

Residential Aged Care

What is it and how can it help me?

HEARTLAND

REVERSE MORTGAGES

The aged care system offers a continuum of care to those who can no longer live at home and need ongoing help with everyday tasks or healthcare.

While moving into Residential Aged Care can be an emotional and uncertain time, this sheet explains some of the key residential care fees. If you are looking for aged care, or for assistance to fund these costs, we recommend you speak to a financial adviser or mortgage broker with expertise in this area.

If you would like more general information, please do not hesitate to contact us at enquiries@heartlandfinance.com.au or 1300 889 338, and we can either assist or introduce you to an expert in your local area.

Steps when considering Residential Aged Care:

- 1. Assessment** - before moving into a Residential Aged Care facility, an individual's health and lifestyle needs are assessed by an Aged Care Assessment Team (ACAT) member – usually one or a combination of doctors, nurses and social workers who specialise in aged care. To find the nearest ACAT, or to search for a care facility in your local area, visit the Government's My Aged Care website at www.myagedcare.gov.au.
- 2. Selection** - ACAT can provide a list of Residential Aged Care homes in your area. Local Government Departments or third-party placement companies may also be able to assist in locating an appropriate facility that best suits your needs. All facilities are different – we recommend visiting a few to determine which are most appropriate for your personal and lifestyle needs.
- 3. Cost** - while some aged care costs are subsidised by the Government, there are still several fees that are payable for Residential Aged Care. Some of these are determined by your income and assets.

Fee	What this fee covers	How it works
Refundable accommodation deposit (RAD)	This is the cost of a room or an accommodation fee in a lump sum. It does not cover your care costs.	The RAD is paid as a lump sum and is refunded to you or your estate 14 days after you leave care. In metropolitan areas, this could be in excess of \$400,000. Only the lump sum amount is refunded, and it does not accumulate interest.
Daily accommodation payment (DAP)	This is the cost of a room or an accommodation fee, paid as a daily amount rather than the RAD lump sum. The RAD is converted to a DAP using a prescribed formula, $RAD \times MPIR / 365 = DAP$. It does not cover your care costs. The MPIR is a government set interest rate that is used to calculate a daily accommodation payment based on your agreed room price.	The DAP is paid daily, and would approximately cost \$44 per day (based on an average RAD fee of \$400,000)*. This fee can be paid up to a month in advance, and is similar to rent. This fee is not refundable. You may also pay via partially via both RAD and DAP, in various combinations.
Basic daily fee (BDF)	Covers daily living costs such as meals, power, and laundry.	The basic daily fee is set at 85% of the single person rate of the basic age pension and is payable by all residents.
Means tested care fee (MTCF)	This is an extra contribution towards your care costs, – based on a means assessment.	The amount you are required to pay is based on your income and assets, with an annual cap of \$28,338.71 and lifetime cap of \$68,012.98. These amounts are indexed on 1 January, 20 March, 1 July and 20 September every year.*
Additional services fee	These pay for any extras required, such as Foxtel or a glass of wine with dinner, or hairdressing.	

Note: Private facilities operate outside of the government legislated fee system and rules outlined in this information sheet. For more specific details on fees payable in a private facility, we recommend you consult each individual facility directly and review each facility's accommodation agreement.

IMPORTANT NOTICE: This information has been prepared without taking account of the needs, objectives, or financial situation of any particular individual. Applicants should consider their own circumstances and, if necessary, seek professional advice. Applications are subject to loan approval criteria. Terms, conditions, fees and charges apply. Credit provided by ASF Custodians Pty Ltd.

*Please note the information (including rates, fees and charges) set out in this document may change from time to time. Please retain this insert for future reference. Information has been sourced from <http://www.myagedcare.gov.au/> as at March 2021.

Australian Credit Licence Numbers: Australian Seniors Finance Pty Ltd - 386760 (ACN 108 875 636) / ASF Custodians Pty Ltd - 386781 (ACN 106 822 780)

Information provided is accurate as of 19 April 2021 and may change from time to time.