Living Longer, Living Better” will introduce new assets tests which will have cost implications for many prospective residents.

“So far, publicity about the changes has been quite minimal but we think it’s important to get people to speak to their financial and

other advisors to ensure they have considered all their options,” he said. “The legislation allows for those who move to an aged care residence before June 30 to continue to be covered by the current arrangements and not be affected by the changes.”

What the changes mean for potential aged care residents

A summary of the key reforms and their potential impact:




- 1. High Care/Low Care distinction to be removed**
There will only be one type of approval for residential aged care and residents will all be subject to the same fee structure.
- 2. Introduction of Accommodation Bonds (to be known as Refundable Accommodation Deposits)**
Currently residents pay an Accommodation Bond as low care residents or residents within an extra service facility.
After July 1, all aged care facilities will be entitled to charge Bonds.
Hence, the payment of Bonds will be extended to high care residents. This will no doubt catch some residents unaware as they negotiate their entry into care from July 1.
- 3. Accommodation payments will replace the Accommodation Bond and accommodation charge**
Accommodation payments will be determined by a resident's assessable income and assets and can be paid as a

- Refundable Accommodation Deposit (RAD), a Daily Accommodation Payment (DAP) or a combination of both.
Residents will have 28 days after entering an aged care facility to decide whether to pay for their accommodation as a RAD or a DAP.
That choice can have an impact on their financial assets, which can therefore influence how much they pay for their ongoing care fees.
- 4. Expansion of means testing**
One of the key changes under the reforms will be the introduction of means-testing for care fees using both income AND assets.
A means-tested care fee will replace the income-tested fee.
An income tested fee is currently determined by a resident's assessable income.
The new means-tested care fee will be determined by a means-tested amount that is calculated using a resident's assessable income and their assets.
- 5. Facilities must publish their entry fees on a website**

- from May 19**
There will be increased transparency with respect to pricing of aged care services as aged care providers will be required to publish the current level of accommodation payments showing the daily accommodation payment and the equivalent refundable accommodation deposit.
- 6. All facilities will have greater ability to offer extra service packages at an additional fee**
These packages can be made available to all residents who can opt-in or opt-out of those services.
- 7. Government guarantees repayment of RADs**
The government will continue to guarantee the repayment of Accommodation Bonds/Refundable Accommodation Deposits.
- 8. Importantly, a grandfathering provision means those residents currently in aged care accommodation, or entering before 30 June 2014, will remain under the current rules.**

Discover The Grange, the way care should be...

Take a break at

Albury & Wodonga

Book a respite stay at *The Grange* and get one week FREE!

**Rooms filling fast
Call (02) 6057 4000**

*Minimum stay of two weeks

www.grangeagedcare.com.au