

Understanding the Costs

What does residential aged care cost?

The Australian Government pays for the bulk of aged care in Australia but as with all aged care services, you may be asked to contribute to the cost of your care if you can afford to. To move into a residential aged care home, you are required to contribute funds towards your daily care expenses. Depending on your financial situation, the Australian Government *may* subsidise some of these costs.

There are up to four fees you may be asked to contribute to:

- Basic daily fee
- Means-tested care fee
- Accommodation costs
- Additional services fee

Basic daily fee

A basic daily fee of \$53.56 is applicable to all residents regardless of the residence you choose. This fee helps pay for your day-to-day services such as meals, cleaning, facilities management and laundry. The basic daily fee is 85% of the single person rate of the basic age pension. The government sets the price on 20 March and 20 September each year, changing in line with increases to the age pension.

Means-tested care fee

The means-tested care fee is an ongoing fee that you pay towards the cost of your personal and clinical care. Not everyone will need to pay this fee. What you need to pay will be determined by Centrelink based on an assessment of your income and assets. The means-tested care fee is charged on top of your basic daily fee. There are annual and lifetime caps on means-tested care fees.

Accommodation costs

On top of care fees, you may be required to pay for your accommodation. Each aged care residence sets a price per room based on a variety of features, including the room size, facilities of the home and location. The amount you pay will depend on the type of room you choose and your eligibility.

To make these payments more affordable and best suited to your financial situation, you can choose to pay for your accommodation either by a *refundable accommodation deposit (RAD)*, a *daily accommodation payment (DAP)* or a *combination of both*.

Refundable Accommodation Deposit (RAD)

Refundable Accommodation Deposit or RAD is the agreed price of the room, which can be paid as a lump sum. As the name suggests, the payment is fully refundable (less any charges, fees and interest outstanding) when you leave the home. The RAD is set by the aged care home and may be negotiated.

Daily Accommodation Payment (DAP)

This is a rental-style daily payment based on the agreed price of the room. A DAP exists where there is an unpaid RAD or portion of the RAD. This option is 'pay as you go' and is not refunded when you leave the aged care home.

Combination Costs

You may prefer to pay a combination of the two options above. For example, to achieve a total required amount of \$300,000, you may prefer to pay:

50% RAD \$150,000 + 50% DAP \$36.99 daily

Use this [Quick Calculator](#) by My Aged Care to find out which fees you need to pay.

Additional services fee

Many aged care providers offer additional or premium services that go beyond the minimum care and service requirements. These services are *not subsidised* by the government.

BlueCross offers a suite of premium services to enhance a resident's experience, by providing more choice, premium comforts and additional activities. These services are provided to complement the exceptional care and standard services provided in line with the *Aged Care Act*. Services may include movie streaming services to your room, hairdressing or beauty services and outings.

What if I can't afford residential care?

The Australian Government can subsidise payments for certain people who cannot afford residential care. Depending on your financial situation, this may cover a portion of basic daily fees, means-tested care fees and/or accommodation fees.

If you are worried you might have trouble paying for your aged care home costs, you can ask to be considered for financial hardship support from the Government.

Each case is reviewed on an individual basis and the outcome is based on a number of factors that may be contributing to your financial situation. For more information, visit [My Aged Care](#).