

Country Health Connect

An Introduction to Residential Aged Care Fees & Charges

For Multipurpose Service Sites (MPS)

Yorke and Northern Local Health Network Incorporated

We understand that navigating the different types of fees charged for aged care residency can be a little complicated. That's why Yorke and Northern Local Health Network Incorporated (YN LHN) recommends you speak with a financial advisor before entering permanent residential aged care.

Individual Charges

Before you enter permanent residential care, it is very important that you have your means assessed by Services Australia to determine what fees you may have to pay. The fees that you pay will depend on the outcome of this means assessment and will be determined by Services Australia based on your individual circumstances at the time of admission. Therefore, all prospective care recipients are requested to complete one of these forms as soon as possible:

If the person entering care:

- Receives a means tested payment (e.g. Age Pension, Disability Support Pension, Veterans Payment) and **does not** own their own home they are not required to complete an asset assessment form; however they are required to contact Centrelink on 1800 227 475 or DVA on 1800 555 254 and request a **pre commencement letter**. **It is very important to advise Centrelink that you will be a aged care resident at a Multipurpose Service.**
- Receives a means tested payment from Centrelink and owns/part owns their home including in a retirement village then they must complete **Residential Aged Care Property Details for Services Australia and DVA Customers (SA485)** and submit as per the instructions on the form.
- Owns their own home and **does not** receive a means tested income support payment from Centrelink then they must complete the **Residential Aged Care Calculation of Your Cost of Care Form (SA457)** and submit as per the instructions on the form.

The Aged Care Liaison Officer for YN LHN will work with each prospective resident and / or their nominated representative to provide an estimate of the fees and accommodation charges.

You can also find a fee estimator on the My Aged Care website –

<https://www.myagedcare.gov.au/estimate-fees-for-aged-care-services>

Here are some brief explanations of fees you may be asked to pay.

Basic Daily Care Fee

All care recipients in aged care, including respite recipients, are required to pay a basic daily care fee as a contribution towards daily living services, including meals, cleaning, laundry and utilities. The daily fee equates to 85% of the single basic age pension and is adjusted twice yearly in line with the age pension, in March and September.



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Refundable Accommodation Deposit (RAD)

This fee will apply if your assets and income are above a certain threshold as outlined by the Australian Government. The RAD is the price of a room or bed within a room that you have agreed to pay to us, the Provider. It is a lump payment of the agreed room price and is refundable minus a refundable deposit retention of 2% of your lump sum per year that is not refunded when you leave care. After 5 years in care, no further retention amounts will be deducted. Any outstanding fees are also deducted from the final lump sum payment refunded.

The Aged Care Liaison Officer will speak with you on the agreed amount prior to admission and the signing of the resident and accommodation agreement. The maximum amount a care recipient could be asked to pay for a Refundable Accommodation Deposit in YNLHN is \$500,000

Daily Accommodation Payment (DAP)

The DAP is the rental-style daily fee that you are required to pay if you elect not to pay the RAD.

The DAP is calculated by applying the maximum permissible interest rate (MPIR) to the unpaid RAD and is invoiced fortnightly. If you choose to pay by a DAP, this amount will increase due to indexation on 20 March and 20 September each year. The maximum daily payment a care recipient could be asked to pay in YN LHN is \$104.24 per day (valid until 1st January 2026) based on the maximum room price of \$500,000.

Combination Payment

A Combination Payment consists of a part RAD and part DAP.

You may be required to pay a Combination Payment if a part Lump Sum is received, for example, if you pay a 50% combination payment on the maximum accommodation deposit of \$500,000, you would be required to pay a lump sum deposit of \$250,000 with an accommodation payment of \$52.12 per day. The DAP component is subject to indexation on 20 March and 20 September each year, and the lump sum component is refundable minus 2% retention per annum up to 5 years which is not refunded when you leave care, along with any outstanding fees.

Resident Agreement

Your Permanent Accommodation & Service Agreement protects you and your Aged Care Provider by formalising financial arrangements upon admission. As the Federal Government may not determine your fees until after admission, the Permanent Accommodation & Service Agreement will refer to the maximum amount that could be charged for the various fees and charges.

Any subsequent change to the Agreement will require a Deed of Variation which the Aged Care Liaison Officer will issue.

Further Information

If you have further queries on the financial arrangements, please contact the Aged Care Liaison Officer on the details below.

Thank you for considering our facility.



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