

# Home Care Changes in a Nutshell



By Rachel Lane, Principal Aged Care Gurus

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The number of Home Care Packages is expected to increase from around 72,000 this year to 100,000 next. At the same time the government are giving consumers greater choice and flexibility and making it easier to become a home care provider. All in all it's an exciting time in the home care space.

## The changes in a nutshell, from 27 February 2017:

Home Care Package funding (which ranges from around \$22/day to \$177/day) will follow the consumer.

- Consumers can choose their provider, change providers and re-locate (nationally) retaining their package.
- Providers will be able to charge an exit fee from unspent package funds, published on My Aged Care.

My Aged Care will prioritise access to packages based on individual needs and circumstances.

- Once they have been assigned a package, the consumer has 56 days to enter into a Home Care Agreement.
- An extension of an additional 28 days may be granted by contacting My Aged Care.
- Unused Home Care Packages (at 26 February) will be reclaimed and form part of the national inventory.

The process of being an approved provider of Home Care will be streamlined.

- Providers of residential and flexi care will be able to "opt in" to providing home care.
- Approved provider status will not lapse after 2 years.
- Providers will not need to apply for packages and there's no limit to the number of packages they can hold.

The amount someone can pay for a Home Care Package, including the means testing arrangements is not changing. Likewise, eligibility for a Home Care Package is still determined by an ACAT assessment.

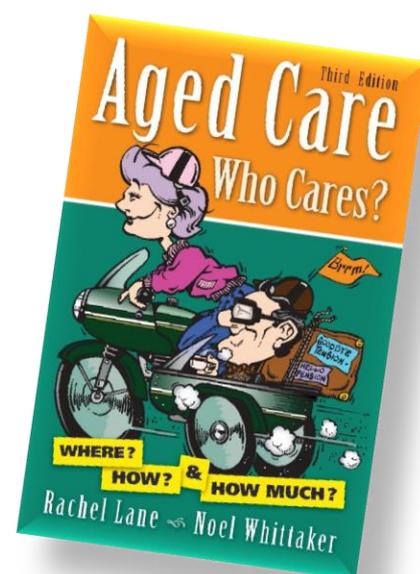
Home Care Packages are delivered into houses, caravan parks, retirement communities and granny flats – enabling people to receive care in whatever living arrangement they call "home". Greater choice, control and flexibility is undoubtedly a win for consumers, it's also a great opportunity for providers.

The third edition of *Aged Care Who Cares?* is available now.

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# Home Care – the value of advice

JULIE LOCKERDIGE, *Lockeridge Financial Advisory*



As Rachel has highlighted, the number of people accessing home care packages is set to grow significantly.

For anyone receiving, or hoping to receive, a home care package it is important to understand the funding available through these packages and the costs associated with them.

## Let's start with the funding:

*There are 4 levels of Home Care Package: Level 1 provides a basic level of support with funding of \$22 per day while at the other end of the scale Level 4 packages provide support to people with high care needs giving funding of \$134 per day. Additional funding is available for returned servicemen and people with special care needs.*

*Anyone who receives a home care package can be asked to pay the Basic Daily Fee, currently \$9.97 per day. In addition to this an Income Tested Care Fee can also apply – this fee is calculated using Centrelink's Income Test and used to reduce the amount of funding the government provide.*

*Full pensioners don't pay an income tested care fee. Part pensioners and self-funded retirees whose income exceeds \$25,792p.a (single) or \$20,025p.a (each member of a couple) are charged an income tested care fee at 50c per dollar above these thresholds. An annual cap of \$5,208p.a applies to part-pensioners, and \$10,416p.a for self-funded retirees. In addition, a lifetime cap of \$62,499 applies across home care and residential aged care.*

## Let's look at an example:

*June is a part-pensioner, she owns her home and has \$250,000 in the bank. June has been approved for a Level 2 Home Care Package which provides \$40 per day of funding.*

*June's Income Tested Care Fee will be \$2 per day and she will also pay the basic daily fee of \$9.97. The total value of the care June can receive through the package is \$50 per day (\$9.97 + \$40). June can choose the services she wishes to receive, who she would like to provide them and when they are delivered.*

*There are a number of financial planning strategies that June could look at to reduce her cost of care, which in turn can increase her pension entitlement, such as gifting, pre-paying her funeral expenses, purchasing an annuity or investing via a trust. The right combination of these could see June receive an extra \$1,560p.a in pension and save \$730p.a in care costs. Specialist financial advice can make home care more affordable.*



**Julie Lockeridge CFP®, Dip FS (FP), – BH SCs (Nursing)**  
**LOCKERIDGE FINANCIAL ADVISORY**

**Principal Adviser & Aged Care Specialist**

*Julie has been a financial adviser since 1995 following her start in the financial services industry in 1989. Following a personal experience, Julie realised that there was a distinct shortage of advice and expertise in the area of aged care. Since then she has honed her skills, navigating her way around the complexities that surround the choices one has to make when considering care facilities; specifically the costs, options and emotions. She is well respected in the industry and regularly consults to other organisations as well as being a sought after speaker for both professional and public events.*



PO Box 6289 GCMC, QLD 9276  
Suite 2b, Level 1, 14 Carrara Street, Benowa QLD 4217  
P: 07 5597 5550  
[www.lfa.net.au](http://www.lfa.net.au)

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