

# Senate Community Affairs Legislation Committee

## BUDGET ESTIMATES - 4 JUNE 2013 ANSWER TO QUESTION ON NOTICE

### Human Services Portfolio

**Topic:** Aged Care - Residential

**Question reference number:** HS 29

**Senator:** Smith

**Type of question:** Hansard page 100

**Date set by the committee for the return of answer:** 26 July 2013

**Number of pages:** 2

#### **Question:**

- a) Senator SMITH: So someone entering residential aged care or someone's family member would access the Department of Human Services in exactly the same way as any other older Australian would?

Mr Sandison: Certainly for the age pension.

Ms Golightly: As with all the services we offer, there is a role for nominees, particularly in this area. It is often a family member who is helping with the elderly person.

Senator SMITH: Is it a complicated process for people, their family or their guardians?

Ms Campbell: I can talk as someone who has done it as a nominee for a relative. It does require the collection of information, to put that forward and to have an understanding of what aged-care options are available. I think I had quite a good understanding—this was before I was in this department—of those types of processes. It may be that some people will feel a little bit overwhelmed, but we do have officers who are available to talk people through that. My experience was that the aged-care facilities also had administrators who were able to assist with some of those issues. A lot of it revolves around assets and having that level of transparency about that; but, as Mr Sandison was saying, if they recipients of the age pension, a lot of that will already be in our system. But there may be other parameters that come into play there. We are happy to go have a look at the suggestion that there may be some delay and see whether there are any problems there.

- b) Senator SMITH: That would be good. If you have an indication or any thinking about what the average time might be for someone once they make the inquiry—I am assuming that most people come armed with the information before making the inquiry, but that is probably not an accurate judgement. I would be very keen to understand what sort of average length of time might be involved, because in the reforms you are probably familiar that there is now this 28-day cooling off period. Ensuring that the Department of Human Services is conscious of that element in the aged-care reforms to make sure it is servicing people who might come with questions about their future entitlements would be—

Ms Golightly: Yes, and part of the reform package provided for us to build the new means tests into our new system so we have the right tools to address those issues. But, as the secretary said, we can certainly have a look.

**Answer:**

a) and b)

There are five steps involved in the process of a care recipient moving into a residential aged care facility.

Step 1- Assessing Eligibility

The customer's needs are assessed by conducting an Aged Care Assessment. This is carried out by the Aged Care Assessment Team (ACAT) and not only determines the level of care needed, but also the customer's eligibility for Australian Government support.

Step 2 - Finding a Home

The customer selects a home that meets their particular care needs and preferences.

Step 3 - Working Out the Cost

The Australian Government provides support by providing funding to aged care homes. Those care recipients who can afford to do so are expected to contribute to the cost of their care. Aged care homes may charge a number of fees and charges such as:

- basic daily fees as a contribution to daily living costs;
- an additional income tested fee if the care recipient has income above the set threshold;
- an accommodation bond if the care recipient enters a facility which offers extra services; and
- an accommodation charge if the care recipient has high level care needs.

Step 4 - Applying

An application form needs to be completed to inform the aged care facility of the care recipient's personal circumstances, care needs and preferences.

Step 5 - Moving and Settling In.

Once the care recipient is offered and accepts a place in an aged care facility, a Resident Agreement will be completed. This is a legal document which sets out the terms of residency, the rights and responsibilities of the care recipients and the rights and responsibilities of the aged care home.

The Department of Health and Ageing has primary responsibility for the above described process, including the assessment of eligibility to receive care.

The Department of Human Services (the Department) assists with Step 3- Working out the cost by performing asset and income assessments of new and prospective care recipients. To aid pensioners, the Department may use information already provided for income support purposes. The outcomes of these assessments are then used to assist citizens and residential aged care facilities in determining the accommodation bond or accommodation charge. The income tested fee and basic daily care fee is determined once the citizen has entered care.

Notification of fees and charges are legislatively required to be received within 28 days of a completed application being received. The Department, however, notifies a majority of care recipients within 14 days of receipt of a completed assessment.

Additional volume funding will be provided to the Department as part of the 'Living Longer. Living Better' program from 1 July 2014. This funding covers processing of the request for income and asset forms, nominee details and letters production. Funding was also provided to deal with increased enquiries from care recipients, authorised representatives (nominees) and aged care providers.