Aged care entry process - Residential Care

Care recipients generally require two assessments to access aged care in services that receive financial assistance via government subsidies:

- an Aged Care Assessment Team (ACAT) assessment which determines the needs of the care recipient and recommends and approves the services suitable for the recipient; and
- a combined Assets and Income (Means) Test assessment which determines the level of fees payable.

Care recipients must provide information about their finances to the Department of Human Services or Department of Veterans’ Affairs in order to complete this assessment. Care recipients however, may choose not to have their means assessed and pay the full cost of care (subject to annual and lifetime caps).

A means test assessment is not required prior to entering residential care. To accelerate the process, prospective care recipients can complete means test assessments up to 120 days before entering residential care.

A basic daily fee is an amount which all care recipients are asked to pay toward living costs in residential care.

The means test assessment determines any additional fees care recipients may be asked to contribute to cover the costs of aged care, including accommodation and care.

There will be situations where a fee advice differs to what the care recipient was expecting. It may be because the department completing the assessment holds additional information in respect of the care recipient.

Once completed, an assessment outcome letter is sent to the care recipient and nominee (if relevant) to advise of the fees they are required to pay. Under legislation, this advice must be sent within 14 days of the completion of the assessment.

In cases where an incomplete assessment is submitted, the Department of Human Services will contact the care recipient to remind them to provide further information. In addition to written advice, two attempts will be made by phone. A contact attempt will also be made if the care recipient has commenced in care and has not lodged a request for an assessment.

If care has commenced the provider will also receive a letter notifying them that the Department is seeking the additional information.

If the care recipient does not submit a completed assessment following these reminders they are liable to pay for the full cost of care and the agreed accommodation price. Both the care recipient and the provider will receive fee advice notification letters from the Department of Human Services to this effect.

On entry into care, the service will input the care recipient’s details into the online Aged Care Entry Record (ACER) to enable data matching for means testing purposes. The service will then receive the fee notification letter for the care recipient if an assessment has already been completed.
The Permanent Residential Aged Care Request for a Combined Assets and Income Assessment form (SA457) is used to determine the daily rate of aged care fees payable by a care recipient who is planning to enter or currently residing in a residential aged care home.

The information will also be used to calculate the amount of Government assistance that your residential aged care provider may receive on your behalf.

If you are a new permanent aged care resident, you may be asked to pay:

- a basic daily fee. This fee is paid to service providers to cover living costs such as meals, power and laundry. For some people this is the only fee they are required to pay. The maximum basic daily fee for all aged care residents is 85% of the single basic Age Pension daily payment rate.

- a means tested care fee. This is an additional contribution towards the costs of care that some people may be required to pay if their combined assets and income assessment shows they have the financial capacity to make an additional contribution to their care costs.

- an accommodation payment. This is for your accommodation in the home. Depending on their means some people will have their accommodation costs met in full or part by the Government, while others will need to pay the accommodation price agreed with the aged care home.

- fees for extra or additional optional services. Additional fees may apply if you choose a higher standard of accommodation or additional services. These vary from home to home. Your aged care provider can provide you with details of these services and the fees that apply.

**Quarterly Review**

Your aged care fees are reviewed quarterly (January, March, July and September) using the latest assessment of your assets and income and your cost of care.

If you are having trouble meeting your care costs or experience financial hardship, you may be eligible for financial hardship assistance. Information about financial hardship assistance is on our website: humanservices.gov.au/agedcare

If you complete a Permanent Residential Aged Care Request for a Combined Assets and Income Assessment form (SA457) before entering residential care, the initial fee notification advice you receive will be valid for 120 days unless there is a significant change in your circumstances in which case you will be required to notify us.

Information on aged care fees and charges which may apply to you is available at myagedcare.gov.au or by calling the My Aged Care Information Line on 1800 200 422. This factsheet outlines interactions between you and the Department of Human Services or the Department of Veterans’ Affairs. Your aged care service provider may have other requirements, such as application forms and client agreements. Please ask them about their requirements.

The Aged Care Fee Estimator can assist care recipients work out the fees and charges they may be asked to pay for aged care, noting the actual fees care recipients pay will depend on their income and assets as assessed by the Department of Human Services or the Department of Veterans’ Affairs. The estimator should be used as a guide only and can be found at: www.myagedcare.gov.au

The Aged Care Fee Estimator is not a substitute for financial advice. Care recipients or their nominees should consider seeking independent legal, financial, taxation or other advice to check how the estimate relates to their particular circumstances.