

## **Aged Care Reform Accessing Residential Aged Care – from July 1, 2014**

### **Blue Care**

For over 60 years Blue Care has built a reputation as a trusted and leading provider of community and aged care services across Queensland and northern New South Wales. Our care services support people of all ages and we partner with our clients to help them achieve care goals, remain connected to their community and be independent for as long as possible.

Our residential aged care services offer tailor made services for a wide range of needs and is supported by Blue Care's multi-disciplined and experienced staff.

### **What is Aged Care Reform?**

The Australian Federal Government announced reforms to Australian aged care on April 20, 2012. This includes a comprehensive 10 year plan to reshape aged care and build a better, fairer and nationally consistent aged care system. Residential aged care providers will be required by law to publish all accommodation prices from July 1, 2014. This offers greater transparency and greater choice of payment methods for residents.

### **What are the key changes to accommodation pricing from July 1, 2014?**

Residents will be provided with a choice of payment options – Refundable Accommodation Deposit (RAD) or a Daily Accommodation Payment (DAP) or a combination of both.

The accommodation price must be agreed on before the resident enters the facility. Once that price is agreed on, the new resident will have 28 days from the date they enter to choose how they wish to pay - Refundable Accommodation Deposit, Daily Accommodation Payment, or a combination of both.

The Blue Care team is available to discuss the payment options with the resident and their carer / Enduring Power of Attorney to find the most suitable option. Until that decision is made, the resident will pay a Daily Accommodation Payment (DAP).

### **How do I find out accommodation prices?**

All care providers must submit their rates to the Australian Government and these rates will be displayed on [www.myagedcare.gov.au](http://www.myagedcare.gov.au). All providers will have their prices listed on their website. To see Blue Care's prices, please go to our website at [www.bluecare.org.au](http://www.bluecare.org.au).

### **Where to start?**

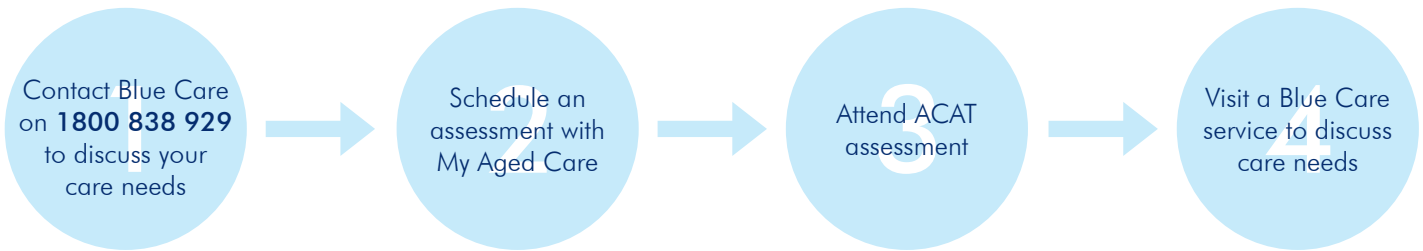
If you or someone you know needs some help at home or are considering moving into an aged care facility, an assessment by the Aged Care Assessment Team (ACAT) is required.

ACATs help older people and their carers work out what kind of care will best meet their needs. The team provide information on suitable care options and can help arrange access or referral to residential or community care services.

The ACAT member (usually a doctor, nurse or social worker) will schedule a time to visit you at home or if you are in hospital, and talk to you about your current situation and discuss with you if you need help with any day-to-day activities. To find out the assessment process, visit <http://www.myagedcare.gov.au/eligibility-and-assessment/acat-assessments>.

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[www.bluecare.org.au](http://www.bluecare.org.au)

The diagram below outlines the steps to take to access in home or residential aged care. At any stage you can contact the friendly team at Blue Care to ask questions about our in home services and residences.



### When do the changes become effective?

Blue Care will have all prices for our facilities on our websites from May 19, 2014 and the new accommodation prices will take effect from July 1, 2014 for all new residents.

### How are residential aged care accommodation prices determined?

Each provider is required to calculate the refundable accommodation deposit (RAD), a payment that is similar to a lump sum payment for the room. This is then converted into a Daily Accommodation Payment (DAP).

To calculate the Daily Accommodation Payment, the RAD is multiplied by the current maximum permissible interest rate (MPIR), and divided by 365 days. The MPIR is set by the Federal Government and influenced by interest rates and reviewed every quarter by the Government.

#### For example:

**If a bedroom is priced at \$400,000 (RAD) it would have an equivalent Daily Accommodation Payment of \$72.65 per day.**

Refundable accommodation deposit x MPIR ÷ 365 days = \$72.65 per day  
 (\$400,000 x 6.63% ÷ 365 days)

**Combination payment consisting of a RAD of \$200,000 and a DAP to be calculated on \$200,000 would:**

Refundable Accommodation Deposit x MPIR ÷ 365 days = \$36.32 per day  
 (\$200,000 x 6.63% ÷ 365 days)

#### Pricing

**DAP Payment:**  
 \$72.65 per day

**Lumpsum Equivalent:**  
 \$400,000

**Combination Example:**  
 \$36.32 per day (DAP) and  
 \$200,000 lump sum (RAD)  
 combination (based on 50/50  
 contribution)

### Will existing residents at residential aged care facilities have their care arrangements changed due to new pricing arrangements?

Should an existing resident wish to change their accommodation option (change room or facility) after July 1, 2014, they will fall under the new arrangements. Those residents whose accommodation option does not change can choose to change to the new pricing arrangements.

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