



## **INFORMATION FOR PROSPECTIVE RESIDENT**

### **RESIDENTIAL AGED CARE FACILITY**

#### **HIGH AND LOW CARE**

NOTE: This information is accurate as at 1<sup>st</sup> July 2010

Residential Aged Care Facility where residents are classified as requiring either high care (nursing home) or low care (hostel) by the Commonwealth Department of Health and Ageing. Each resident is eligible to receive a subsidy from the Department to assist in their care needs.

Residents become eligible for admission to a residential aged care facility upon being assessed by the Aged Care Assessment Team (ACAT).

Admission to any Residential Aged Care Facility requires that places are to be allocated on a needs and suitability basis i.e. entry into the facility is gauged by the amount of care required by the applicant.

Because of demand and availability of accommodation, we cannot guarantee that we will be able to offer you placement at the time that you may require care.

John Paul Nursing Home only accepts applications at the time that a person has been assessed by the Aged Care Assessment Team and is ready to accept placement.

If you have any further questions or would like to arrange an inspection please contact:

High Care - Karen Papas, Director of Nursing Care Services

or

Low Care – Gail Wallace, Resident Relations Officer

on 9520 2444. Inspections are by appointment.

## **Respite Care**

John Paul Village offers both high and low care respite to those residents being cared for in the community. Bookings in advance are required. The demand for this service is extensive.

Enquiry should be made directly to Gail Wallace on 9520 2444.

## **FEES AND CHARGES**

### **Daily Fee**

The daily fee is set by the Department of Health and Ageing and is subject to change at the time of increase to pensions.

<b>High Care</b>	Pensioner or non pensioner	\$38.65 per day
	Some Part Pensioners	\$35.89 per day
<b>Low Care</b>	Pensioner or non pensioner	\$38.65 per day
	Some Part Pensioners	\$35.89 per day
<b>Respite</b>	Pensioner or non pensioner	\$38.65 per day

The Department of Health & Ageing will inform eligible Part Pensioners of their applicable fee.

All fees are payable monthly in advance by authorised direct debit.

### **Income Tested Fee**

All residents entering a Residential Care Facility after 1<sup>st</sup> March, 1998, will have their income tested to establish whether they could be liable for an extra fee charge. Generally, income testing will be carried out by Centrelink. Income Testing is a requirement of the Aged Care Act 1997 but is an optional requirement of residents. However, if a resident chooses not to have his/her income tested, he/she could be required to pay the maximum daily income tested fee plus the daily fee.

Income-tested fees will apply from the date of entry. A daily charge of \$4.00 for pensioners and \$25.00 for non-pensioners will apply from the date of entry until the level of liability is determined. Any overcharge will be refunded when the adjustment is made.

#### **Maximum Daily Income-Tested Fee**

- Residents receiving a full means-tested Australian pension N/A
- Residents receiving a part means-tested Australian pension may be asked to pay up to \$25.88 per day
- Non-pensioner residents may be asked to pay up to \$62.11 per day

Income-tested fees do not apply if you have continuously been a permanent resident in any High Care or Low Care facility since before 1<sup>st</sup> March, 1998.

**Persons entering HIGH CARE can be subject to:**

- **Daily Care fee**
- **An Accommodation Charge over and above the daily fee**
- **Any income tested fee that may be payable.**

**ACCOMMODATION CHARGE**

The maximum accommodation charge that a resident can be asked to pay is:-

**Maximum Accommodation Charge for new entrants from 20<sup>th</sup> March 2010 to 19<sup>th</sup> September 2010**

- For concessional residents and charge exempt residents N/A
- For fully supported residents N/A

**Residents who first entered residential care from 20<sup>th</sup> March 2010**

- Non-supported residents, if their assets at entry are at least \$93,410.40
  - That are not in receipt of a means-tested Australian pension \$26.88
  - That are in receipt of a means-tested Australian pension \$26.88
- Supported residents, if their assets at entry are equal to or less than \$93,410.40 calculated amount

The value of a resident's private home will be excluded as an asset if, when the resident enters the residential care facility:-

- The resident's spouse or dependent child is living in the private home;
- A carer eligible for an income support payment has lived there for two years; or
- A close relative who is eligible for an income support payment has been living there for at least five years.

Residents may choose to rent their former home to pay the Accommodation Charge. Where the Accommodation Charge is paid from rent, all rent earned will be exempt for the pension income test and for the purposes of determining aged care fees. In addition, while you rent your home to pay the charge, the value of the family home will be exempt under the pension assets test.

**Persons entering LOW CARE can be subject to:**

- **Daily Care fee**
- **An Accommodation Bond.**
- **Any income tested fee that may be payable.**

**ACCOMMODATION BOND**

An accommodation bond is an amount of money payable for entry to a residential care service by residents who enter permanent care as low (hostel) care, if they are otherwise eligible to pay one.

Residents can choose to pay an accommodation bond as a lump sum, a regular periodic payment, or a combination of both. However, the preference for this facility is that residents pay a lump sum.

A resident has up to six (6) months from date of entry to the facility to pay a lump sum accommodation bond. However, interest accrues on the unpaid amount from date of entry at the rate of 8.80% per annum (as at 1<sup>st</sup> July, 2010). The resident, however, can choose to pay within the six (6) month period. Retention amounts (as below) accrue from the resident's date of entry.

However, periodic payments are payable from the date the resident enters the facility.

The service provider can keep out of the accommodation bond a retention amount, calculated on a monthly basis for up to five years, with the balance of the bond to be refunded to the resident, or their estate, on departure. Service providers may also retain any interest they derive from accommodation bonds.

Residents can be asked to pay an accommodation payment if they have assets of at least the minimum permissible asset value of 2.5 times the annual single rate age pension, rounded to the nearest \$500. At 20th March 2010, this figure is \$37,500.

**Lump Sum Payment**

The Accommodation Bond has been determined as follows:-

The **Accommodation Bond** (Entry Contribution) as at the date of this document is **\$400,000** with the exception of Supported Residents, or such lower amount as may be determined following the calculation of the resident's assets at time of entry.

The Accommodation Bond is in the form of a lump sum payment and, if you leave the Village, a designated amount is returned to you or your estate.

**Amount to be retained from Accommodation Bond -**

\$307.50 per month for sixty (60) month  
i.e. \$3,690.00 per annum for five (5) years.

The maximum amount that can be retained is therefore \$18,450 and no further deductions will be made after five years of occupancy. Full details of this and your repayment are set out in the resident's agreement.

If the resident is provided with care for two months or less, retention amounts are payable for the whole of the month in which the resident entered the service, and the following two months

**Periodic Payment**

Periodic payments are regular payments of an amount equivalent to the amount, which the service provider could have derived from the accommodation bond if it had been paid as a lump sum amount, called the lump sum equivalent.

Periodic payments are not payment by instalments. They are not refundable, unless paid for a period for which the resident was not liable for a periodic payment.

The service provider may charge the full amount of the periodic payment for the month that the resident leaves the service.

If a resident is in care at a service for less than three calendar months, the service may still charge an amount which equates to the periodic payments which would have been payable for three months.

A periodic payment comprises a component for the retention amount (\$307.50 per month) that the service provider would have received on the lump sum equivalent, and a component for the income that the service provider would have derived by way of interest (8.80% per annum as at 1<sup>st</sup> July, 2010) from the lump sum equivalent.

Periodic payments may only include a retention component for a maximum of five years. For the remainder of the person's period in care, the periodic payment would be based only on the income that the service provider could have derived from the lump sum equivalent.

If an accommodation bond is paid partly as a lump sum, and partly through periodic payments, the retention amounts can be included wholly in the periodic payment formula or deducted wholly from the lump sum, or partly through each in an agreed proportion.

### **Transferring from another Low Care Facility to High Care facility.**

If a person paid a bond on entry to low care (hostel) and subsequently moves to another residential care facility to receive high care (nursing home) you may, with the agreement of the service provider, either:

- a. have the balance of the Accommodation Bond fully refunded from the previous facility and pay a daily Accommodation Charge in the new residential care facility: or
- b. transfer the balance of the Accommodation Bond to the new residential care facility. In this case, only the balance of the five year retention period will carry over to the new residential care facility.

### **Supported Residents Status (formerly Concessional Residents)**

You are eligible to be a supported resident under section 44-5B of the Aged Care Act 1997 if:

- you entered permanent residential care on or after 20 March 2008; and
- the value of your assets is less than \$93,410.40.

In working out the value of your assets, the value of your home will not be counted if your home is occupied by either:

- your partner or dependent child;
- your carer, who is eligible for an income support payment, and has occupied your home for the past 2 years; or
- a close relation, who is eligible for an income support payment, and has occupied your home for the past 5 years.

If you have assets of less than \$37,500, you will not be required to pay an accommodation bond or charge.

If you have assets between \$37,500 and \$93,410.40, you will be required to make a contribution to your accommodation costs.

People who were provided with permanent residential aged care before 20 March 2008 and qualified for government assistance with their accommodation costs are known as concessional or assisted residents.