



Aged Care Financial Booklet

FOR RESIDENTS AND THEIR FAMILIES



Key Features for Aged Care Rooms



Owner/ Operator

Bethany Christian Care
333 Underwood Road, Eight Mile Plains QLD 4113



Facility

Janoah Gardens, 11 Audell Street,
MANLY WEST QLD 4179



Room Types

Single Ensuted Rooms, Single Room with Shared Ensuite and Shared Ensuted Room (Double).

Each category is described in the following pages.



Village Amenities

(accessible to all residents irrespective of room type)

- Two-storey Community Centre (including upper floor auditorium and dining space, lower floor kitchen/ dining and activities/ recreation facilities)
- Library
- Hairdressing salon
- Croquet green
- Indoor spa
- Barbeque pavilion
- Cafe (self serve)

Room Types

Single Ensuted Rooms

Room Category	Single room + private ensuite
Quality	Good
Condition	Good
Size	11 - 15 sq m (approx.)
Max. no. of residents in room	One

Rooms are modern, air-conditioned, carpeted and tastefully finished. Each occupant is provided with a bedside table (with lockable drawer), easy chair, built-in wardrobe, shared ensuite, TV cupboard and bedspread/ curtaining.

Single Room with Shared Ensuite Rooms

Room Category	Single room + shared ensuite
Quality	Good
Condition	Good
Size	11 - 14 sq m (approx.)
Max. no. of residents in room	One

Rooms are modern, air-conditioned, carpeted and tastefully finished. Each occupant is provided with a bedside table (with lockable drawer), easy chair, built-in wardrobe, shared ensuite, TV cupboard and bedspread/ curtaining.

Shared Ensuted Rooms (Double Rooms)




Room Category	Shared room + shared ensuite
Quality	Good
Condition	Good
Size	22 sq m (approx.)
Max. no. of residents in room	TWO (either two individuals or one couple)

Rooms are modern, air-conditioned, carpeted and tastefully finished. Each occupant is provided with a bedside table (with lockable drawer), easy chair, built-in wardrobe, shared ensuite, TV cupboard and bedspread/ curtaining. These rooms are also suitable for couples.

Accommodation Pricing

for Aged Care Rooms

Maximum accommodation payment amount:

	Room Type 1: Single room with private ensuite	\$500,000 per person
	Room Type 2: Single room with shared ensuite	\$450,000 per person
	Room Type 3: Double room with shared ensuite	\$400,000 per person

Payment Options:

Residents can choose to pay for their accommodation by a refundable deposit, a daily payment, or a combination of both. A Refundable Accommodation Deposit (RAD) is paid as a lump sum amount. A Daily Accommodation Payment (DAP) accrues daily and is payable fortnightly. A combination of these can be paid – ie part can be paid by a lower-than-maximum RAD, and the shortfall can be paid by a DAP (equivalent to the RAD shortfall). Residents can choose the breakup between RAD and DAP.

Example:

Maximum RAD amount - \$500,000
Resident may choose to pay 15% RAD – ie \$75,000.
The DAP equivalent of the RAD shortfall of \$425,000
(\$500,000 minus \$75,000) is \$98.04 per day.
Thus, a combination of \$75,000 RAD and \$98.04 per day
DAP is the payment method chosen by the resident in this
example.



General Financial Arrangements

One single system for all new residents:

The Commonwealth Government has set uniform financial arrangements for all new residents irrespective of their level of care; however, residents can choose how they pay.

Pricing and key features of our accommodation:

As required by the *Aged Care Act*, we have published the prices and key features of all room types at Janoah Gardens. This information also appears on the Bethany Christian Care website (www.bethanycc.org.au) and on the government's My Aged Care website (www.myagedcare.gov.au/).

The government requires us to set maximum pricing and that determines what people pay according to their financial situation and the payment choices they make.

The maximum prices are repeated here:

Janoah Gardens



Room Type 1:

Single room with private ensuite - \$500,000 per person



Room Type 2:

Single room with shared ensuite - \$450,000 per person.



Room Type 3:

Double room with shared ensuite - \$400,000 per person (\$800,000 for a couple).

On what do we base the calculation of resident payments?

Before admission, residents are required to produce advice from Centrelink/ DVA regarding their assessed assets and income.

General Financial Arrangements

continued

What choices are available to residents to pay for their accommodation?

Welcome to some important aged care acronyms, namely:

“RAD” = “Refundable Accommodation Deposit”

“RAC” = “Refundable Accommodation Contribution”

“DAP” = “Daily Accommodation Payment”

“DAC” = “Daily Accommodation Contribution”

Accommodation payments will be either Level 1 or Level 2 payments, with the difference being as follows:

- **Level 1** payments relate to residents who qualify for an accommodation supplement (paid to the Facility by the Commonwealth Department of Health).
- Such residents whose assets exceed the minimum permissible asset level (currently \$61,500) but are less than the first asset threshold (currently \$206,039.20) will pay a RAC or a DAC.
- **Level 2** payments relate to residents who do not qualify for an accommodation supplement (i.e. their assessable assets exceed the first asset threshold) – they will pay a RAD or a DAP.

QUICK TIP



To avoid confusion from here on, decide whether you are Level 1 or Level 2, and then decide what applies to you—RAD/DAP or RAC/DAC.

Having established whether you are Level 1 or Level 2, the next issue to canvass is that of resident choice when it comes to accommodation payments.

Residents have the choice to pay for their accommodation either as:

- a RAD or a RAC – both are a refundable lump sum payment; or
- a DAP or a DAC – both are an equivalent daily payment to a RAD or RAC, using the Maximum Permissible Interest Rate (MPIR). (See below for explanation of MPIR.); or
- a combination of both the above.

A new resident has up to 28 days from entering care

to choose whether to pay the agreed accommodation price by a RAD/RAC or a DAP/DAC or some combination of both (the breakup being entirely at the election of the resident). The DAP/DAC is paid unless and until a RAD/RAC is paid. In other words, a DAP/DAC is the “default” method of payment if a RAD/RAC is not paid. A RAD/RAC selection can be made at anytime; however, having selected a RAD/RAC, that lump sum payment cannot be changed to a DAP/DAC arrangement.

If a partial RAD/RAC has been paid (supplemented by a DAP/DAC), the RAD/RAC amount can be ‘topped-up’ at any time.

Our DAPs/DACs are payable a fortnight in advance.

What if a RAD/RAC option is indicated within 28 days of entry, but payment is delayed (eg while awaiting house sale/ settlement)?

RAD/RACs are not required to be paid until six months after choosing your payment option, but the default payment, ie DAP or DAC, will be payable until payment of the RAD/RAC is made.



General Financial Arrangements

continued

Drawing down DAP/DAC from the RAD/RAC

A DAP/DAC can be paid separately by the resident or, if the resident has elected to pay a combination of a RAD/RAC and DAP/DAC, drawn down from the RAD/RAC amount the resident has paid to Bethany Christian Care. The choice is yours.

Are there any other payments which can be drawn down from a RAD/ RAC?

Yes. Bethany Christian Care may, upon receiving a written request, and at its sole discretion, consider other amounts (besides DAP/DAC payments) being drawn down from the RAD/RAC.

Any amounts drawn down from the RAD/RAC will incur interest (at the maximum permissible interest rate - "MPIR") to compensate Bethany Christian Care for the impact of receiving lower earnings due to the decreasing RAD/RAC balance.

Minimum asset amount with which resident must be left when paying a RAD/ RAC

The RAD/RAC amount a resident pays must leave the resident with at least the minimum permissible asset level. This is determined by the Commonwealth Government on a quarterly basis, and is currently \$61,500. A different amount may apply at the time of your admission.

What else may be payable (in the case of Level 2 accommodation payments) if there is a shortfall in the RAD amount (ie less than a maximum-price-RAD is paid)?

If a resident is unable to pay a full RAD amount (by reason of asset level), an additional DAP amount will be payable to make up the difference between the actual RAD paid and the relevant maximum price.

As per the above "drawing down" section, this can be paid separately or drawn down from the amount of any lump sum paid (the RAD).

How is the DAP/DAC equivalent of a RAD/RAC calculated?

To calculate a DAP/DAC figure equating to the RAD/RAC amount, the RAD/RAC is multiplied by the MPIR (8.42% at time of writing, but subject to quarterly change), and divided by 365 days.

Example:

A RAD of \$500,000 would have an equivalent daily payment (DAP) of \$115.34 per day. (RAD amount x MPIR)/365 = $(\$500,000 \times 8.42\%) / 365 = \115.34 per day

Example of combination payment:

The RAD amount of \$500,000 may be paid by way of a combination of \$300,000 RAD and DAP of \$46.13 per day, with the DAP/DAC amount determined as follows: (Lesser RAD/RAC amount x MPIR)/365 = $[(\$500,000 - \$300,000) \times 8.42\%] / 365 = \46.13 DAP per day

More examples are shown in the Appendix at the end of this booklet.

Where is the maximum permissible interest rate (MPIR) advertised?

The MPIR is available on the Department of Health website and is updated every three months. Bethany Christian Care's published prices reflect the current MPIR. At the date of writing, the MPIR is 8.42%. (It is reviewed in January, April, July and October.)



General Financial Arrangements

continued

What is the best scenario for me?

A good question which many will ask of us, but which we cannot really answer, is: “What breakup (if any) of RAD/RAC and DAP/DAC is the optimum situation for a resident?” As every resident’s situation is different, we always recommend consultation with a financial adviser.

Government accommodation supplement

The Commonwealth Government pays Bethany Christian Care a supplement for residents who are assessed as being eligible for the accommodation supplement. Eligibility is determined under means testing arrangements involving a combined income and asset test. The Government will either pay the maximum accommodation supplement or a part accommodation supplement, depending on the resident’s assessed financial circumstances.

If a resident is assessed as being eligible for the maximum accommodation supplement, Bethany Christian Care will not charge any additional amounts for that resident’s accommodation. If the resident is assessed as being eligible for a part supplement, Bethany Christian Care will charge the resident the difference between the assessed supplement amount and the maximum supplement for the Facility in question.

Example:

If the resident is eligible to receive a supplement of \$34 a day and the maximum supplement for the Facility is \$54 per day, then Bethany Christian Care will charge the resident \$20 per day. The resident can then choose to pay his/her contribution as either a DAC, RAC, or combination payment if preferred.

RAD/RAC refunds upon vacation of accommodation

When you permanently leave the Facility, your RAD/RAC (or RAD/RAC balance) will be paid to you, your estate or your legal representative, within timeframes set by the Aged Care Act.

Declaration of assets

If your qualifying assets are over the relevant maximum price plus the minimum permissible asset level you may choose not to obtain an assessment of the net value of your assets. If that is your choice, you will need to complete our “Statement confirming it is not intended to submit a ‘Request for an Assets Assessment’”. Otherwise, you will need to produce to us the assessed net value of your assets from Centrelink or Department of Veterans’ Affairs (DVA). If you do not advise your assets, that is fine but the maximum price will be payable (RAD/DAP or combination of both).

Other Payments

Basic Daily Fee

In addition to accommodation payments, the Commonwealth Government has set a basic daily care fee of \$63.57 per day (approximately 85% of the pension).

Note: Also for Respite residents.

Means Tested Care Fee

You may also be required (except for Respite care) to pay a means-tested care fee. This additional amount will be advised by the Department of Health or Department of Veterans’ Affairs as soon as possible after entry to the Facility. The basic daily care fee will apply from the date of entry (or from the commencement of any pre-entry leave) whilst the means-tested care fee will apply from date of entry.

Note: For calculation of the means-tested care fee, the Commonwealth Government will have regard to your assessed income and assets. (Deemed house value is currently capped at \$206,039.20)



General Financial Arrangements

continued

Additional Services Fee

Bethany Christian Care strives to provide an environment where our residents receive a high standard of professional and individual care with lifestyle services designed to benefit everyone.

Bethany PLUS additional services provide residents with added benefits, enabling them to have additional entertainment and lifestyle choices. **Bethany PLUS additional services** attract an additional services fee.

“Supported” Residents

Bethany Christian Care maintains a significant proportion of places for “fully supported” residents. A single resident with assets below \$61,500 and income less than \$33,735.00 (as assessed by Centrelink/ DVA) will pay no RAD/RAC or DAP/DAC. Then there are residents with “partially supported” status (again, based upon Centrelink/ DVA means-testing), who pay a RAC/DAC.

Residential Care Agreement

All new residents (or their representatives) will be asked to sign a Residential Care Agreement (which, together with the Residents' Information Handbook, includes Conditions of Residency). Should you proceed with an application to us, a sample of our current

Agreement and/ or the Residents' Information Handbook, will, upon request, be forwarded for your perusal and that of your advisers.

The Residential Care Agreement and other relevant paperwork must be signed and returned to Bethany Christian Care before the new resident can move in to the Facility.



Appendix

RAD/ DAP Examples

Examples of paying:

1. A combination of a Refundable Accommodation Deposit (RAD) and a Daily Accommodation Payment (DAP);
2. A Daily Accommodation Payment (DAP) to cover a shortfall between the published price for the accommodation and the amount which can be paid.

Background

Mrs Winter owns her home.

A widow, she is about to go into residential care and the RAD on her room will be \$450,000

Her house is worth about \$400,000.

Mrs Winter's other assets amount to \$40,000.

Her total assets are: \$440,000

She must be left with: \$61,500

Thus, the maximum Refundable Accommodation Deposit (RAD) Mrs Winter can be asked to pay is \$378,500 (\$440,000 less \$61,500). The published price for accommodation in the Aged Care Facility is \$450,000. There is therefore a shortfall of \$71,500. To cover the shortfall, Mrs Winter will be asked to pay a Daily Accommodation Payment (DAP).

Appendix continued

Example 1

Mrs Winter can choose to pay the RAD of \$378,500 from the sale proceeds of her house and pay the DAP, to cover the shortfall, from her income. Her payments would be as follows:

RAD: lump sum of \$378,500

DAP to cover shortfall of \$71,500: daily amount of \$16.49

(Note: Mrs Winter would be required to pay the DAP amount fortnightly—ie \$230.86 per fortnight.)

The amount of the DAP is calculated by multiplying the RAD shortfall amount by the “maximum permissible interest rate” (currently 8.42% p.a.), divided by the number of days in a year (365 days).

Example 2

Mrs Winter can also choose to pay the amount of \$378,500 as a combination of a RAD and a DAP. Let’s say she decides to pay 50% as a RAD and 50% as a DAP. Her payments will be as follows:

RAD:	lump sum of	\$189,250
DAP (equivalent to a RAD of \$189,250):	daily amount of	\$43.65
DAP to cover shortfall of \$71,500	daily amount of	\$16.49
Total DAP:	daily amount of	\$60.14

(Note: Mrs Winter would be required to pay the DAP amount fortnightly—ie \$841.96 per fortnight.)

The amount of the DAP (equivalent to a RAD of \$189,250) is calculated by multiplying \$189,250 by the “maximum permissible interest rate” (currently 8.42% p.a.), divided by the number of days in a year (365 days).

Example 3

Mrs Winter can also choose to pay the DAP by deducting the amount from her RAD. She could pay a RAD sufficient to cover her DAP payments for say 3 years. The amount of the RAD would reduce to nearly nil after 3.4 years. Her payments would be as follows:

RAD:	lump sum of	\$100,000
DAP (equivalent to a RAD of \$190,250):	daily amount of	\$64.24
DAP to cover shortfall of \$71,500	daily amount of	\$16.49
Total DAP:	daily amount of	\$80.73

The daily amount of \$80.73 would not be paid separately by Mrs Winter, but would simply be deducted fortnightly from the RAD of \$100,000.

The amount of the DAP (equivalent to a RAD of \$278,500) is calculated by multiplying \$278,500 by the “maximum permissible interest rate” (currently 8.42% p.a.), divided by the number of days in a year (365 days).

The amount of the RAD is anticipated to have been reduced to approximately zero after 3.4 years.





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Like More Information?

Go to our website bethanycc.org.au or
ask our team on any of the listed contact details above.

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