

## **Aegis Aged Care Group**

### **Inquiry into the Aged Care (Living Longer Living Better) Bill 2013 and related Bills**

#### **Answers to Questions on Notice – 29 April 2013 – Perth**

On page 8, Senator Siewert asked me to give my comments back to the Senators on the letter she received from Mark Butler which was not dated but in reply to her letter of 17<sup>th</sup> April 2013. The responses he gave were his standard response and did not address any issue raised with Senator Siewert.

The issues we wanted addressed were spelt out in my submission, were discussed at the Hearing and still need to be addressed.

Particularly, Lump Sum payments being included as assets in the means tested calculation (section 44-26A(5)) and residents not being able to pay Lump sums until they have been in a facility for more than 28 days (section 52F-4).

These two issues will impact seriously on residents paying lump sums and provide so much uncertainty in the Industry that Providers will not be able to access bank funding or be encouraged to build new facilities.

These two items need to be changed in the legislation as their implementation in their current form will have serious consequences for both residents and Providers.

On page 12, Senator McKenzie asked “how are the incentives to build new facilities or significantly upgrade your facilities catered for under this arrangement”.

The incentives are:

1. Combining low care and high care and allowing lump sums to be charged in both high care and low care.
2. Deregulating the DAP and making it a commercial daily amount based on accommodation provided in the facility.
3. Allowing extra services to be provided in any room in a facility.
4. The Government paying a more reasonable accommodation supplement.

The dis-incentives are:

1. Including the lump sum or RAD as an asset in the means test.
2. Only allowing residents to pay a DAP for the first 28 days of occupancy and taking that time to decide whether they will pay a DAP or RAD.
3. Using the DAP to determine an equivalent RAD. When interest rates go up, the RAD equivalent will go down. This is inequitable and should be the converse.
4. Daily means tested amount not having a daily cap of \$68.68 to achieve an annual maximum of \$25,000.

Please pass on my responses to the Senators.



**Geoff Taylor | Director**

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