



kalyra
communities

Aged Care
Making an informed decision

Your financial guide to
Home Care Packages, Respite and Aged Care



Aged Care - what you need to know

Aged Care choices are complex. Making the wrong decisions can come at a high price, both emotionally and financially.

Whether you are considering aged care for yourself, a parent, partner or loved one the decisions you face can seem overwhelming. There's no doubt that the decision for either you, or a loved one, to move into an aged care home is a tough one. It's also an emotional one because it means yielding to the next stage. And, it's complex; you need to have an understanding of the rules and regulations because it's important to understand what you are getting into. This leaflet is designed to provide you with answers to the most commonly asked questions and to help you understand the financial arrangements.

As with any decision in life, having access to the right information can help you make an informed decision which ultimately gives you peace of mind. Understanding all the issues – the implications to your age pension entitlements, the aged care costs you will be charged, as well as the impact on your estate is vital, and Kalyra advises individuals to seek independent advice from a licenced financial advisor with experienced in aged care.

What are the aged care options?

Depending on the level of care required, which may change over time, there are a number of different accommodation options available:

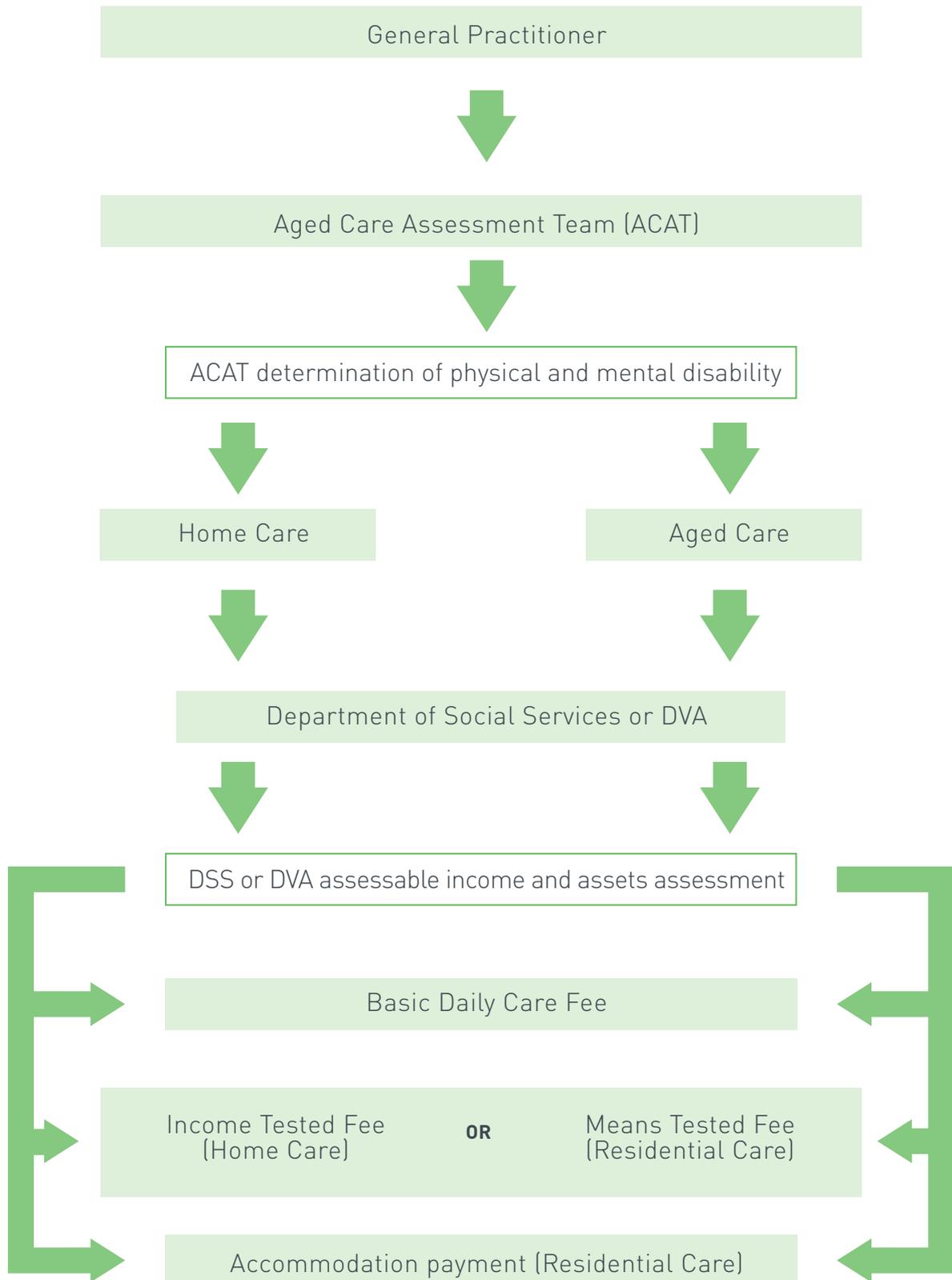
1. Retirement villages.
2. Residential aged care homes.
3. Receiving care at home.

Kalyra offers all these options, and can provide a seamless transition between these care options.

This leaflet will provide information on the financial options and processes available to receive care in your home or one of our facilities.



The assessment process and residential aged care fees and charges



It is important to understand the different financial arrangements in light of your own personal circumstances.

Accessing Aged Care

Prior to accessing most aged care services, you will require an assessment of your care needs and a financial assessment.

Care Needs Assessment

The team of people responsible for this are known as the ACAT (Aged Care Assessment Team). The ACAT, made up of doctors, nurses, social workers and therapists, determine the care services that you are eligible to receive and provide this to you in writing. You should keep this record in a safe place as you will need it to access Home Care Packages (HCP's), respite, as well as permanent entry to an aged care home. This record is valid on an ongoing basis unless your circumstances change.

The ACAT assessment is free of charge and can be carried out in your own home or at the ACAT offices.

Many people are referred to ACAT by their doctor but you can contact ACAT yourself.

Rest assured the ACAT interview process is a relatively easy one and the team's objective is to help you. Be aware that in some cases you could be waiting several weeks to get an appointment for the assessment to be carried out so it's best to book in advance.

MyAgedCare can put you in contact with your local ACAT. You can call them on 1800 200 422 or visit www.myagedcare.gov.au for more information.

Financial Assessment

While your first priority is obviously to find the best possible level of service, it's also important to consider the financial aspects so you make the right choices for you and your family. Making the wrong decision, without the right advice, could result in a loss of age pension, increased aged care costs and a reduced estate to be passed onto the next generation.

While the Government partly funds the cost of care, the fees you pay depend on:

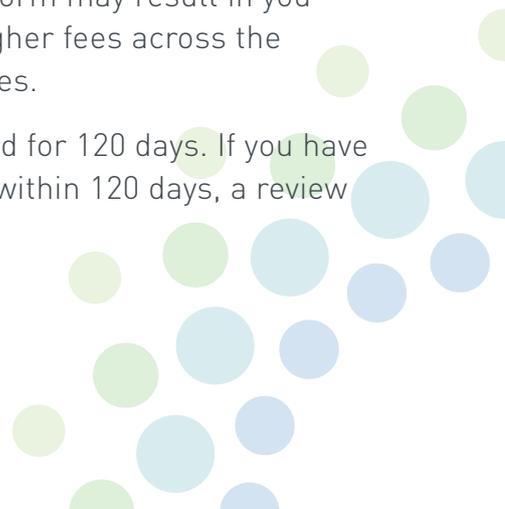
- The level of care required
- The accommodation payment set by Kalyra
- Your assets and income – a financial assessment (assets test and income test) will determine the level of fees you need to pay.

Once the ACAT assessment has been completed and the required level of care is established, the Department of Social Services (DSS) or Department of Veterans' Affairs (DVA) will assess your ability to pay fees for aged care accommodation and services.

You will need to provide asset and income information and will need to complete and lodge a Permanent residential aged care request for combined assets and income assessment form (Centrelink SA457 form) which outlines your current financial position.

As the financial assessment will take into account the amount of your income and assets, it's important to note that failure to complete this form may result in you being charged higher fees across the different categories.

This record is valid for 120 days. If you have not entered care within 120 days, a review will be required.



What are the costs

The costs vary depending on the type of resident you are; a permanent resident staying in an aged care home on an ongoing basis or a respite resident on a more temporary basis.

If you enter and receive respite care in a Government-funded aged care home, you will be asked to pay the standard basic daily fee. A booking fee may also apply. Unlike permanent residents, as a respite resident you do not need to pay any accommodation payments or additional means-tested care fees.

Costs for permanent residents

1. **A basic daily fee.**
2. **A means tested care fee.**
3. **An accommodation payment.**

1. Basic daily fee: You will pay a basic daily fee as a contribution towards care costs and living expenses such as meals, cleaning laundry, heating and cooling. The basic daily fee, set at 85% of the single age pension is paid by all residents of an aged care home, including those on respite. The basic daily fee is indexed twice per year in line with increases in the age pension, and is currently set at \$49.07 per day.

2. Means-tested fee: You will be assessed by the Government based on your asset and income to determine your capacity to financially contribute further towards residential aged care.

Income is assessed under the same rules that Centrelink applies for pension entitlement. Assets, both within Australia and overseas, are assessed at market value. If you are a member of a couple your income and assets will be assessed on a 50/50 basis. Your former home will be assessed up to the capped value of \$162,087.20 unless a protected person is living there, in which case it is exempt from the assessment. A protected person is:

- A spouse or dependent child
- A carer, who is eligible to receive an Australian Income Support Payment, who has been living there for at least two years

- A close relative, who is eligible to receive an Australian Income Support payment, who has been living there for at least five years.

The Means Tested fee is a daily fee, which is capped at \$26,380.51 annually. It has a lifetime cap of \$63,313.28 across all forms of care.

The Department of Social Services notifies the resident/representative and the aged care home of the maximum daily fees payable. The means tested fee is payable from day of admission. If the Means tested fee has not been calculated upon day of admission, the fees will default to a rate set by Kalyra until a determination has been made by Department of Human Services.

3. Accommodation Payment: On entry to the aged care home, a resident will be required to pay an Accommodation Payment. The payment amount is assessed on an individual basis. The amount you can be asked to pay will be based on your income and assets, and will be one of the following:

- **No accommodation costs:** If your income and assets are below a certain amount, the Australian Government will pay your accommodation costs.
- **An Accommodation Contribution:** If you are required to pay part of the cost of your accommodation, the Australian Government will pay the rest. The Department of Social Services will advise this amount.
- **An accommodation Payment:** If you are required to pay for the full cost of your accommodation.

The Department of Social Services will advise which applies to you based on your assessed income and assets. When establishing the amount you pay towards your accommodation, the Government will set the minimum amount of assets that must be retained so that, when you pay an upfront accommodation payment, you would not be left with an amount that is less than the minimum asset amount (currently \$45,500).

The accommodation prices for Kalyra are published on our website, the MyAgedCare website and in our brochures.

Kalyra requires a 25% deposit on the day of admission. If this is not possible, a Deed of Guarantee against a property to secure the room may be required.

Accommodation Payments:

You can choose to pay for your cost of accommodation through:

Option 1: A lump sum (known as a Refundable Accommodation Deposit or **RAD**): Payment of the total amount of the RAD at the time of entry. Periodic payments can be paid from the date of entry until the RAD is paid, not later than 6 months after the date of entry. This lump sum is fully refundable when the resident leaves the aged care home. A letter of probate is required to refund the RAD.

Option 2: Periodic Payment (known as a Daily Accommodation Payment or **DAP**): Applies when you do not intend to pay the RAD as a lump sum. Interest is charged on the balance of any amount that is outstanding. Interest is charged in advance. The interest rate is set by the Department of Social Services at the date of entry and is currently 5.73%.

Option 3: Combination of Lump Sum and Periodic Payment: You may pay an amount as a RAD and an amount as a DAP based on the agreed accommodation payment.

Option 4: Deduction for RAD: If you pay a part RAD, we must, at your request, deduct DAPS from that amount. The amount of your DAP will increase if your RAD is reduced in accordance with the method of calculation.

Any amount of RAD you pay will be an exempt asset for the calculation of your pension entitlement. However your RAD will be included in the calculation of assets for your means-tested fee.

A new resident will have up to 28 days from entering care to decide whether to pay the agreed accommodation price by a refundable deposit or daily payment or a combination of both. During the 28 day period, the resident will be required to pay a daily accommodation payment in advance.

Accommodation Contributions:

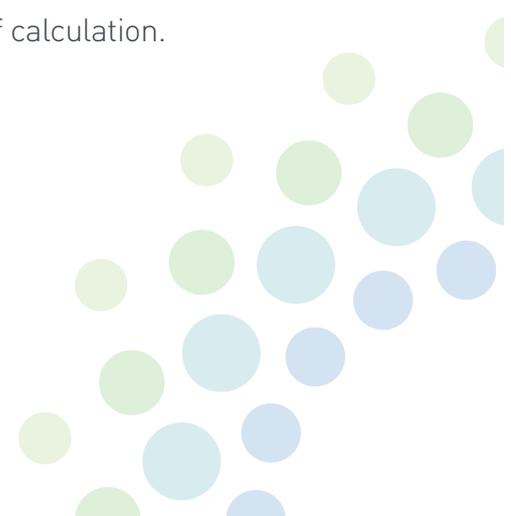
For residents with asset over the \$47,500 and up to \$162,087.20 there will be an accommodation contribution payable. The amount of the accommodation contribution will be determined by the asset assessment undertaken by Centrelink. This daily contribution may be converted to a 'deposit' (known as a refundable accommodation contribution).

Option 1: Refundable Accommodation Contribution (**RAC**): Payment of the total amount of the accommodation contribution as per the asset assessment. The RAC is payable at time of entry and fully refundable when the resident leaves the aged care home (on receipt of a letter of probate).

Option 2: Daily Accommodation Contribution (**DAC**): Applies when you do not intend to pay the RAC as a lump sum. The interest rate is set by the Department of Social Services at the date of entry and is currently 5.73%.

Option 3: Combination of RAC and DAC: You may pay an amount as a RAC and an amount as a DAC based on the accommodation contribution as per your asset assessment. The interest amount is calculated as a daily rate and paid via direct debit.

Option 4: Deduction for RAC: If you pay a part RAC, we must, at your request, deduct DACs from that amount. The amount of your DAC will increase if your RAC is reduced in accordance with the method of calculation.





Receiving care at home

There are a range of services you can receive to assist you to stay at home. These services may be provided through private carers, Commonwealth Home Support Programs (CHSP), a Home Care Package (HCP) or a combination. The costs for private carers and CHSP services varies, so please speak with our staff for more information. To be eligible to receive a Home Care Package you will need to have an ACAT assessment.

Your ability to contribute towards the cost of a Home Care Package will be assessed by the government based on your and (if applicable) your partner's income. Assessable income is determined in accordance with Centrelink income tests and also includes pension entitlement. If your assessable income exceeds the threshold you will need to contribute towards your home care package at a rate of 50 cents per dollar above the threshold.

Full pensioners will not be liable for an income-tested care fee, part pensioners will contribute up to \$5,276.08 per annum, while self-funded retirees will contribute up to \$ 10,552.16 per annum.

A lifetime limit of \$63,313.28 applies to the income tested care fee and the means tested care fee (if you subsequently move to an aged care home).

All Home Care Package recipients will pay the basic contribution calculated at 17.5% of the pension – currently \$ 10.10 per day.

What do you need to do now?

We suggest you prepare for entering a Kalyra aged care home by completing and submitting the following:

- A recent ACAT assessment
- A Kalyra application form
- A recent Asset and Assessment form
- A copy of Guardianship and/or Power of Attorney
- A signed Kalyra privacy statement.

The application forms and privacy statement can be downloaded from **www.kalyra.org.au**

If you wish to be considered for one of our 3 residential aged care homes at Belair, McLaren Vale or Woodcroft or have any further questions please contact our Admissions Officer by email at admissionsofficer@kalyra.org.au or phone (08) 8278 5444.