

Help to stay at home

Home care may help you to stay in your home longer and take pressure off your family and friends. The opportunities to stay in the home are growing with more government focus and funding directed towards increasing the number of available packages.

A new approach for allocating and managing the government subsidised Home Care Packages commenced at the end of February. The aim is to give you greater control and flexibility over your home care support.

An overview of the main steps under the new system are:

1. **Assessment** – arrange for an Aged Care Assessment Team/Service (ACAT/ACAS) to visit you in your home to assess your eligibility
2. **Waiting list** – if you are approved by ACAT/ACAS you will be added to the National Queue to wait for a package to become available
3. **Do your research** – while waiting for allocation of a package start to research approved home care providers in your area as you will need to choose one to administer your package
4. **Allocation** - you will be notified in writing when a package becomes available and will be provided with a unique referral code
5. **Select a provider** – contact your selected provider and develop a budget and care plan
6. **Sign agreement** – sign a home care agreement with the provider and give them your referral code so they can unlock the money and secure the package for you (this needs to be done within 56 days of allocation)
7. **Implement care plan**– work with your provider to arrange implementation of the care plan and start accessing services
8. **Fee assessment** – the government will calculate and advise the fees you can be asked to pay towards your home care package. If you are a self-funded retiree you can either fill in an income assessment form or agree to pay the maximum income-tested fee
9. **Monitor** – monitor your care plan and quality of services. You will receive a monthly invoice detailing how the money is being spent. If you are unhappy with the service provider you are free to switch to a new provider but an exit fee may apply.

Gaining the maximum value from home care packages requires an understanding of your options and rights. It is important that you become involved in making decisions on the services you want to receive or ask family members to help with these decisions.

It is too early to get an idea of how long you might wait in the queue to be allocated a package. Planning ahead to be prepared may help to reduce some of the stress. You may also need to have cashflow or financial resources to pay for private services while you are waiting.

Speak to us for help with understanding how you can make home care work for you and your options for funding the costs of care.

What does a home care package cost?

Home care packages come with a budget allocation that can be spent on the care plan you develop with your home care provider. This budget needs to cover:

- Administration and case management fees
- Service provider fees
- Travel time for workers.

The budget value depends on your approved level of Home Care Package. Most of this value is paid by the Government but you may also be asked to contribute a portion. Your fees do not depend on which package you receive, just what your assessable income is calculated to be.

Home care package	Annual budget allocation
Level 1 – Basic needs	\$11,731.10
Level 2 – Low needs	\$18,319.35
Level 3 – Intermediate needs	\$35,857.60
Level 4 – High needs	\$52,592.85

Everyone accessing a home care package can be asked to pay a basic daily fee. This is currently \$10.10 per day (\$3,686.50 per year) and indexes on 20 March and 20 September in line with age pension changes.

If you are a part-pensioner or self-funded retiree you may also be asked to pay an additional income-tested fee if you have assessable income over the current thresholds of \$26,072.80 for a single person or \$20,235.80 (each) for a couple living at home together or \$25,604.80 (each) for an illness-separated couple. Assessable income uses the Centrelink rules for income and includes payments from Centrelink or Veterans' Affairs.

The income-tested fee is subject to a maximum cap of \$14.49 per day (\$5,276 per annum) for a part-pensioner or \$28.98 per day (\$10,552 per year) for a self-funded retiree or person who receives a small means-tested pension. Over your lifetime, you will not pay more than \$63,313 in income-tested fees.



Terry & Jean live in their home and have \$630,000 in cash and other financial investments. They receive a small age pension and his share of total assessable income is calculated as \$37,443.

Terry has recently been approved for a level 3 home care package.

Once a package is allocated, Terry will have \$35,858 available to spend on care and lifestyle services. He will be asked to contribute the basic fee of \$3,687 plus an income-tested fee of \$5,276 for a total cost of \$8,963 per year. The government pays the rest of the costs.

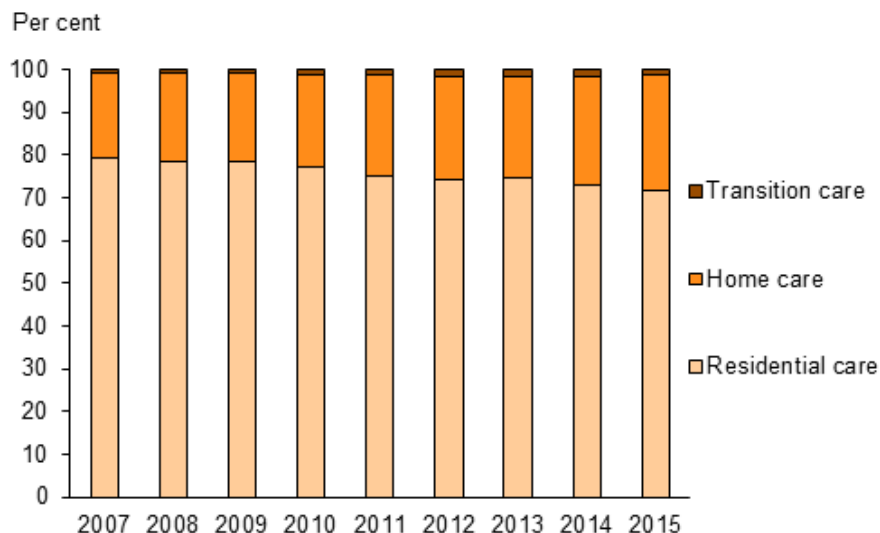
Looking at funding options is important for meeting the costs of home care packages, as this is usually in addition to your current living and household expenses.

Strong levels of cashflow or options to access equity in the home or other investments may be important in the later years of retirement to help fund home care. For many clients, the budget available with an allocated home care package may not be enough to cover all your care needs, and may need to be topped up with privately purchased additional services.

Note: rates all current to 30 June 2017.

Quick facts

- In March 2017, 10,700 packages were allocated to first-time users of home care.
- The government is increasing the total number of care places but is also increasing the percentage of all care places that are home care places and decreasing the percentage that are residential care. The increases over recent years is shown in diagram below.



Source: DSS 2015, Stocktake of Australian Government subsidised aged care places as at 30 June 2015.

In 2014/15 ...

- Around 84,000 people accessed home care packages

- Approximately 3% of the population over age 70 accessed home care packages
- The number of home care packages increased by 41% from the previous year
- 20% of packages were Level 4, while 67% were Level 2
- Not-for-profit organisations represented 82% of home care providers

Source: AIHW, National Aged Care Data Clearinghouse.

Please contact our aged care specialists if you need advice



Catherine Winduss CFP®

Located in Croydon, Suite 2/1 Railway Crescent

Ph. 9723 0522 or 0431 571 367



Jenny Sneesby CFP®

Located in Bayside

Ph. 9723 0522 or 0435 800 186

This presentation is of a general nature and does not take into consideration anyone's individual circumstances or objectives. Integrity One Planning Services Pty Ltd is a Corporate Authorised Representative No. 315000 of Integrity Financial Planners Pty Ltd ABN 71 069 537 855 (which is the holder of AFSL 225051). Integrity One Planning Services Pty Ltd and Integrity One Accounting and Business Advisory Services Pty Ltd are not liable for any financial loss resulting from decisions made based on this information. These articles are not owned by Integrity One Planning Services. We recommend that you seek personal advice from an advisor prior to implementing any of the information contained in this publication.



IntegrityOne