



Mercy Health

Care first

# Understanding the costs



[mercyhealth.com.au](http://mercyhealth.com.au)

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# Care fees

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Every person moving into a residential aged care home is required to contribute to the cost of their care. The amount you pay depends on your financial circumstances.

The Australian Government subsidises a range of aged care services, but there is an expectation that you will contribute to the cost of your care if you can afford to do so.

There are two types of care fees:

## Basic daily care fee

This fee covers your day-to-day living costs such as meals, cleaning, laundry, heating and cooling.

The maximum basic daily fee is determined by the government. It is currently 85 per cent of the basic age pension.

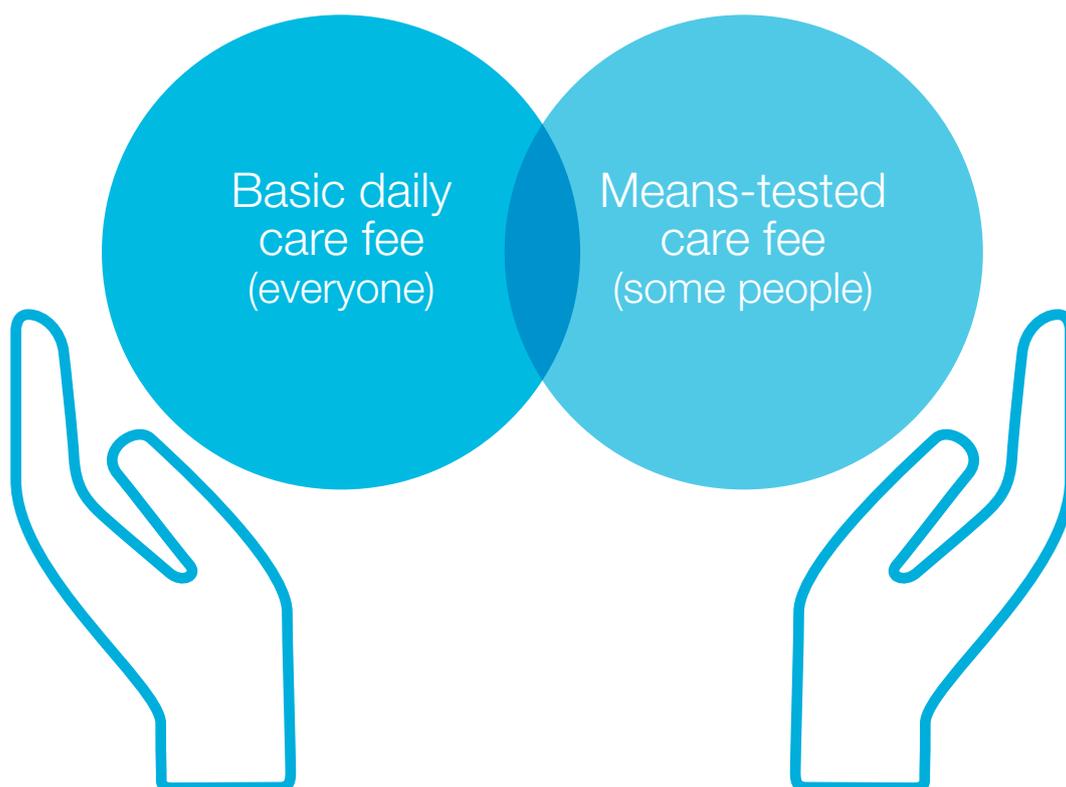
Everyone moving into an aged care home pays this fee.

## Means-tested care fee

This is an additional contribution towards the cost of care that some people are required to pay.

Services Australia will determine if you are required to pay this fee based on an income and assets assessment. If you are part of a couple, the assessment will consider half your combined income and assets.

These fees are capped annually and over a resident's lifetime.



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# Accommodation payments

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In addition to your care fees, your accommodation payment covers the cost of your accommodation (room) in the home. Each home has a range of rooms for you to choose from and the costs vary.

For some people, the accommodation cost will be met in full or in part by the Australian Government. Other people will need to pay the costs as agreed with the home.

Services Australia will advise which applies to you based on your income and assets assessment.

You have a range of flexible options to choose from when paying accommodation fees.

## Refundable Accommodation Deposit (RAD)

A one-off lump sum accommodation payment that is fully refundable at the end of your stay, less any amounts you have agreed to have deducted.

The refund is guaranteed by the Australian Government.

## Combination payment (RAD + DAP)

The accommodation cost is paid by a combination of a Refundable Accommodation Payment (RAD), plus a Daily Accommodation Payment (DAP).

You can choose the RAD amount and we will calculate the remaining cost as a DAP.

## Daily Accommodation Payment (DAP)

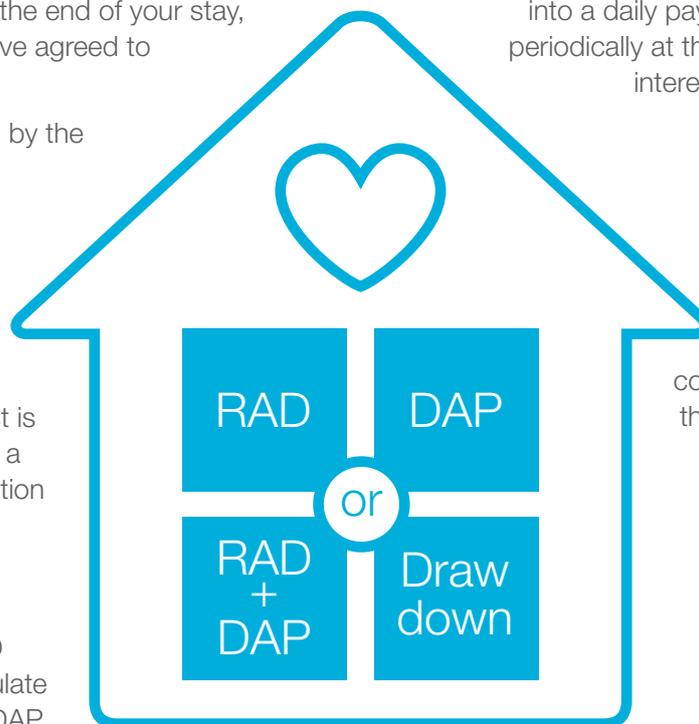
The accommodation cost converted into a daily payment, which is charged periodically at the maximum permissible interest rate (MPIR) set by the Australian Government.

There is no refund at the end of your stay.

## Drawdown

This is similar to a combination payment, but the Daily Accommodation Payment (DAP) is taken from your Refundable Accommodation Deposit (RAD) as a 'drawdown'.

When you leave, the remaining RAD balance is refunded.



You have 28 days from the day you enter care to choose your payment method. In the interim, you are required to pay a Daily Accommodation Payment (DAP).

The accommodation price for any room at a Mercy Place home is listed in the *Your accommodation options* brochure.

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# Additional services

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Being able to enjoy life's little pleasures when you are living in aged care can make all the difference to your day.

Our additional services complement the high-quality care we provide, adding simple luxuries to your everyday life.

Participating homes charge the additional services fee daily, and costs will vary between homes depending on the services offered.

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## Find out if you are eligible for government support

The Australian Government (via Centrelink or the Department of Veterans' Affairs) assesses all residents entering a Commonwealth-funded residential aged care home. It is your responsibility to apply for assessment. Full fees and charges will apply until your government assessment is complete.

The Australian Government form: *Request for a Combined Assets and Income Assessment (SA457)* can be found here: [humanservices.gov.au/customer/forms/sa457](https://humanservices.gov.au/customer/forms/sa457)

## Financial advice

Our knowledgeable team can explain your payment options, but we also recommend you engage the services of a financial advisor specialised in aged care to support your financial decision-making.

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