

Living Longer Living Better Aged Care Reforms

In June 2013 the government passed a number of laws, changing the aged care system. The changes are intended to:

- 1) Increase the options available for those requiring aged care
- 2) Provide flexibility and choice on how residents can pay their accommodation costs
- 3) Align fees for aged care services more closely to individual circumstances.

Whilst the reforms affect the entire aged care system and some changes have already commenced, the key changes affecting those moving into a residential aged care facility will start on 1 July 2014.

For new residents entering residential aged care on or after 1 July 2014, the key changes include:

- Removing the current distinction between a high and low-level residential care
- Providing all residents with the option to pay for their accommodation fees as a lump-sum or as a regular payment
- Limiting the amount of an accommodation payment, meaning a higher amount can no longer be negotiated
- No longer allowing a facility to deduct a monthly retention amount from the accommodation amounts paid
- Allowing residents to select the types of extra services they receive from their selected facility
- Replacing the current income-based care fee with one that is based on an income and asset assessment
- Removing the daily care fee cap and replacing it with an annual and lifetime cap.

In summary, while the reforms introduce some more flexibility and transparency, it is likely that aged care fees will be higher for clients entering on or after 1 July 2014 when compared to a resident in similar circumstances who entered before that date.

Next steps

We are equipped to help you or those close to you to transition to aged care. To find out more about these reforms or to understand how the changes may impact your personal circumstances and how we can help, please contact us to make an appointment.

Contact details

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