Introduction to aged care

Summary
This bulletin provides basic information on aged care facilities. It outlines how aged care residents are assessed, the types of fees they are likely to pay and OnePath's suite of tools for aged care planning.

Getting assessed
Nursing homes and hostels are categorised by the government as aged care facilities. The main difference between the two lies in the level of care provided. People who require a high level of care generally require nursing home accommodation. People who require low level care may be more suited to hostel care. Latest figures indicate approximately a third of residents were in low care and two thirds were in high care.

To be admitted to a nursing home or hostel there must first be an assessment of the person’s needs by an Aged Care Assessment Team (ACAT). The ACAT makes a determination as to whether high or low care is required. A person cannot be permanently admitted to a nursing home or hostel without ACAT approval.

ACATs are located in public hospitals, geriatric or community centres. They may include health professionals such as doctors, nurses, social workers. Apart from approving aged care accommodation, the ACAT can also provide information about home and community care, respite care and other aged care initiatives. For further information about these services, please contact the Aged Care Information Line on 1800 500 853.

Potential fees
The fees likely to be paid by a resident depend on whether they are in a hostel or a nursing home. The maximum fees that a facility may charge are set, however lower amounts may be negotiated. A flowchart of this information is available in Appendix 1.

Hostels
A resident in a hostel, or low care facility, may pay the following:
• a basic daily care fee
• an income tested fee
• an accommodation bond.

Nursing homes
A resident in a nursing home, or high care facility, may pay the following:
• a basic daily care fee
• an income tested fee
• either:
  – an accommodation bond, or
  – an accommodation charge.

A nursing home cannot charge both an accommodation charge and an accommodation bond.

Extra service homes
Certain hostels and nursing homes may be classified as “extra service homes”. These facilities provide a higher level of accommodation (e.g. a deluxe room with private bathroom, higher standard of furnishings, amenities, etc). Extra service homes may charge an “extra service amount” which is set by the care facility but must be approved by the Department of Health and Ageing. There is no specific rate for an extra service amount.

Extra service homes are also permitted to ask for an accommodation bond regardless of whether low or high level care is provided. However, if a resident switches from general residency to extra service residency within the same home, the provider cannot charge a new or additional bond.

To verify if the care facility is an extra services home, the facility should be contacted directly.
### OnePath materials

OnePath has many documents and tools that can be used to understand, and develop aged care strategies. These are available on the Adviser Advantage website and include:

- Technical Bulletin 75 – Hostels
- Technical Bulletin 76 – Nursing homes
- Technical Bulletin 77 – Aged care and the former home
- Technical Bulletin 78 – Aged care and fee reduction strategies
- Technical Calculator 02 – Aged care and pension calculator
- Technical Factsheet 03 – Aged care and special residence fact sheet

### Appendix 1 – fees flowchart

<table>
<thead>
<tr>
<th>Hostel</th>
<th>Nursing home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low care</td>
<td>High care</td>
</tr>
<tr>
<td>Fees payable</td>
<td>Fees payable</td>
</tr>
<tr>
<td>Basic daily care fee</td>
<td>Income tested fee</td>
</tr>
<tr>
<td>Only for extra service facility</td>
<td>Only for extra service facility</td>
</tr>
<tr>
<td>Accommodation bond</td>
<td>Accommodation bond</td>
</tr>
<tr>
<td></td>
<td>Accommodation charge*</td>
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</tbody>
</table>

*Not payable for an extra service facility.

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