



# Understanding fees for aged care homes

## Fees you may be asked to pay

If you are entering permanent care in an aged care home, you should have your means assessed to see if you're eligible for Australian Government assistance with your care and accommodation costs. Depending on the outcome of your means assessment and your negotiations with your aged care provider, you may pay up to five types of fees. Your provider must record these fees in your resident agreement, your accommodation agreement and, if needed, your extra services agreement.

### Basic daily fee

Everyone pays this fee. The maximum fee is set at 85% of the single basic age pension. This fee increases twice a year in line with the age pension.

### Means tested care fee

Depending on your means assessment, your provider may ask you to pay a means tested care fee. This fee is different for everyone. The amount you pay depends on your income and assets and your cost of care. Annual and lifetime caps apply to this fee. To see the caps, go to [Aged care home costs and fees](#) at [myagedcare.gov.au](http://myagedcare.gov.au).

### Accommodation costs

Aged care homes must publish their maximum room prices in the [Find a provider](#) tool at [myagedcare.gov.au](http://myagedcare.gov.au). You can negotiate a lower price.

You must agree on a room price with your provider before moving into an aged care home, but how much you pay will depend on your means assessment. If you are eligible for assistance, the Government will pay some or all of your accommodation costs to your provider. If not, you will need to pay the price that you agreed with your provider.

You can choose to pay your accommodation costs as:

- a **lump sum** amount that is refunded when you leave care, less any fees that you agree to draw down from it, or
- a **daily payment** that is not refunded when you leave care, or
- any **combination** of lump sum and daily payment.

If you choose a combination payment, you can choose to draw your daily payment from your paid lump sum. Over time, this will increase your daily payment unless you top up the lump sum. Your provider may also agree to draw other fees from the lump sum, like your basic daily fee.

A lump sum payment is considered an asset for aged care purposes. This means it is counted in your aged care means assessment and may affect your means tested care fee.

Your provider cannot ask you to commit to an accommodation payment method until you have entered care. You then have 28 days to decide how you will pay. Until you decide, and until you pay a lump sum, you must pay the full daily payment. If you choose to pay by lump sum, you have 6 months after you enter an aged care home to pay the lump sum amount.

### Additional service fees

Many aged care homes offer additional services above those required by legislation that you can buy for a fee. These can be offered as individual services or a bundle of services. You and your

provider must agree on a fee before you start receiving them. Your provider can only charge you for additional services that you can make use of or benefit from.

### Extra service fee

If you agree to enter an extra service room, your provider can charge you an extra service fee. This fee pays for a bundle of extra hotel-type services, such as specialised menus or higher quality linen. You must pay this fee whether you use all the services or not.

## Estimating and confirming your fees

To get an estimate of your aged care fees, use the [Fee Estimator](#) at [myagedcare.gov.au](#).

To confirm your aged care fees you will need a means assessment. This is where Services Australia assesses your income and assets. If you are a member of a couple, Services Australia will assess half of your combined income and assets, regardless of who earned the income or owns the assets.

If you choose not to have your means assessed, you will not be eligible for assistance and your provider can ask you to pay:

- the full cost of your care (up to the annual or lifetime caps), and
- the accommodation price you agreed on before you entered care.

To complete a means assessment, fill in the [Residential Aged Care Calculation of your cost of care form \(SA457\)](#) or the [Residential Aged Care Property details for Centrelink and DVA customers form \(SA485\)](#) at [servicesaustralia.gov.au](#).

You should lodge your request for a means assessment as early as possible – even before you enter an aged care home. If your assessment is finished before you enter an aged care home, the results are valid for 120 days unless there is a significant change in your circumstances.

## Changes to fees after entering care

Your fees will not remain fixed after signing a resident agreement – they will change over time. To find out more about fees, including current rates, go to [Understanding costs](#) at [myagedcare.gov.au](#).

## What to do if your financial circumstances change

Changes to your financial circumstances can change your means tested care fee or accommodation contribution. If there is a significant change to your income or assets, you should call Services Australia on 1800 227 475 or [update your details](#) online through MyGov. Services Australia regularly reviews your fees and will tell you, your nominee and your provider if your fees change.

## Financial advice and assistance

You should seek independent financial advice before deciding how to pay for aged care. Some payment methods can affect your pension and aged care fees. If both you and your partner need to access aged care, each of your payment methods may affect the other's aged care fees.

Services Australia's free [Financial Information Service](#) (FIS) can help you understand how aged care costs may affect your finances. FIS officers can also provide information on the [Home Equity Access Scheme](#), a Government loan scheme similar to a reverse mortgage. The Scheme allows eligible older Australians to supplement their retirement income through fortnightly loan payments or up to two capped lump sum advances per year. To find out more about FIS, or to make an appointment, phone 132 300 and say "Financial Information Service" when asked why you are calling.

If you cannot pay your aged care fees due to circumstances outside your control, you can apply for financial hardship assistance. You must meet certain eligibility criteria to receive financial hardship assistance and each case is assessed on an individual basis.

Read more about [Financial hardship assistance](#) at [myagedcare.gov.au](#).