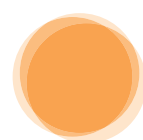


THE NDIS AND AGED CARE FEES

A GUIDE FOR NDIS PARTICIPANTS, THEIR FAMILIES
AND SUPPORTERS

JANUARY 2024



SUMMER
FOUNDATION

ABOUT THIS GUIDE

This information is for people with complex support needs, eligible for the National Disability Insurance Scheme (NDIS) and who are preparing to move into a residential aged care facility (RACF), or are currently living in aged care – as well as their families, supporters, guardians and/or administrators.

This guide explains the different RACF fees and charges and whether or not the NDIS will include funds in your NDIS Plan to pay them.

As the NDIS rolls out, it is constantly changing. We'll update this information as things change. You can view the latest version of this guide here: summerfoundation.org.au/ndis-aged-care-fees



2024 by the Summer Foundation Ltd. A copy of this report is made available under a Creative Commons Attribution 4.0 Licence (international)

First published: April 2018 – Last updated: January 2024 (accessibility checked)

DISCLAIMERS

The Summer Foundation has contributed information towards this report and believes it to be accurate and reliable. Neither the Summer Foundation nor any contributors make any warranty, expressed or implied, regarding any information, including warranties to accuracy, validity or completeness of information. This guide is for educational purposes and the Summer Foundation cannot be held responsible for any actions taken on the basis of information outlined in this guide.

AGED CARE AND THE NDIS

If you enter aged care before you turn 65 and you are already an NDIS participant, you have the option of continuing to get your support through the NDIS.

If you are already living in aged care and become an NDIS participant prior to turning 65, you also have the option of getting your support through the NDIS. The NDIS Plans of participants living in aged care will include funding for some means tested care fees and accommodation charges.

The way aged care fees and charges are worked out changed on 1 July 2014. This guide includes separate information for people who entered aged care on/after 1 July 2014 and for people who entered aged care prior to 1 July 2014.

HOW DO I WORK OUT MY TOTAL AGED CARE COSTS?

The Department of Human Services (DHS) assesses your income (the amount of money you get) and your assets (the things you own) – including the income and assets of your partner – to work out what aged care fees you will pay. DHS may decide that:

- You will only pay the basic daily fee
- You will need to pay a contribution towards your accommodation cost and/or care fees
- You will pay the full cost of your accommodation and your care fees – up to annual and life time 'caps' (total amounts)

The My Aged Care website has an online tool that you can use to estimate your aged care costs – including your basic daily fee, means-tested care fee and accommodation costs:

myagedcare.gov.au/how-much-will-i-pay

WHAT AGED CARE COSTS ARE FUNDED BY THE NDIS?

Everyone living in aged care pays the basic daily fee, which covers day-to-day things such as meals, cleaning, laundry, utilities, heating and cooling. **The NDIS does not pay for everyday living costs, and so it does not provide funds to pay the basic daily fee.**

Depending on your income and your assets, you may also be asked to pay a means-tested care fee, pay for some/all of your accommodation costs and you may choose to purchase extra services from your aged care provider. The NDIS will provide participants with funds in their plan to cover the cost of the following fees and charges:

Fee type	Funding provided by NDIS	More details
Basic daily fee	NO	See page 8
Means-tested care fee (for those who entered aged care on or after 1 July 2014)	YES	See page 8
Income-tested fee (for those who entered aged care before 1 July 2014)	YES	See page 12
Accommodation charges (for those who entered aged care on or after 1 July 2014)	NO – if paid as a lump sum RAD* or RAC* YES – if paid as a DAP* or DAC*	See page 9
Accommodation charges (for those who entered aged care before 1 July 2014)	NO – if paid as a bond YES – if paid as a charge or periodic bond	See page 13
'Extra service' and 'Additional service' fees	NO	See page 15

* RAD – refundable accommodation deposit; RAC – refundable accommodation contribution; DAP – daily accommodation payment; DAC – daily accommodation contribution.

WHAT DO I NEED TO DO?

At your NDIS planning meeting

Talk to your NDIS planner about your aged care fees at your planning meeting. Your NDIS planner will need the following documents to work out how much and which of your aged care fees and charges the NDIS will fund in your NDIS plan:

- The two letters you received from the Department of Human Services (DHS) when you entered aged care, which explain the fees that you would be asked to pay on the basis of an assessment of your income and assets.
- A recent RACF invoice, statement or receipt that shows your means-tested care fees and accommodation charges.
- Information from your aged care provider that shows the maximum residential aged care supplement available for your room. It will be either \$42.70 or \$65.49 (as at March 2023).

If you can't find these documents, talk to your RACF as they will be able to help.

We have also produced a guide for RACFs; you can access it here:

summerfoundation.org.au/residential-aged-care-costs-for-ndis-participants/

When you get your NDIS plan

When you get your plan from the NDIS, look for aged care fees and charges in the Core Support budget. Check that it includes the right aged care costs.

Remember that these amounts are 'Stated Supports', meaning that you can't use this money to purchase another type of support.

WHAT DO AGED CARE COSTS LOOK LIKE IN MY NDIS PLAN?

Each NDIS plan looks slightly different, and it can be difficult to know exactly how much of your NDIS funding is for paying aged care costs.



TIP: Get to know your NDIS participant portal. Your NDIS plan might provide a broad overview of each support and funding for core, capital or capacity building. But, if you log in to your NDIS portal you should be able to see more detail of your supports and the amounts for each.

Below is an example of what aged care costs might look like in your NDIS plan:

- Under 'Core supports' in your plan, you might see an amount of money with several descriptions of items being funded. Look for things like 'Assistance with daily living', or 'cross billing payments for residential aged care subsidies and supplements'. In May 2023 it was \$81,526.19 per year, but the amount will be adjusted twice a year. The NDIA will manage this item, as it is for the cost of subsidies and supplements that the government pays for residents in aged care. No action is required by you.
- Under 'Core supports' in your plan, you might also see an amount for 'Assistance with daily life tasks provided in residential aged care facility'. This is likely to be your means-tested care fee (or income-tested fee if you entered before 1 July 2014). Here's an example:

Budget category	Core supports
Budget	\$162,0000 (example only)
Details	<p>Stated Support: Cross billing payments for residential aged care subsidies and supplements (\$81,526.19)</p> <p>Stated Support: Assistance with daily life tasks provided in residential aged care facility (\$22,231.00 – residential aged care costs, including the means-tested care fee (if applicable) and NDIS funded accommodation costs, example only)</p> <p>Social community and civic participation, flexible support to explore and participate in community based activities of interest and to develop build and maintain friendships (\$62,000, example only)</p>
How will the support be paid:	NDIS will pay my support provider and plan management agency directly for these supports

Under 'Capacity building supports', you might see an amount for a financial intermediary/plan management. This should be included in your plan if you are paying means-tested aged care fees, to assist you to organise payment. Here's an example:

Support Area:	Improved life choices
Budget:	\$1,485.75
Details:	Financial intermediary set up costs (\$232.35) Monthly processing fee for your plan manager to manage your plan (\$1,253.40)
How will the support be paid:	NDIS will pay my support provider directly for these supports

MAKING THE MOST OF YOUR NDIS FUNDING

If you have funding in your plan to pay for your means-tested care fees and accommodation charge, you can improve your cash flow by asking your aged care provider to invoice your plan manager/financial intermediary directly. Or you can continue to pay your means-tested fees and accommodation charges and submit evidence of the expense to your plan manager/financial intermediary and they will reimburse you.

We have produced an information sheet for plan managers/financial intermediaries you can access here: summerfoundation.org.au/residential-aged-care-costs-for-ndis-participants/



TIP: Choose a plan manager/financial intermediary who is willing to work with your aged care provider to pay your aged care costs on invoice rather than reimbursing you.

Note that means-tested aged care fees and accommodation charges are regularly reviewed. If your aged care fees and charges increase, you will receive a letter from DHS and you should request a plan review to ensure that there is enough money in your NDIS plan to pay the increased amounts.

WHAT IF I SPEND TIME AWAY FROM THE NURSING HOME?

Social leave

Social leave is applicable to any resident regardless of NDIS status. However, as an NDIS participant, the NDIS will fund your aged care bed while you are on 'social leave' for a maximum of 52 nights per financial year. If you're away from your aged care home for more than 52 nights, the Department of Health will stop paying aged care subsidies to your aged care provider. Your aged care provider may ask you to make up this amount. You can also continue to be asked to pay your basic daily fee, means-tested care fee, income-tested fee (if you entered before 1 July 2014) and/or accommodation costs (if you're paying by daily payment) while you're on social leave.

To ensure a gradual and safe transition from aged care to a more appropriate living situation, you can request extra funding at your planning meeting to cover these extra costs if you anticipate being away from the facility for more than 52 nights in a financial year.

Hospital leave

The NDIS will fund your aged care bed while you are in hospital. The number of days per year is uncapped. You can continue to be asked to pay your basic daily fee, means-tested care fee, income-tested fee (if you entered before 1 July 2014) and/or accommodation costs (if you're paying by daily payment) while you're on hospital leave.

The aged care subsidy will reduce to 50% once you have had 30 or more consecutive days hospital leave.

AGED CARE COSTS

– DETAILED INFORMATION

This section provides more detail about the fees and charges you might be paying, and whether or not funds to allow you to pay these fees will be included in your NDIS Plan.

Basic daily fee

Everyone living in aged care pays the basic daily fee, which covers day-to-day things such as meals, cleaning, laundry, utilities, heating and cooling.

According to the Aged Care Act 1997, the basic daily fee is set at 85% of the single person rate of the basic age pension. The Department of Human Services (DHS) will notify you of the amount in your first fee advice letter. The government updates it on 20 March and 20 September each year in line with increases to the age pension. Prices are published on the Department of Health and Aged Care website: health.gov.au/resources/publications/schedule-of-fees-and-charges-for-residential-and-home-care. Depending on your financial situation, the basic daily fee may be the only fee you pay when living in RACF. **The NDIS will not pay the basic daily fee.**

Means-tested fees and charges – if you entered aged care on or after 1 July 2014

MEANS-TESTED CARE FEE

What is it for?

The means-tested care fee is a contribution towards the cost of your care.

Do I need to pay it?

The information you provide in the 'Permanent Residential Aged Care – Request for a Combined Assets and Income Assessment' form is used by DHS to work out how much (if any) of the means-tested care fee you need to pay.

servicesaustralia.gov.au/sa457

The government updates it on 20 March and 20 September each year in line with increases to the age pension. Prices are published on the Department of Health and Aged Care website: health.gov.au/resources/publications/schedule-of-fees-and-charges-for-residential-and-home-care

How much is it?

The amount you will be asked to pay depends on your income and assets. At 20 March 2023, the maximum means-tested care fee you can be asked to pay in a year is capped at \$31,706.83 and the most you can be asked to pay in a lifetime is \$76,096.50. It's important to note that these caps are indexed twice a year in line with changes to the pension.

What else do I need to know about it?

If you reach the annual cap you won't be asked to pay any more care fees until the beginning of the next year, commencing on the anniversary of your permanent entry into aged care. If you have a partner, your fee will be worked out on half of your combined income and assets, regardless of who earns the income or owns the assets.

Will the NDIS help me to pay this fee?

Yes, the NDIS will provide you with funding in your plan to cover the cost of your means-tested care fee.

ACCOMMODATION CHARGES

What is it for?

As well as charging for the care they provide, aged care homes charge for your use of the accommodation and the cost of maintaining it.

Do I need to pay it?

The information you provide in the 'Permanent Residential Aged Care – Request for a Combined Assets and Income Assessment form' is used by DHS to work out if you are eligible for government assistance with your accommodation costs and if so, how much.

You will need to agree a room price with your aged care provider, in writing, before you enter. All aged care homes must publish the maximum rates they will charge for their rooms. You can agree to a lower price than the one published, but you cannot be asked to pay more than the published price.

How much is it?

It depends on your aged care home and your financial situation (the amount of your income and assets). Accommodation charges depend on things like property values in the area, the size of your room and the features offered. All homes must clearly advertise their accommodation price.

The government is encouraging aged care providers to upgrade their accommodation by setting maximum amounts that it will contribute on behalf of eligible residents. For rooms built or significantly refurbished (updated) since 20 April 2012, the maximum the government will pay is \$65.49 per day. For rooms built before this date that have not been significantly refurbished, the maximum the government will pay towards the accommodation of eligible residents is \$42.70 per day (as at March 2023). These are the maximum amounts the NDIS will contribute towards a participant's accommodation charge.



TIP: If you are eligible for Government assistance with your accommodation charge, don't agree to pay more for your bed than the amount the NDIS will fund, either \$65.49 or \$42.70, or you will have to pay the difference or 'gap'.

What else do I need to know about it?

There are different ways you can pay your accommodation costs:

- You can choose to pay the full amount up front – known as a refundable accommodation deposit (RAD) or refundable accommodation contribution (RAC)
- You can choose to pay a rental-style daily payment – known as a daily accommodation payment (DAP) or daily accommodation contribution (DAC)
- You can pay a combination of a partial lump sum and daily payment

You have 28 days after you enter aged care to decide which way works best for you.

A refundable lump sum:	
Lump sum refundable accommodation deposit (RAD): The RAD is an option for people who must pay the full cost of their accommodation. A lump sum payment is made by you to your RACF and refunded to you or your family when you leave, less any agreed deductions.	NDIS will not provide funding for this
Lump sum refundable accommodation contribution (RAC): The RAC is an option for people who are eligible for government assistance with their accommodation costs. A lump sum contribution is made to the RACF and refunded to you or your family when you leave, less any agreed deductions.	NDIS will not provide funding for this

Daily payment:	
Daily accommodation payment (DAP): The DAP is an option for people who must pay the full cost of their accommodation. The DAP is a regular payment like paying for a rental property.	NDIS will pay this up to a daily maximum*. If you are paying more than the NDIS limit you will need to pay the difference.
Daily accommodation contribution (DAC): The DAC is an option for people who are eligible for government assistance with their accommodation costs. The DAC is a regular contribution like making a payment for a rental property.	NDIS will pay this up to a daily maximum*. If you are paying more than the NDIS limit you will need to pay the difference.

Combination of lump sum and daily payment:	
<p>A combination of a partial lump sum payment (RAD or RAC) and regular rental-style payment (DAP or DAC). You can choose the combination that works for you.</p> <p>People who must pay the full cost of their accommodation will pay a combination of a RAD and a DAP. People who are eligible for government assistance with their accommodation costs will pay a RAC and a DAC.</p>	<p>NDIS will only provide funds to cover the rental-style component up to a daily maximum of \$65.49 per day if your RACF was built (or significantly refurbished) after 20 April 2012. If your RACF is older, the most the NDIS will pay is \$42.70 per day. If you are paying more you will need to pay the difference.</p>

*The most the NDIS will pay is \$65.49 per day if your RACF was built (or significantly refurbished) after 20 April 2012. If your RACF is older, the most the NDIS will pay is \$42.70 per day.



TIP: If you've paid your accommodation as a lump sum, you may want to get financial advice to decide whether to negotiate with your aged care provider to have the lump sum refunded and pay your accommodation costs as a rental-style payment that will be covered by the NDIS. **It is important to get financial advice before making any changes.**

Means-tested fees and charges – if you entered aged care before 1 July 2014

INCOME-TESTED FEE

What is it for?

The income-tested fee is a contribution towards the cost of your care.

Do I need to pay it?

If you entered aged care before 1 July 2014, you were asked by DHS to provide details of your income and your partner's income. This information was used to work out what, if any, income-tested fee you would be asked to pay.

How much is it?

The income-tested fee is based on your income.

Will the NDIS help me to pay this fee?

Yes, the NDIS will provide you with funding to cover the cost of your income-tested care fee.

ACCOMMODATION CHARGES

What is it for?

As well as charging for the care they provide, aged care homes charge for your use of the accommodation and the cost of maintaining it.

Do I need to pay it?

The information you provided in the 'Permanent Residential Aged Care - Request for a Combined Assets and Income Assessment' form was used by DHS to work out whether you are eligible for government assistance with your accommodation costs and, if so, how much.

Use this information to guide your negotiations with aged care providers about how much you pay for your aged care bed.

How much is it?

It depends on your aged care home and your income. Accommodation charges depend on things like property values in the area, the size of your room and the features offered. All homes must clearly advertise their accommodation price.

The government is encouraging aged care providers to upgrade their accommodation by setting maximum amounts that it will contribute on behalf of eligible residents. For rooms built or significantly refurbished (updated) since 20 April 2012, the maximum the government will pay is \$65.49 per day. For rooms built before this date that have not been significantly refurbished since this date, the maximum the government will pay towards the accommodation of eligible residents is \$42.70 per day (as at March 2023). These are the maximum amounts the NDIS will contribute towards a participant's accommodation charge.

You will need to agree a room price with your aged care provider, in writing, before you enter. All aged care homes must publish the maximum rates they will charge for their rooms. You can agree to a lower price than the one published, but you cannot be asked to pay more than the published price.

What else do I need to know about it?

There are different ways you can pay your accommodation costs:

- You may have chosen to pay the full amount up front – known as an accommodation bond
- You may have chosen to pay a rental-style daily payment
- You may have chosen to pay a combination of a partial lump sum and daily payment

A refundable lump sum:	
The accommodation bond is a lump sum accommodation payment. The accommodation bond is returned to you or your family, less any amounts taken out that you have agreed on, when you leave aged care.	NDIS will not provide funding for this

Non-refundable payment options:	
Periodic bond Retention amount Interest paid in lieu of paying a bond An accommodation charge	NDIS will provide funds up to a daily maximum*. If you are paying more than the NDIS limit you will need to pay the difference.

Combination bond and another payment option	
A combination of a lump sum payment and another payment option.	NDIS will only provide funds to cover the non-refundable payment option up to a daily maximum*. If you are paying more than the NDIS limit you will need to pay the difference.

*The most the NDIS will pay is \$65.49 per day if your RACF was built (or significantly refurbished) after 20 April 2012. If your RACF is older, the most the NDIS will pay is \$42.70 per day.



TIP: If you've paid your accommodation as a lump sum bond, you may want to get financial advice to decide whether negotiate with your aged care provider to have the bond amount refunded and pay your accommodation costs as rental style payment covered by the NDIS.

It is important to get financial advice before making any changes.

Extra service fees

What are they for?

Extra service fees are charged by aged care providers for facilities or rooms within a nursing home that have been granted Extra Service Status by DHS. Extra service fees are for higher standards of accommodation and services such as recreational services and activities. They are not for personal care.

Do I need to pay it?

If you live in a room with Extra Services Status you will have to pay an extra services fee. There are rules about the amount you can be charged for Extra Services and these fees must be published. Extra service fees are charged on a daily basis, and can be paid up to a month in advance as agreed with your aged care home. If you are in an Extra Service place your aged care home will give you an Extra Service Agreement (this may be part of your accommodation or resident agreement). If you are in an Extra Service place you must pay the extra service fee, regardless of whether you use the extra services on offer.

Will the NDIS help me to pay this fee?

No. The extra and additional service fees do not relate to your disability support needs, so they are not the responsibility of the NDIS.

ADDITIONAL SERVICE FEES

What are they for?

Additional service fees may be agreed to by the resident for other care or services that are in addition to those that the home must provide to you under the Aged Care Act 1997.

Do I need to pay it?

These fees are different to extra service fees – you don't need to occupy an Extra Service place in your nursing home to use these services. You cannot be charged additional service fees for care or services that you do not receive a direct benefit for, or that are for care or services that the aged care home is required to provide you under the Aged Care Act 1997.

Will the NDIS help me to pay this fee?

No. The NDIS will not provide you with funds to cover the cost of your additional service fees.



TIP: NDIS participants in RACF may be paying additional service fees to their aged care provider for services that are provided by the NDIS, such as community access, physiotherapy etc.

Make sure you talk to your NDIS planner about these supports as you can choose to stop purchasing them from your aged care provider and have the NDIS provide you with funding for these supports in your NDIS Plan. You can then choose which service provider you would like to deliver these supports.

Note some RACFs bundle residents' accommodation charges and additional service fees on your RACF invoice. In order for the NDIS to work out the funding you're entitled to in your plan it's important that these charges are listed separately.

WHERE CAN I GET MORE ADVICE ABOUT AGED CARE FEES?

It is important to get financial advice before moving into residential aged care. You may want to go to a specialised financial planner for people with disability, or you can contact Centrelink financial information services: servicesaustralia.gov.au/financial-information-service

We have produced an information sheet for residential aged care facilities, NDIS plan managers and financial summerfoundation.org.au/residential-aged-care-costs-for-ndis-participants/

The NDIS and the Department of Health have produced two fact sheets with information for residential aged care facilities and NDIS participants about the transition arrangements

For RACF providers: Providers with younger people in residential aged care: health.gov.au/resources/publications/providers-with-younger-people-in-residential-aged-care-ndis

For NDIS participants: Younger people in residential aged care: health.gov.au/resources/publications/younger-people-in-residential-aged-care-ndis?language=en

XYZ Aged Care
PO Box 10
Box Hill VIC 3128
Telephone (03) 9894 XXXX

Jane Citizen
XYZ Aged Care
1 Twilight Street
Box Hill VIC 3128

Monthly Invoice for fees for Jane Citizen
Account period: 01/04/2023 To 30/04/2023

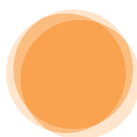
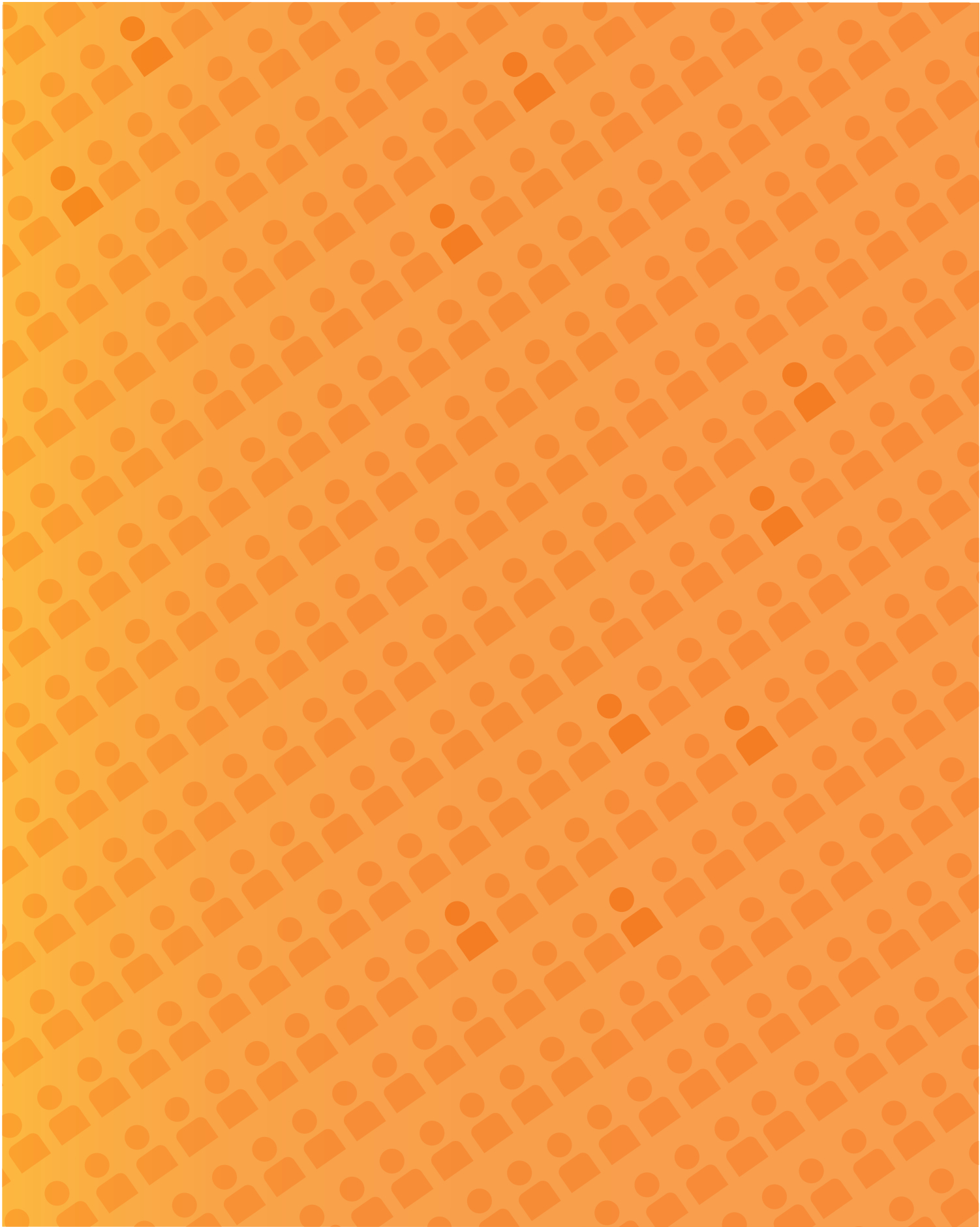
Date	Reference	Particulars	Amount	Balance
April 2023	Basic Daily Fee	30 X \$50.16	\$1504.80	\$1504.80
	Accommodation Contribution	30 X \$35.37	\$1061.10	\$2565.90
	Means Tested Care Fee	30 X \$6.05	\$181.50	\$2747.40
06/04/2023	Sundry Item: Clothing Labels	1 X \$91.20	\$91.20	\$2837.80
Payment due on 01/05/2023				\$2838.60



The NDIS **will not** provide funding for this item



The NDIS **will** provide funding for this item



SUMMER
FOUNDATION