

CHANGES TO THE AGED CARE SYSTEM



SUPPORT at HOME - NO WORSE OFF PRINCIPLE

Older Person was Receiving a Home Care Package (HCP); was on the National Priority System; or was Assessed as Eligible for a Package Before 12th Sept 2024

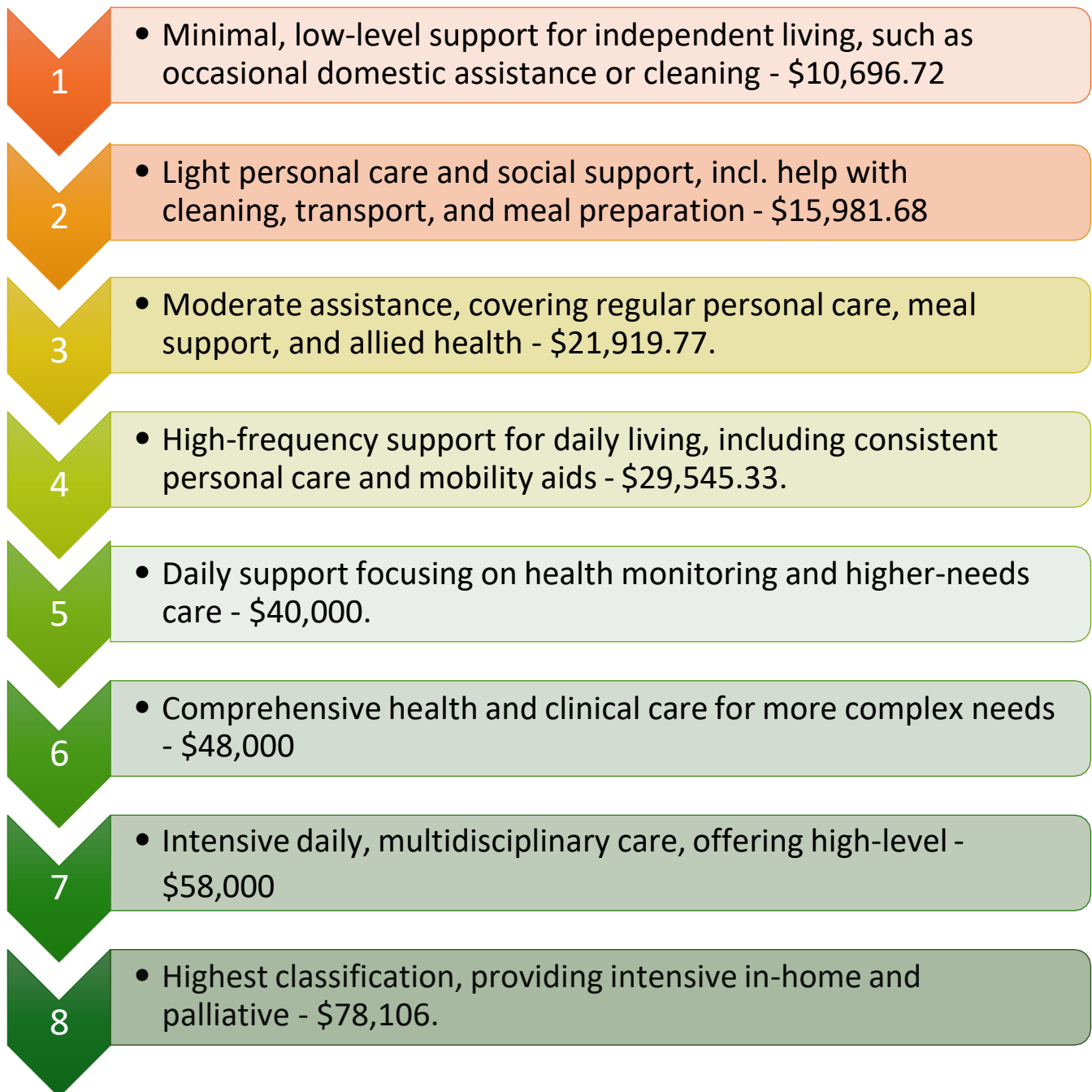
FULL PENSIONER GRANDFATHERED PARTICIPANT	• Pay nothing for Clinical Care, Independence Supports or Everyday living Services. • Unspent funds carried over, may be used - ✓ on approved items, including AT-HM equipment and home modifications. ✓ used after your quarterly SaH budget is exhausted, for extra ongoing support services, • Lifetime contribution cap for grandfathered clients: \$82,018.15
PART PENSIONER GRANDFATHERED PARTICIPANT	• Clinical Care is fully covered – pay 0%. • Unspent funds carried over may be used as above. • Independence Supports and Everyday living Services - pay between 0% and 25% of the hourly cost of the service provider price, depending on your income & assessment. You will pay no more than you do now, you may pay less. • Lifetime contribution cap for grandfathered clients \$82,018.15
SELF FUNDED RETIREE - GRANDFATHERED PARTICIPANT	• Clinical Care is fully covered – pay 0%. • Independence Supports – pay up to 25% of the hourly cost of the service. • Everyday living Services – pay up to 25% of the hourly cost of the service. • Unspent funds carried over (as above). • Lifetime contribution cap for grandfathered clients: \$82,018.15

HOME CARE PACKAGES versus SUPPORT AT HOME

	Home Care Packages	Support at Home Packages
No. of Levels	4 Levels	8 Levels plus, Short term pathways
Budget	Annual lump sum	Quarterly budget
Unspent funds	Grandfathered HCP clients' unspent funds rolled over	Unspent quarterly funds rolled over- limited to 10% of package value, max \$1000
Provider Fees	Up to 35% of budget	Care management, capped at 10% of budget.
Income based fees	Income assessed fee up to \$ 35.95 per day.	Means based contribution as assessed by centrelink
Categories	No specific categories	Clinical Care, Independence Supports, Everyday Living
Home Modifications	Cost deducted from annual budget	Separate budget, immediate funding
Assistive Technology	Cost deducted from annual budget	Separate budget, immediate funding
Short Term Restorative Care	Short Term Restorative Care for up to 8 weeks	Restorative Pathway up to 12 weeks (\$6000)
End of Life Care	None	End of Life, up to \$25000 over 16 weeks
Lifetime cap for co-contributions	\$86,000	\$130,000

THE EIGHT CLASSIFICATIONS OF SUPPORT AT HOME

with approx. Annual Budgets



NEW SUPPORT AT HOME - Care & Financial Categories

CLINICAL CARE	INDEPENDENCE SUPPORTS	EVERYDAY LIVING
Nursing	Personal Care	Domestic Assistance
Occupational Therapy	Social Support	Meal Preparation
Physiotherapy	Transport Services	Gardening
Continence Support	Respite Services	Home maintenance
Nutrition	Home Modifications	Shopping
Restorative Care		

Your contribution to your aged care supports costs will depends on

- your financial situation,
- the type of care you get and
- how much your aged care provider charges.

Centrelink will work out how much you will contribute to the cost of your services following an asset & income assessment similar to the aged pension assessment. It is expressed as a percentage of the service providers hourly cost of each service you receive.

If for reasons beyond your control, you can't afford your aged care costs, a financial hardship assessment may help you. Each case is assessed, by centrelink, on an individual basis. If you are eligible, the Australian Government will pay some, or all, of your contributions.

	Clinical Care	Independence Supports	Everyday Living
Full Pensioners	0%	5%	17.5%
Part Pensioner or low income, self-funded retirees who are holders of, or eligible for, Commonwealth Seniors Health Care Card	0%	Between 5% - 50% based on the income & asset assessment	Between 17.5% - 80% based on the income & asset assessment
Self-funded Retirees Not eligible for CSHC card	0%	50%	80%

RESIDENTIAL AGED CARE

How the New Aged Care Act will affect what you will pay.

WHAT WILL CHANGE

- Clinical care, such as nursing or physiotherapy, will be fully funded by government.
- Older people with income or assets above government-set thresholds may be required to pay more for their everyday living and non-clinical care services.
- Accommodation charges, such as the refundable accommodation deposit (RAD) and daily accommodation payment (DAP), will also increase.

WHAT IS NOT CHANGING

- The treatment of an older person's home under the aged care income & asset test.
- The Basic Daily Fee, which is set at 85% of the base rate of the single age pension. All residents pay this fee.
- Eligibility for government support with accommodation costs.
- Financial hardship assistance (via Services Australia).

NO WORSE OF PRINCIPLE

- Older people who were in the aged care system on 12 Sept 2024, when the Act was tabled in Parliament, will not be disadvantaged.
- Those who were approved for or receiving a home care package on 12 Sept 2024 can enter residential aged care under 2014 fee arrangements.
- People entering residential aged care before 1 Nov 2025 will also access the existing 2014 fee arrangements under which they pay one means-tested care fee with a lifetime cap of just over \$82,000.
- All older people will have the option of moving to the new fee arrangements if they prefer. Subject to indexation in March and September each year.

THE NEW AGED CARE ACT INTRODUCES MEANS-TESTED CONTRIBUTIONS

These will apply to everyone who entered residential aged care on or after 1 Nov. 2025. After this date older people with assets or income above the designated government thresholds will make contributions. Centrelink will calculate your contribution. Amounts are subject to indexation in March and September each year.

Hotelling Contributions

Everyday living services such as meals, cleaning and laundry.

Residents with assets over \$238,000 or

Residents with an income of over \$95,400

or a combination of both

will pay 7.8% of hotelling costs up to a limit of \$22.15 per day.

Non-Clinical Care Services

Care such as personal care, mobility assistance and lifestyle activities.

Residents with assets over \$502,981 will pay 7.8% of non-clinical costs.

Residents with income above \$131,279 will pay 50% of non-clinical costs.

up to a limit of \$107.32 per day. Lifetime cap \$137,917.01.

or a
combination
of both

A four-year cap also applies to the non-clinical care contribution. The fee ceases after a person pays it for four years, even if they have not reached the lifetime cap amount.

There is be a lifetime cap

of \$130,000 on contributions for non-clinical care services (or after 4 years, whichever occurs first). Contributions made under the Support at Home Program prior to entry into residential aged care are included in the lifetime cap.

Higher Everyday Living Fee

This is an optional fee for older people who want extra services, such as premium meals or on-site entertainment options. Residents and providers must agree on the goods and services to be provided and the fees to be paid. The new Higher Everyday Living Fee replaces the Extra Service Fee and Additional Service Fee. It comes with enhanced consumer protection.

ACCOMMODATION COSTS

Older people who can afford it are expected to pay for their room in residential aged care through:

- RAD a Refundable Accommodation Deposit (lump sum)
- DAP a non-refundable Daily Accommodation Payments
- a combination of both.

From 1 November 2025, aged care providers will keep 2% of the RAD deposit per annum. This fee will be capped at 5 years, or 10%.

The DAP will be indexed under the new Aged Care Act. It is currently fixed at the time of entry.

Accommodation costs will be means tested under the new Aged Care Act, as they were before.

Home exemption cap (per person), \$214,884.00, the net value of the home above this amount is excluded from the value of the resident's assets.

If an older person has limited means, the government will pay some or all of their accommodation costs. The amount the older person contributes is worked out by Services Australia based on the older person's income and assets.

Your financial situation influences your choice of payment. Once your choice is made you will not be able to change it. It is recommended that you seek information from the centrelink Aged Care Specialist Officer and /or advice from a suitably qualified financial planner.

RESIDENTIAL CARE MEANS TEST - Income Thresholds

How much income an individual can earn per year before they must contribute means tested fees for residential aged care. After income exceeds the lowest threshold, there are stages of income that determine your contribution, Centrelink makes this calculation.

Income Free Area	Rate
Single person	\$35,313.20
Couple, illness separated (single rate)	\$34,585.20
Couple, living together (single rate)	\$27,310.40

Income threshold	Rate single person	Couple, illness separated (single rate)
First income threshold	\$87,947.60	\$87,219.60
Second income threshold	\$101,105.00	\$101,105.00
Third income threshold	\$117,230.20	\$117,230.20
Fourth income threshold	\$141,252.80	\$138,340.80