

## Financial Planning Weekly

### Aged Care – Part 3 Costs

It is crucial to understand that aged care is a complex and evolving area, subject to specific laws, regulations, and practices that may vary over time. Therefore, any information provided should be considered as educational in nature and not a substitute for proper professional advice. Services Australia's [Financial Information Service \(FIS\)](#) is a free service available to everyone and can help you to understand the financial implications of aged care.

While we offer educational insights, it is essential to verify any information provided with professionals before making any significant decisions or taking actions related to aged care.

We [previously discussed](#) what aged care services are available. This week we will provide an overview of costs and next week we will delve deeper into the main costs and the mechanics of the income and asset assessments.

### What do you need to pay?

Depending on the chosen path, how much you pay for aged care services depends on:

- The type of help you need.
- The provider you choose.
- Your financial situation and the service you receive.

Although the Australian Government pays for most of the aged care services in Australia, it is still expected you will contribute to the costs of care if you can afford to do so. [Click here](#) for more information on the breakdown of costs that maybe incurred.

### Commonwealth Home Support Programme (CHSP)

If you are eligible, CHSP will make contributions directly to your provider for as long as you receive services. Service providers typically charge by the hour for services on the days you receive them. You may have to pay a contribution to help with the cost of services. Finding a provider is easy, a list of providers and services in your area can be found [here](#).

### Home Care Package

How much, and the types of costs you will have to pay depends on your chosen provider and your income assessment. When you receive your package, you will have a budget to pay for the services you need. Your budget will depend on the level of care and include contributions from you and the Government.

The total amount of a Home Care Package will be made up of:

- The Australian Government's contribution (the subsidy)
- Your contribution, being your;
  - Basic daily fee (everyone must pay).
  - Your income tested care fee (additional fee based on your income assessment) and;

- Any additional fees you agree to.

Together these funds cover your care services as well as the package management costs from your provider to organise and manage your package services. Different providers will charge different amounts for their services so its best to shop around.

### Aged Care Home

If you move into aged care for permanent residence, the fees you pay will depend on:

- Your income and assets, as assessed in your aged care means assessment.
- The level of care you require.
- The home you choose.

The amount the Government contributes is based on an assessment of your ongoing care needs once you have entered care. If your means assessment shows you have less capacity to pay, the Government will contribute more. These payments are made directly to your aged care home. There are a number of costs associated with permanent care in an aged care home, which include:

- **Basic daily fee:** An amount that everyone pays for the day-to-day services they receive at the aged care home.
- **Means tested care fee:** A contribution that some people pay toward the costs of their care, determined by a means assessment.
- **Accommodation costs:** An amount that some people pay to contribute towards, or cover the full costs of their room, depending on their means assessment.
- **Other costs:** Theses fees are not set by Government, meaning if you agree to them, you will need to pay the full cost yourself.

The provider must record all fees in your resident agreement, your accommodation agreement, and your extra service agreement (if applicable). A list of subsidised aged care homes can be found [here](#).

### Short-term Care

For short-term care, you don't have to complete a means assessment. You may have to pay a daily fee, depending on the type and level of care you receive. Common short-term care needs include:

**Restorative Care:** You may have to pay a daily fee.

**Transition Care:** Providers can request information on your ability to make contributions within reason, however your access will not be affected by your ability to pay fees.

**Respite Care (Residential):** You may have to pay a basic daily fee and sometimes a 'booking fee'. The level of care will determine the subsidy your provider will receive. What you pay is agreed upon between you and the provider before services are received.

**Respite Care (Community):** This is covered under the CHSP, so fees will usually only be a daily fee.

Alex, Anu and the team.

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