



WHAT ARE THE FINANCIAL CONSIDERATIONS?

What are the Daily Care Fees?

Daily Care Fees contribute towards your daily living costs, such as nursing and personal care, meals, linen and laundry. These have two parts:

- A Basic Daily Care Fee (set by the Federal Government) and applies to all aged care facilities, and
- An additional Means-Tested Care Fee for residents who have a higher income and can contribute to the cost of their care as determined by the Government. There are annual and lifetime caps that apply to the Means-Tested Care Fee. Once these caps are reached, you cannot be asked to pay any more Means-Tested Care Fees. Any Means-Tested Care Fees you have paid in a Home Care Package prior to moving into an residential aged care facility will also contribute to your annual and lifetime caps.

What is an Accommodation Payment?

Accommodation Payments contribute towards the cost of your accommodation. You only pay this if your assets exceed an amount set by the Federal Government. This Accommodation Payment is agreed with the facility prior to entry and will be in the form of:

- A Refundable Accommodation Deposit; or
- A Daily Accommodation Payment; or
- A combination of both.

Only residential aged care facilities that are accredited by the Australian Aged Care Quality Agency as meeting required standards of accommodation can charge a Refundable Accommodation Deposit. The details of the Maximum Refundable Accommodation Deposits for each room are included in the Key Features Statements available on the facility's website.

What is an Accommodation Payment Guarantee Scheme?

The Accommodation Payment Guarantee Scheme was introduced in the 2006-07 Budget and guarantees the repayment of aged

care residents' refundable accommodation payments (including deposits and accommodation bonds) if the approved provider becomes insolvent or bankrupt and defaults on its refund obligations.

The Guarantee Scheme is covered under the Aged Care (Bond Security) Act 2006 and the Aged Care (Bond Security) Levy Act 2006. There is no current expiry on this guarantee scheme.

Are there any other costs?

If a residential aged care facility provides Extra Services, 'hotel' type services including higher standards of accommodation and food choices then it obtains approval to charge an Extra Services Fee. The fee for these Extra Services varies from facility to facility. Please contact the Client Relations Manager for further details.

At Cranbrook Care we also offer each resident an Enhanced Service Package. As a premium aged care provider, this fee is for the additional activities, quarterly events and personalised services that we provide residents over and above what is provided in the average aged care facility.

Cranbrook Care has an extensive selection of Optional Lifestyle Services. These include services provided in our hair and beauty salon, telephone line rental, Foxtel and dry cleaning. The Lifestyle Services offered varies from facility to facility. Please refer to the facility's Lifestyle Services Price List for the full list of Lifestyle Services prices.

How much will it cost me to become a resident at a Cranbrook Care residence?

The cost to a resident at Cranbrook Care's facilities can vary considerably. Many residents are eligible for Government subsidies to help cover the cost of care and accommodation. Each resident is "means tested" by Centrelink and then the remaining cost needs to be covered by the resident. For further information regarding the cost of residential care refer to the Government's website www.myagedcare.gov.au or by calling their Aged Care Information Line 1800 200 422.

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Where do I find out about costs?

Understanding costs can be daunting but it is important to understand. The best thing to do is have a chat with your accountant or financial adviser. You can also contact our Client Services Manager for more specific information. It is important to note that you can receive advice from financial advisers who specialise in the aged care sector. Our Client Services Manager has more information on how to contact them.

How does the Accommodation Payment affect my basic daily care fee?

If you pay an Accommodation Payment you may be asked to pay the non-pensioner basic daily care fee, even if you are a pensioner.

Will my home be "protected"?

When you enter the residential aged care facility, the value of your former home will not be counted as an asset if:

- Your spouse or dependent child is living there;
- 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.

What are my Accommodation Payment options?

While it does depend on your Resident Agreement, generally the Accommodation Payment can be paid in the form of:

- A Refundable Accommodation Deposit – an amount of money paid or payable by a resident for entry into residential aged care; or
- A Daily Accommodation Payment; or
- A combination of both.

The Daily Accommodation Payment is calculated by converting the Refundable Accommodation Deposit into a daily charge using the Maximum Permissible Interest Rate (MPIR) that applied at the time of admission. The MPIR is at a rate set by the Federal Government. The Daily Accommodation Payment is invoiced monthly.

What if I move to another residential aged care facility?

If you have previously paid a Refundable Accommodation Deposit and then move to another residential aged care facility, your Refundable Accommodation Deposit will be refunded. You will then need to enter into a Resident Agreement with the new residential aged care facility.

How do Accommodation Payments affect pensions?

From 1 July 2005, lump sum Refundable Accommodation Deposits paid by residents in aged care facilities are exempt from the social security and Veterans' Affairs asset test.

Also from 1 July 2005, aged care residents who pay a Daily Accommodation Payment are able to rent out their former home without the value of the home or the rental income affecting their pension.

The Government's free Financial Information Service, which is available through Centrelink to all older people, can give you information about these effects. You can make an appointment with the Financial Information Service by calling 13 23 00 or you can contact an independent financial adviser.

What are the safeguards for residents?

You cannot be asked to pay the Refundable Accommodation Deposit unless you have entered a Resident Agreement.

This agreement sets out your rights and responsibilities. You have up to 28 days after entering an aged care facility to enter into the Resident Agreement.

Where a person is unable to enter a Resident Agreement due to mental impairment, the agreement must be signed by a Power of Attorney or Guardian.

From 1 July 2006, under new prudential arrangements, when you pay a Refundable Accommodation Deposit the service provider must:

- Repay the Refundable Accommodation Deposit balance within the statutory time periods, which is within 14 days of giving notice of your departure, on the day you leave if you notify your provider of your departure more than 14 days before you leave, within 14 days after you leave if no notice is given or in the case of death, 14 days after the approved provider is shown probate or letters of administration; and
- Provide you with a copy of the Resident Agreement.

If the provider does not refund your Refundable Accommodation Deposit balance on the day you leave, interest will be paid on your Refundable Accommodation Deposit balance until it is refunded.

Furthermore, in the event a provider becomes bankrupt or insolvent, the Government will repay your Refundable Accommodation Deposit balance entitlement, including any interest that has accrued on the balance.

What is Gifting?

Any amount given away from 10 May 2006 over \$10,000 in a single financial year or \$30,000 in a five financial year period will be included in a Centrelink assessment. As a result, you may not be eligible for Government assistance with your care costs.

Any other questions?

If you have any other questions relating to the costs of aged care, please speak to our Client Relations Manager.

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