



Australian Government

Department of Social Services



myagedcare

New Arrangements for Aged Care from 1 July 2014 – Home Care

Why have I been given this information sheet?

This publication is meant for consumers who were receiving a home care package on 30 June 2014 and intend to move to a new home care provider.

If you leave your current care arrangements and do not enter into a new care agreement within 28 days your fees and charges will automatically be calculated under the fee arrangements that started on 1 July 2014 when you later enter into a new agreement.

If you leave your current care arrangements and do enter into a new home care agreement within 28 days your fees will be calculated under the arrangements in place on 30 June 2014. However, in this case, you also have the option of choosing to have your fees and charges calculated under the new arrangements that apply from 1 July 2014. If you do choose to be covered by the new arrangements, you cannot, in future, decide to be again covered by your existing fees and payment arrangements.

What are the new fees and charges arrangements?

There are two types of fees and charges arrangements that apply from 1 July 2014:

- **A basic daily fee:** everyone taking up a Home Care Package can be asked by their service provider to pay the basic daily fee. The most you will pay is 17.5% of a single person basic age pension. The basic fee rules have not changed.
- **Income-tested care fee:** If you have more income than a full pensioner, your service provider may ask you to contribute more to the cost of your care. This extra amount is known as an 'income-tested care fee'. The Department of Human Services (Centrelink) will work out if you are required to pay this fee based on an assessment of your income, and will advise you of the amount.

How much income-tested care fee will I be asked to pay under the new arrangements?

The amount your service provider may ask you to pay will depend on your income. There are limits in place. Once these limits are reached you cannot be asked to pay more in income-tested care fees.

You cannot be asked to pay an income-tested care fee if you are a full pensioner.

If you are a part pensioner the most you could be asked to pay in income-tested care fees is \$5,000 per year (July 2014 rates). You may pay less than this depending on the cost of your care and your annual income.

If you have income which means you do not qualify for an aged pension or other income support (a self-funded retiree), you will not pay more than \$10,000 per year (July 2014 rates) in income-tested care fees. You may pay less depending on the cost of your care and your annual income.

A lifetime limit of \$60,000 (July 2014 rates) also applies. This means you cannot be asked to pay more than \$60,000 in total from 1 July 2014 in income tested fees in home care and means tested care fees in residential care over your lifetime.

Where to go for more information?

If you want to know more about the new fees and payment arrangements you can find more information on the [MyAgedCare website](#) or the [Department of Social Services website](#).

A Home Care Fee Estimator is also available on the My Aged Care Website. The fee estimator will provide an indication of the fees and charges you may be asked to pay based on your estimated income. This will be an estimate only – your actual fees and charges will be decided based on the assessment made by the Department of Human Services.

Your prospective new provider can provide you information on the fees they would charge if you are eligible to opt in to the new arrangements but choose not to do so.

What to do next?

I am entering a new home care agreement more than 28 days since leaving my previous arrangement

Your fees will automatically be calculated under the new arrangements described above.

I am entering a new home care agreement within 28 days of leaving my previous arrangement and wish to remain subject to the 30 June 2014 arrangements

Your fees will be determined under the arrangements in place on 30 June 2014. You do not need to do anything to make this happen. Your new provider can advise you of the fees they will charge.

I am entering a new home care agreement within 28 days of leaving my previous arrangement and wish to opt in to the new post 1 July 2014 fee arrangements:

If you want to opt into the new fees and payment arrangements you will need to give a completed 'opt-in' form to your new provider before you start receiving services from them. Your new provider can give you a copy of the opt-in form or you can get it from the [Department of Human Services website](#).

If you 'opt-in' and do not currently receive an income support payment, such as a pension, you should consider having your income assessed by the Department of Human Services. Without an assessment you can be asked to pay up to the maximum income tested care fees which will be the lower of the amount the Government pays for your care or an annual amount of \$10,000 calculated on a daily basis.

Financial advice may be of assistance when considering whether to 'opt in' to the new arrangements.