



ABC financial



EASY STEPS

INTO AGED CARE



ADVANT

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Understanding the process of Aged Care services and accommodation

Moving into Aged Care is a significant and emotional transition for you and your loved ones.

It can be a challenging time for everyone involved, so it's helpful to approach it with care and preparation. Navigating the Aged Care application process can be complex and there can be waiting times for assessments, care services and getting into care, so being well-informed and having a plan in place can make the process smoother, assisting the whole family to make decisions with confidence.

Each step is crucial in ensuring that you or your loved one receives the appropriate care and support they need.



UNDERSTANDING NEEDS AND PREFERENCES

The first step in this process is to evaluate the level of care required. There are different facilities and services available that can help you maintain a good quality of life as you get older. You or a loved one may need a little help around the home, or moving into short-term care may be suitable for a period of time or even moving into full-time/permanent residential care.

It's important to discuss preferences regarding location, facility type, and the kind of activities or environment you or your loved one might enjoy. When you're reviewing different facilities, consider the type of accommodation available and their reputation, in addition to the services and activities they offer. Take a tour to get a feel for the environment, staff, and community. Pay attention to cleanliness, staff interactions, and resident engagement. A star rating system has been introduced and provides information about a provider's quality of care which helps people who need Aged Care make informed decisions.

When you have the initial conversation with family, focus on the positives to ensure everyone understands that the main goal of moving into an aged care home is to maximise quality of life.



AGED CARE ASSESSMENT

The Aged Care assessment process is designed to ensure that you or your loved one receive appropriate care based on their needs. Whether it's more help around the home, short-term respite care or a higher level of care provided by permanent residential care, an official request for an assessment is usually required. This can be initiated by the individual themselves, a family member, or a healthcare professional.

The Aged Care Assessment Team (ACAT) will conduct the assessment upon being provided with basic details about the person needing care, including their current health and living situation.

An assessor (often a nurse, social worker, or other trained professional) will visit you or your loved one in their current living situation – this could be at home or in a hospital.

The assessment will cover various aspects, including:

MEDICAL HISTORY – current health conditions, medications, and medical history.

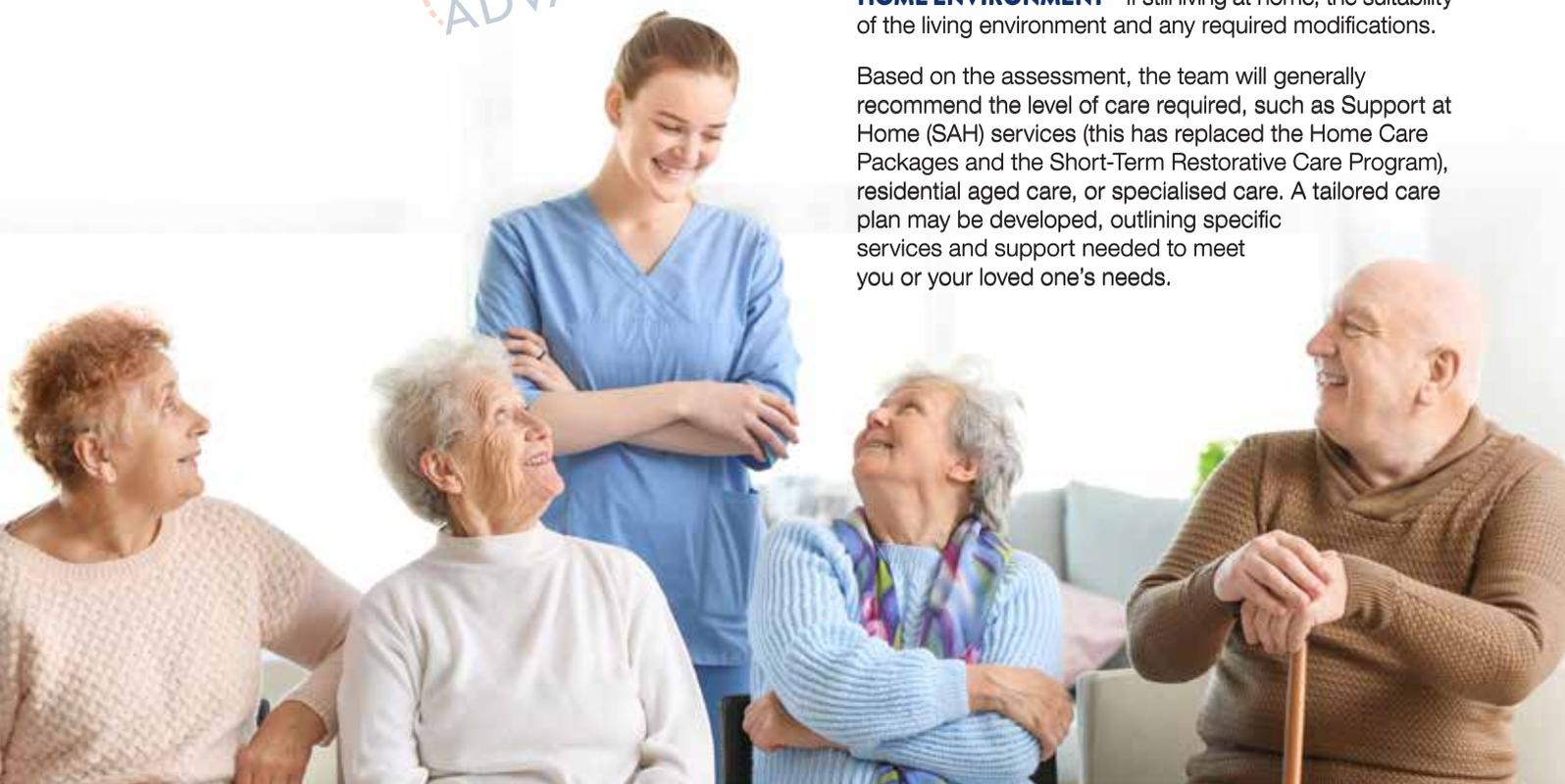
DAILY LIVING ACTIVITIES – the ability to perform everyday tasks like bathing, dressing, eating, and mobility.

COGNITIVE FUNCTION – assessment of mental and cognitive health, including memory and decision-making abilities.

SOCIAL AND EMOTIONAL WELL-BEING – social interactions, emotional state, and support systems.

HOME ENVIRONMENT – if still living at home, the suitability of the living environment and any required modifications.

Based on the assessment, the team will generally recommend the level of care required, such as Support at Home (SAH) services (this has replaced the Home Care Packages and the Short-Term Restorative Care Program), residential aged care, or specialised care. A tailored care plan may be developed, outlining specific services and support needed to meet you or your loved one's needs.





3 THE APPLICATION PROCESS

To apply for an Aged Care home, you will need to complete and submit an application form for the chosen Aged Care homes. You will need to provide necessary documents, such as the assessment report, identification, and medical records. The application form may vary with each Aged Care facility.

Be aware that some facilities may have waiting lists, so it is a good idea to apply to multiple homes to increase the chances of securing a placement when a vacancy becomes available.

You will receive an accommodation agreement and possibly other related documents provided by the Aged Care facility. This agreement will outline the terms of the care, fees, and other important aspects. It is important to have a financial adviser or legal representative review this agreement before signing.

Fees can differ significantly based on you or your loved one's situation. We can help to navigate this complex structure for you and your family and develop a financial plan to ensure you or your loved one receives the care they need while minimising the financial strain.

Moving into an Aged Care facility can significantly enhance the quality of life for those who need additional support, while also providing peace of mind to their families.



5 WHAT HAPPENS TO THE FAMILY HOME?

The family home can hold significant emotional value, so it's important to consider the emotional and financial impact of what happens with the home upon moving into care. When you or a loved one moves into Aged Care, there are several factors that need to be considered as some can have a financial impact. Some of the options are:

STAYING IN THE HOME - if minimal support is needed, Support at Home services might allow the individual to remain in their home with assistance.

SELLING THE HOME - selling the home can provide funds to pay for Aged Care services, especially if the person's assets are means-tested. The home is exempt from the pension assets test for two years after moving into residential Aged Care. The proceeds from the sale might be used for upfront fees and ongoing costs. There may be potential tax implications from the sale, such as capital gains tax, so it's best to seek advice as other exemptions may apply.

RENTING THE HOME - renting the family home can provide a steady income stream to help cover Aged Care costs. This option might also preserve the home as an asset for future use for the family or as an inheritance later down the track. It's important to know that rental income may affect the Age Pension payments and Aged Care fees.

KEEPING THE HOME IN THE FAMILY - the home might be kept for family use or as a future investment. It's important to ensure it is properly maintained and secured. Decide on the legal ownership and management arrangements, especially if multiple family members are involved.

CONSIDERATION OF AGED CARE FUNDING AND ASSETS - in many countries, including Australia, the value of the family home may be considered in the means test for Aged Care funding. However, there are often exceptions or protections in place, especially if the home is occupied by a spouse or dependent relative. You will need to understand how the home and its value fit into the overall financial strategy for Aged Care. This might include how assets are managed and how care costs are funded.

Each option has its benefits and considerations, so carefully weigh them up in light of you or your loved one's needs, the family's preferences, and financial considerations.

Engage with us to help you and your family navigate the complexities of selling, renting, or transferring a family home. Knowing what choices you have, can help to reduce any stress and anxiety.



4 UNDERSTANDING THE COSTS

The costs of Aged Care can vary widely depending on the specific circumstances, the level of care required, or the type of facility. Here is a general breakdown of the costs involved in Aged Care:

RESIDENTIAL AGED CARE COSTS:

REFUNDABLE ACCOMMODATION DEPOSIT (RAD):

This is a lump-sum payment for accommodation, which can be partially or fully refundable upon leaving the facility. The facility will deduct a retention amount from the RAD which is calculated at a rate of 2% per annum, with the retention period limited to five years.

DAILY ACCOMMODATION PAYMENT (DAP):

Alternatively, you can choose to pay daily accommodation fees instead of a lump sum. Providers will index the DAPs of eligible residents on 20 March and 20 September each year, in line with changes in the consumer price index.

COMBINATION PAYMENT: You can also pay for your accommodation with a combination of RAD and DAP.

ONGOING CARE FEES:

BASIC DAILY FEE: This covers the cost of day-to-day living expenses, such as food, laundry, and maintenance. It is typically a fixed amount and set by the government.

HIGHER EVERYDAY LIVING FEE: Some facilities charge extra for additional services or amenities, such as specialised therapies, hairdressing, or other activities.

CHANGES TO 'MEANS-TESTED FEES'

A RESIDENT MAY PAY INCLUDE:

HOTELLING CONTRIBUTION: The introduction of a 'Hotelling Contribution'. If you have income and assets above a set limit then you may have to make a contribution to the cost of 'hotelling services' such as meals, cleaning and laundry, and

NON-CLINICAL CARE CONTRIBUTION: Replacing the current 'Means-tested Fee' with a 'Non-Clinical Care Contribution'. This includes assistance with bathing, mobility and lifestyle activities.

PLANNING TO MOVE INTO AGED CARE

Transitioning into Aged Care can be a challenging and emotional time. We can offer essential support in managing the financial aspects of this process. We can ease the burden and help you and your family to navigate the complex financial landscape of Aged Care, identify your financial goals and objectives and address how to transition into this phase of life comfortably while feeling financially secure. We are passionate about simplifying this process and providing the right level of support to help you and your family make informed financial decisions about this significant life change.



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Important note: This provides general information and hasn't taken your circumstances into account. It's important to consider your particular circumstances before deciding what's right for you. Although the information is from sources considered reliable, we do not guarantee that it is accurate or complete. You should not rely upon it and should seek qualified advice before making any investment decision. Except where liability under any statute cannot be excluded, we do not accept any liability (whether under contract, tort or otherwise) for any resulting loss or damage of the reader or any other person. Past performance is not a reliable guide to future returns.

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