

## Fee Structure for Permanent Care in an Aged Care Facility

**There are three costs associated with a permanent resident:**



- **Basic Daily Fee:** An amount that everyone pays for day-to-day services they will receive at the aged care home.
- **Accommodation Payment:** Room cost that a resident has to pay partially or fully, depending on Centrelink's Income and Assets Assessment. The balance of the deposit is **fully refundable**.
- **Means Tested Fee:** A government charge. It is a contribution that some people pay towards the cost of their care, determined by Centrelink's Income and Assets Assessment.

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## Details Below:

### 1. The Basic Daily Fee: \$61.96 per day

All residents of an aged care facility are asked to pay something toward their daily living expenses. This is called the Basic Daily Fee.

The things you receive for this are:

- Your meals
- Cleaning of the facility and your room
- Your laundry being washed and dried and delivered to your room
- Heating and cooling
- Some personal care
- Assistance with daily living
- Some medical care and pharmaceutical services

The Australian Government has set the price for the daily fee and this amount is reviewed twice a year, in March and September.

The Government has set the Basic Daily Fee amount at 85% of the annual single basic Age Pension.

### 2. An Accommodation Payment

How much you pay for the accommodation depends on your assets and your income. A Centrelink income and Asset assessment will provide you with the required payment details.

For example, if you have less than \$59k in assets and your annual income is below \$32k, then the government will provide you with a full accommodation subsidy and you won't have to pay anything.

For more information on the Income and Assets Assessment, please refer to the following website:

<https://www.myagedcare.gov.au/aged-care-home-costs-and-fees/> or call 1800 200 422.

### **The following payment options are for Self-Funded Resident:**

#### ***Payment option #1 - Refundable Accommodation Payment (RAD)***

This is a **single payment** to the aged care facility, similar to a bond or deposit.

The balance of the deposit is **fully refundable** to you or your estate when you leave the facility, after the amounts which have been used to pay for agreed services are deducted.

### ***Payment option #2 - Daily Accommodation Payment (DAP)***

A **rental-style payment** calculated on a per day basis.

In this option you pay a Daily fee for your accommodation, which is the interest, called MPIR, on the unpaid RAD amount.

**Daily Accommodation Payment (DAP) = (Unpaid RAD Amount X MPIR) /365**

MPIR (Maximum Permissible Interest Rate) is the government-set interest rate.

Current MPIR =**8.34%**. Please see the current MPIR rates on the Services Australia website.

These payments are not refundable when you leave the facility.

### ***Payment option #3 - A combination of a single payment (RAD) and rental-style payments (DAP)***

The current room price in Glengarry is 550k, 609k, 657k,816k and 837k.

- You may choose to pay a smaller RAD and a larger DAP or the other way around. This really depends on your personal circumstances.
- You can also draw down DAP from your paid RAD.

Prospective residents and their families are encouraged to obtain individual financial advice on the best option for their accommodation payment.

***Please refer to below RAD/DAP option table for some examples.***

Please note that these are examples only and your individual circumstances and RAD/DAP combinations may produce difference price combinations.

<b>Room Price</b>	<b>550,000</b>
<b>Interest Rate</b>	8.34%

  

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
<b>Room Cost</b>	550,000	550,000	550,000	550,000	550,000	550,000	550,000
<b>Deposit Paid</b>	-	-	600,000	500,000	300,000	400,000	550,000
<b>Unpaid Amount</b>	550,000	550,000	(50,000)	50,000	250,000	150,000	-
<b>DAP(Daily Accommodation P</b>	\$ 125.67	\$ 126.27	\$ (11.48)	\$ 11.48	\$ 57.40	\$ 34.44	\$ -

<b>Room Price</b>	<b>609,000</b>
<b>Interest Rate</b>	8.34%

  

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
<b>Room Cost</b>	609,000	609,000	609,000	609,000	609,000	609,000	609,000
<b>Deposit Paid</b>	-	270,000	200,000	250,000	300,000	350,000	609,000
<b>Unpaid Amount</b>	609,000	339,000	409,000	359,000	309,000	259,000	-
<b>DAP(Daily Accommodation P</b>	\$ 139.15	\$ 77.46	\$ 93.45	\$ 82.03	\$ 70.60	\$ 53.18	\$ -

<b>Room Price</b>	<b>657,000</b>
<b>Interest Rate</b>	8.34%

  

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
<b>Room Cost</b>	657,000	657,000	657,000	657,000	657,000	657,000	657,000
<b>Deposit Paid</b>	-	-	600,000	500,000	300,000	400,000	657,000
<b>Unpaid Amount</b>	657,000	657,000	57,000	157,000	357,000	257,000	-
<b>DAP(Daily Accommodation P</b>	\$ 150.12	\$ 150.84	\$ 13.09	\$ 36.05	\$ 81.96	\$ 59.00	\$ -

<b>Room Price</b>	<b>816,000</b>
<b>Interest Rate</b>	8.34%

  

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
<b>Room Cost</b>	816,000	816,000	816,000	816,000	816,000	816,000	816,000
<b>Deposit Paid</b>	-	270,000	200,000	250,000	300,000	350,000	816,000
<b>Unpaid Amount</b>	816,000	546,000	616,000	566,000	516,000	466,000	-
<b>DAP(Daily Accommodation P</b>	\$ 186.45	\$ 124.76	\$ 140.75	\$ 129.33	\$ 117.90	\$ 106.48	\$ -

<b>Room Price</b>	<b>837,000</b>
<b>Interest Rate</b>	8.34%

  

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
<b>Room Cost</b>	837,000	837,000	837,000	837,000	837,000	837,000	837,000
<b>Deposit Paid</b>	-	-	600,000	500,000	300,000	400,000	837,000
<b>Unpaid Amount</b>	837,000	837,000	237,000	337,000	537,000	437,000	-
<b>DAP(Daily Accommodation P</b>	\$ 191.25	\$ 192.17	\$ 54.41	\$ 77.37	\$ 123.29	\$ 100.33	\$ -

For more information on accommodation cost, please refer to the following website for more details:

<https://www.myagedcare.gov.au/understanding-aged-care-home-accommodation-costs>

### 3. Means-Tested Fees

The government looks at your financial assets and your income to determine how much you can contribute to the cost of your care.

Depending on the overall amount, you may be asked to pay an additional fee, i.e. Means-Tested Care fee, for your care.

There is a maximum limit (capped amount) on this fee, which is \$400 per day, \$33k per year and around \$79k for lifetime.

You can never be asked to pay more than the capped amount.

The government has been charging over \$400 a day for those who entered aged care as permanent resident without **submitting** Centrelink assessment. Consequently, we have asked all potential permanent residents to **SUBMIT** the Centrelink Income and Assets Assessment before permanent care entry date.

The processing time for Centrelink Income and Assets Assessment is between 4 to 12 weeks, however the government will not charge this high Means Tested fee if they have received your submission before permanent entry date.

For more information on the Income and Assets Assessment, please refer to the following website:

<https://www.myagedcare.gov.au/income-and-means-assessments>

or contact My Aged Care directly on 1800 200 422.

### Reference

If you would like to know how much you might have to pay towards your aged care home, the following fee estimator can give you an estimate – to help you plan.

[https://www.myagedcare.gov.au/how-much-will-i-pay?fe\\_type\\_of\\_care=age\\_home\\_care](https://www.myagedcare.gov.au/how-much-will-i-pay?fe_type_of_care=age_home_care)