

Understanding some of the aged care terminology

Aged care is a complex and emotive topic and many people don't think about their aged care needs until the time to do something is upon them – at which point the options can be limiting. This article explains a couple of the key areas to consider around your aged care plan.

Arranging an aged care assessment

When the time comes to move into a facility, one of the first steps is usually an assessment by a team of medical and health professionals who determine the eligibility of any government subsidised care.

You can speak to your family doctor about getting an aged care assessment or call My Aged Care who can put you in touch with an Aged Care Assessment Team (ACAT).

Understanding an RAD and DAP

If you want or need to move into an aged care facility you will need to research different facilities, compare their services and ask them about the refundable accommodation deposit (RAD) to secure a place at a facility.

The RAD is a lump sum payment for accommodation in an aged care home paid by the in-going resident. It is essentially the cost of a room in the form of a lump sum deposit that you agree to pay. The daily accommodation payment (DAP) is paid if the agreed RAD is not paid in full. DAP is the daily interest on any unpaid RAD, so it is possible to pay part of the RAD and DAPs.

'Low means' residents pay DAC or RAC

Residents who have limited means are called 'low means' residents. They may be asked to make contributions towards their accommodation cost instead of the RAD or DAP.

Contributions can be made in the form of daily accommodation contributions (DAC), lump sum deposits called refundable accommodation contributions (RAC) or a combination of a RAC and DAC. If you are a low means resident part of the cost of the room is paid for by the Government, leaving you to only make contributions based on an assessment of your financial means.

RAD and RAC

The RAD or RAC you pay to the facility as a lump sum deposit is refundable upon permanently leaving the aged care facility. Many times, this will be at the time of death, so the amount is paid to your Estate.

In some situations, a family member agrees to pay the in-going RAD or RAC to a facility, perhaps because the in-going resident does not have the liquid cash available. If this is the case, there should be sufficient documentation so that upon death the money is refunded to the rightful recipient. The family should seek legal advice on how this can be done.

More information

There is a good repository of information available on the My Aged Care website. It is worth taking a look at the website, noting down anything you don't understand or would like further information on, and talking to your Financial Adviser.

Talk to us

If you or a family member are nearing the time that an aged care plan is required, it can help to talk to a Financial Adviser who understands this complex advice area and can answer any questions you have. It is often helpful to include close family members in these discussions.

We have capacity to take on new clients and welcome the opportunity to meet with you to discuss your aged care needs

Source: <https://www.myagedcare.gov.au/>