Aged Care Fees Demystified

SUMMITCARE

Aged care fees fall into **four main categories**: Care, Accommodation, Everyday Living, and Higher Everyday Living. A Centrelink income and assets assessment determines your required contribution, which providers cannot influence. We advise consulting an aged care financial advisor.

Care Fees
Care fees, covered by Medicare's AN-ACC funding, directly support a resident's individual care needs. This funding, similar to GP bulk billing or childcare subsidies, is determined by an independent assessment for the Department.

If you are determined to have means of financial capacity by Centrelink, Medicare will charge the provider a fee called the **Non-Clinical Care Contribution (NCCC)** on your behalf. The provider will recover these fees from you in your monthly account. Our policy is to mirror exactly what charges have been charged to us. The provider cannot influence these fees and acts solely on the government's direction to charge these set amounts.

Accommodation Fees
Accommodation fees are the equivalent to owning a house or paying rent. This follows the same principals as before you entered aged care. Your status is determined by Centrelink based on your income and assets assessment. This determines how much of the accommodation fees you will need to pay, again the provider has no ability to influence this.

If you are assessed as **fully supported** the government will cover all your accommodation costs. If you are assessed as **partly supported** the government will determine how much you need to pay. You will have the choice as to whether you can pay this in a lump sum (like buying a house), a daily fee (like rent) or a combination of the 2 that is part rent / part purchase. Lump sum payments will have a small retention held back by the provider as per the legislative requirement (explained later).

If you are assessed as **not supported** you will need to agree an accommodation price with your provider. All providers are required to advertise their room prices on their website and myagedcare, it is **illegal** to charge more than the advertised price.

Once you have agreed a room price you will have the choice as to whether you can pay this as a lump sum (like buying a house), a daily fee (like rent) or a combination of the two that is part rent / part purchase. Just as the above scenario, lump sum payments will have a small retention held back by the provider as per the legislative requirement (explained later).

The government has legislated that all providers must withhold a 2% per annum retention of any lump sum payment the retention can be deducted for up to 5 years.

Everyday Living

Everyday living fees cover the standard costs of daily life in an aged care home, such as meals, cleaning, laundry, and utilities, this is very similar to the costs of running your house before you moved into aged care. There are 2 government set fees charged in this area

The **Basic Daily Care fee** is paid by every resident irrespective of their means and is set at 85% of the single Age Pension rate.

The **Hotelling Supplement** is calculated and determined by the government and Centrelink will determine how much you need to pay based on your income and asset assessment. That is this is not determined by the provider.

Higher Everyday Living Fee

Aged care fees, largely legislated, are designed to cover a minimum standard of care, accommodation, and living costs. However, most providers offer services significantly exceeding these basic requirements, incurring substantial additional costs. To cover the delivery of these enhanced services, a **Higher Everyday Living Fee** (HELF) is charged.

Some examples of services that are not covered by specific care and services are;

- Access to telephone, and internet and Wi-Fi services in the residential care home are covered but not the cost of phone calls, and usage charges and devices
- A range of non-alcoholic beverages at each meal such as water, milk, fruit juice, tea and coffee are covered, however this does not include soft drinks and alcoholic beverages
- Regular outings into the community are included but the cost of transport, entry tickets, or purchased food and beverages associated with the outings are not included
- Additional allied health consultation (like physio and podiatry services) over and above what is defined in the AN-ACC funding are not included
- Hair dressing and beauty services are not included