

BANAWAH

RESIDENTIAL AGED

CARE

FINANCIAL INFORMATION



ADMISSION REQUIREMENTS

- A government requirement is that the Aged Care Assessment Team (ACAT) must assess every prospective resident as needing residential aged care. This can be organised through your Doctor or by contacting ACAT Hume Region Assessment Service on: 03 5823 6000.
- Banawah strongly recommends that residents appoint Powers of Attorney, both financial and medical and a guardian if appropriate.
- Banawah strongly recommends that all residents have a current will in place.
- Banawah strongly recommends that all prospective residents/ representatives arrange to see a professional financial advisor prior to considering accommodation in residential aged care.
- Banawah may require prospective residents to complete the Centrelink Income and Assets assessment form to determine the level of accommodation payment that maybe payable. This will be required when:
 - Your assets are below \$155,800 (subject to change) or
 - You and your representative are of the opinion you are not able to pay the agreed accommodation price as published.
- If at time of entry, financial assessment from the Government has not been received, a standard charge will be payable and adjusted when information is received.

The standard charge for Banawah is the basic care fee plus \$10.00 per day.

- Banawah requires a signed residential agreement to be in place prior to admission. This agreement details the financial arrangements and security of tenure for the resident.

FEES AND CHARGES

Fees and charges are legislated by the Federal Government. You may be asked to contribute to the cost of your care depending on your financial situation.

You may be asked to pay one or more of the following fees in residential care:

- **A Basic Daily Care Fee**
All residents entering an aged care facility will all be required to pay a basic daily care fee. This covers living costs such as meals, power and laundry. For some people, this is the only fee they are required to pay. This is currently approximately 85% of the single aged pension. The Government increases the basic daily care fee in March and September each year, in line with pension increases.

- **Respite**
Residents are required to pay the basic daily care fee for respite care. No other charges are applicable.
- **A Means-tested Care Contribution Fee**
This is an additional contribution towards the cost of care that some people maybe required to pay. The Department of Human Services will work out if you are required to pay this fee based on an assessment of your income and assets, and will advise you of the amount.
There are annual (\$25,000 maximum) and lifetime caps (\$60,000 maximum) in place to limit the amount of the mean-tested care contribution fee you will need to pay.
- **An Accommodation Payment**
This payment is for your accommodation in the home. Some people will have their accommodation costs met in full or part by the Australian Government, while others will need to pay the accommodation price agreed with the aged care home. The Department of Human Services will advise you which applies to you based on an assessment of your income and assets.

ACCOMMODATION PAYMENT

Residents who are deemed to have the capacity to pay for their accommodation will be required to make an appropriate accommodation payment. All residents with assets above \$45,000 will be assessed on this. Providers must leave every resident with \$45,000 in assets after deducting the relevant RAD (Refundable Accommodation Deposit) from their overall asset base.

New residents will have the choice to pay for their accommodation payment by:

1. RAD - Refundable Accommodation Deposit (lump sum).

A RAD is essentially an interest free loan from the resident to the Banawah as the care provider. It is fully refunded once the resident leaves the facility.

Choosing a full lump sum RAD is electing to pay the full price set for the accommodation as a lump sum.

For example: John enters into care and has been asked to pay \$380,000 for a room in Banawah. He elects to pay the entire \$380,000 as a lump sum.

2. DAP – Daily Accommodation Payment is calculated from the RAD at a government set interest rate which at 1 September 2014 is 6.69%. This is a fee paid daily and is essentially an interest payment on the equivalent lump sum RAD.

For example: John elects to pay his \$380,000 as an equivalent DAP which would be \$69.45 per day. ($\$380,000 \times 6.69\% / 100 / 365 = \69.64)

3. A combination of the above two options.

This is the term determining the amount payable by the way of RAD and the remainder payable by DAP.

For example: John decides to pay for his \$380,000 full price room at 50% RAD (\$190,000 as an upfront lump sum) and then converts the remaining \$190,000 to a DAP (\$34.82 per day). Upon leaving the facility John will have the RAD balance refunded to him or his estate less any charges outstanding.

In addition to choosing to pay a combination of a RAD and DAP, residents have the choice to have their daily accommodation payment (DAP) drawn down from their lump sum (RAD) on a monthly basis. However, due to the diminishing balance of the RAD as a result of the DAP being drawn down from the RAD, the DAP will increase each month relative to ensuring the total agreed market price is continuing to be paid.

For example: John provides \$190,000 RAD and pays the remaining \$190,000 as DAP, but rather than physically paying the DAP each month, John elects to have the DAP drawn down from the existing RAD held by Banawah. This means each month an entry is made against the existing RAD for the amount owing from the DAP ie for a 31 day month the DAP = \$1,079.42 (31 x \$34.82). Therefore, after the first month, the RAD now totals \$188,920.58 (\$190,000 - \$1,079.42).

Accommodation payments for Banawah is as follows:

Type	Banawah
Full Refundable Accommodation Deposit (RAD)	\$380,000
Daily Accommodation Payment (DAP) Conversion	\$69.64
Combination 50% RAD and 50% DAP	\$190,000 \$34.82

These prices may also be negotiated

TIMEFRAMES

- Residents have 28 days to decide how they will elect to pay their accommodation payment.
- If a decision is not reached within 28 days, the default option will be a full DAP.
- Residents may however convert the DAP to a full RAD or a combination of RAD and DAP at anytime. However, once a RAD is paid, the RAD cannot be converted to a DAP.

MY AGED CARE WEBSITE

- www.myagedcare.gov.au provides information about aged care services. It also includes information about fee arrangements for aged care.
- On the website, there is a fee estimator to assist you to estimate what costs aged care homes may ask you to pay.
- To talk to someone about estimates of fees on new arrangements, please call 1800 200 422.

FREQUENTLY ASKED QUESTIONS

1- Is the home an assessable asset for the purpose of determining a resident's ability to pay an accommodation payment?

The former home will be assessed as an asset unless a protected person is living there, in which case it is exempt from assessment.

For the purpose of the assessment a protected person is;

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

2- Are joint assets (in both the residents and spouse's name) assessable for the purposes of determining an accommodation payment?

- The value of the combined assets of a couple are assessed, with a half share of the assets being applied as assessable for determining an accommodation payment
- Where an asset is held jointly or in common with a person other than the resident's partner, the assessable amount is determined as the Residents interest in the asset.

3- How does an accommodation payment affect a resident's pension?

Any amount of a lump sum RAD that you pay will be an exempt asset for the calculation of your pension. However the payment of the RAD will be included in the calculation of assets used to determine your care contribution fee (means tested fee)

4- Is interest charged on an unpaid Refundable Accommodation Deposit (RAD)?

Yes- Any lump sum unpaid RAD will incur interest from the date of admission to the agreed payment date. Interest will be charged at the maximum Permissible Interest Rate (MPIR) as set by the Government, currently 6.69%

5- When and how is the RAD refunded?

The RAD is refunded to the resident or resident's estate after any fees owing are deducted at the point a resident leaves the facility or deceases.

FURTHER INFORMATION

For information relating to Banawah, please contact the following:

Nathalia District Hospital
Manager/Director of Nursing
Phone: 58 669 4444

For financial information please contact:

GV Health – Billing Department
Residential Aged Care
Phone: 58 322 046