

BELVEDERE

AGED CARE

Room & Pricing Information

Valid from 1 April 2016

Living Longer, Living Better reforms

Changes to aged care rules

Australia's Aged Care System is set to change significantly with the introduction of new rules. Changes to fees are part of the reforms to the Aged Care System to make it more sustainable and affordable. The changes apply to new residents who will enter Belvedere Aged Care on or after the 1 July 2014. Please note that our current residents will remain on their current arrangements. However, if the resident leaves care for more than 28 days, they will be subject to the new provisions when they re-enter care. A resident will also be given the option to change to the new system if they move to a new aged care service.

More information on the Aged Care Reforms is available on the Department of Social Services Website. Information is also available on the My Aged Care Website. You can also call My Aged Care on 1800 200 422 for further information. Please do not hesitate to contact us if you have any queries.

What is a RAD (Refundable Accommodation Deposit)?

A RAD is a refundable lump sum accommodation payment. The care recipient may agree the amount of payment with the approved provider prior to or on entry to the service. The care recipient has 28 days to decide on the method for making the payment.

What is a DAP (Daily Accommodation Payment)?

The Fees and Payments Principles 2014 set out the rules for equivalence between a RAD and a DAP. Section 8 states that an approved provider must ensure equivalence between the RAD and DAP by using the Maximum Permissible Interest Rate (MPIR applicable or the pricing day.

As an example:

The RAD for a room is \$400,000.00.

The MPIR on the day is 6.28%.

The DAP is $\$400,000 \times 6.28\% \div 365 \text{ days} = \68.82 .

What is a RAC?

A RAC is a refundable lump sum accommodation contribution. Like the RAD, the amount of the RAC is agreed with the care recipient prior to or on entry to the service. The care recipient has up to 28 days to decide on the method for making the payment.

As an example:

The Care Recipient has assets of \$159,423.20.

The Minimum Permissible Assets the Care Recipient is to be left with is \$46,500.00 (as at 20 March 2016).

Therefore RAC: $\$159,423.20 - \$46,500.00 = \$112,923.20$

DAC: $17.5\% \times 112,923.20 \div 364 = \54.29

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How much can a Care Recipient who is paying a RAC contribute to the cost of their Accommodation?

In the example above, if the facility is deemed newly built (NB) or significantly refurbished (SR) the Care Recipient will contribute \$54.29 and the Government co-contribution is zero.

Another example:

If the Care Recipient has assets of \$120,000.00.

The Minimum Permissible Assets the Care Recipient is to be left with is \$46,500.00 (as at 20 March 2016).

Therefore RAC: $\$120,000.00 - \$46,500.00 = \$73,500.00$

DAC: $17.5\% \times 73,500.00 \div 364 = \35.34

The Care Recipient will co-contribute \$35.34 towards the costs of Accommodation and, because the facility is deemed newly built or significantly refurbished, the Government will contribute up to the \$54.29, therefore $\$54.29 - \$35.34 = \$18.95$ per day.

What is the difference between a RAD and a RAC?

The difference between a RAC and a RAD is that a RAC is the term used when a person who is receiving Australian Government assistance with their accommodation costs makes a 'contribution' towards their accommodation costs (with the Australian Government also making a contribution on their behalf).

What are the minimum permissible assets a person must be left with?

Division 52J-5 of the Living Longer Living Better Act 2013 state that a person must be left with minimum assets after paying an accommodation payment. The minister determines the amount of minimum assets by a legislative instrument. As at 20 March 2016, the amount is \$46,500.00.

What determines the payment of a RAD or RAC?

Section 52G of the Living Longer, Living Better Act 2013 sets the rules for when an approved provider may legally charge a RAD or a RAC.

In summary:

If the person's Means Tested Amount is greater than the maximum Accommodation Supplement, the person may legally be charged a RAD.

If the person's Means Tested Amount is lesser than the maximum Accommodation Supplement (\$54.29 as at 20 March 2016), the person may legally be charged a RAC.

Terminology changes

Before 1 July 2014	From 1 July 2014
Accommodation Bond	RAD – Refundable Accommodation Deposit
Periodic Payment	DAP – Daily Accommodation Payment
Accommodation Charge	DAP – Daily Accommodation Payment
Daily Care Fee	Daily Care Fee
Income Tested Fee	Means Tested Fee (Contribution to Care Fee)
Part Accommodation Bond (Partially Supported)	RAC- Refundable Accommodation Contribution
Part Periodic Payment (Partially Supported)	DAC- Daily Accommodation Contribution

Terminology changes

	Before 1 July 2014	From 1 July 2014
ACAT Assessments	An ACAT assessment is needed to determine the appropriate level of care (high or low).	The distinction between high-level and low-level care will be removed. ACAT assessment will simply determine what form of care is required.
Accommodation Payments	Accommodation is paid as an Accommodation Bond if entering Low-Level care or a High-Care Extra Facility. Accommodation costs are determined by a resident's assessable assets.	Accommodation can be paid as a: <ul style="list-style-type: none"> • RAD - Refundable Accommodation Deposit (lump-sum payment); • DAP - Daily Accommodation Payment; • Combination of RAD and DAP; Residents will have up to 28 days after entering a facility to decide on their payment method. Accommodation costs will be determined by a resident's assessable income and assets. The prices of rooms must be published on "myagedcare" website.
Retention Amounts	Retention amounts will not be deducted from refundable accommodation deposits.	Retention amounts will not be deducted from refundable accommodation deposits.
Ongoing Care Fees	Ongoing Care Fees include: <ul style="list-style-type: none"> • Basic Daily Fee: Payable by All Residents; • Income-Tested Fee: Not payable by full pensioners and determined by a resident's assessable income. A maximum daily fee applies; • Extra service fee; 	Ongoing Care Fees will include: <ul style="list-style-type: none"> • Basic Daily Fee: Payable by All Residents; • Means-Tested Care Fees: Will be determined by a resident's Assessable income and assets. The maximum daily fee will be removed however yearly and lifetime caps will apply. • Extra Service Fees: All facilities will be able to offer extra services for an additional fee. • RAC / DAC: Refundable Accommodation Contribution / Daily Accommodation Contribution may be payable by Supported Residents.

	Before 1 July 2014	From 1 April 2016
Assessment of the home to determine ongoing care fees	The value of the home is not assessed when calculating the income-tested fee.	The value of the home will be assessed for the means-tested care fee up to a cap of \$159,423.20, unless occupied by a protected person. An annual cap of \$25,939.92 will apply to a resident's mean tested contribution to their care costs, together with a lifetime cap of \$62,255.85. These amounts will be indexed.
MyAgedCare website	RAC- Refundable Accommodation Contribution	Information regarding maximum Accommodation Price and descriptive information on My Aged Care Website. The published information must include the maximum accommodation price as a refundable deposit, an equivalent daily payment and an example of a combination payment of both.

Extras services

Belvedere Aged Care is an Extra Service Residence. Some rooms may attract an Extra Service fee ranging between \$25.00 to \$31.25. These fees provide residents with access to numerous services. The Extra-Service Fees are negotiable. Please do not hesitate to speak to us further if you would like more information.

Payment options

Residents can choose to pay for their accommodation by a refundable deposit, a daily payment or a combination of both. A refundable deposit is paid as a lump sum amount. A daily payment accrues daily and is paid periodically, for example monthly. A combination payment includes both a partial lump sum and daily payments.



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