Your Budgeting Guide for Home Care Packages

Your Home Care Budget

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How Does Your Home Care Package Work?

What does your budget look like on a Home Care Package?

This is how a general Home Care Package budget looks like:

**It consists of:**
- the Government Subsidy and
- the Basic Daily Fee

*When your budget is calculated both of these should be considered. Together, they will give you the final amount of money on your level.*

**See two examples for Level 4**

**Government Subsidy:**

A valid ACAT (Aged Care Assessment Team) Assessment will determine your level of Home Care Package which will allocate a sum of money for your services. You may be eligible to receive additional supplement on the top of your government subsidy. (For more please visit: [https://agedcare.health.gov.au/aged-care-funding/home-care-supplements](https://agedcare.health.gov.au/aged-care-funding/home-care-supplements))

<table>
<thead>
<tr>
<th>Home Care Level</th>
<th>Subsidy($/Day)</th>
<th>Yearly</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCP Level 1</td>
<td>$22.35</td>
<td>$8,157.75</td>
</tr>
<tr>
<td>HCP Level 2</td>
<td>$40.65</td>
<td>$14,837.25</td>
</tr>
<tr>
<td>HCP Level 3</td>
<td>$89.37</td>
<td>$32,620.05</td>
</tr>
<tr>
<td>HCP Level 4</td>
<td>$135.87</td>
<td>$49,592.55</td>
</tr>
</tbody>
</table>

*Valid from 1 July 2017 until 30 June 2018

**Basic Daily Fee/Co-payment**

“If you take up a Home Care Package you can be asked to pay the basic daily fee irrespective of your income.” *Five steps to accessing a Home Care Package – My Aged Care*

**Important to note:**
- You might be able to negotiate this payment with your provider if you are unable to pay the daily basic fee.
- If you don’t pay the full fee your services could be reduced (as this income is calculated into your budget: less money = less services)
- You will get a refund of any unspent co-payment, if you end your package.

<table>
<thead>
<tr>
<th>Home Care Level</th>
<th>Basic Daily Fee</th>
<th>Yearly</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCP Level 1, 2, 3, 4</td>
<td>maximum of $10.10 per day</td>
<td>141.10 per fortnight</td>
</tr>
</tbody>
</table>

*Valid from 20th April 2017*
Income Tested Fee

When someone have extra income over the basic pension they must pay extra fee. This is known as the ‘income-tested care fee’ and is in addition to the basic daily fee and it means you will receive less subsidy from the government. Unlike the Basic daily fee, this is not negotiable. If you don’t pay your income tested fee you will receive less services.

An income tested home care package consists of Government Subsidy money minus the Income Tested Fee which then can be topped up with the Basic Daily Fee.

<table>
<thead>
<tr>
<th>Income</th>
<th>Income Tested Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income above $ 25,711.40 but below $49,987.60 (capped at $5,288.8 p.a.)</td>
<td>$14.49 per day or $5,288.8 per year</td>
</tr>
<tr>
<td>Income is above $49,987.60 (capped at $10,577.70 p.a.) the total cap over a lifetime is $63,313.28</td>
<td>$28.98 per day or $10,577.70 per year</td>
</tr>
</tbody>
</table>

**Important to note:**
- If you don’t spend the money in your budget, the government might take it back
- If you don’t spend the money in your budget the government might lower your level
- Your package money doesn’t stay with the provider; it moves with you or goes back to the government if you withdraw from the package services (E.g.: you moved to residential care)

**EXIT FEES**

- Every organisation has the right to charge Exit Fee – it is regulated by the government to cover the costs of closing a package
- Every organisation HAS TO PUBLISH its exit fees on My Aged Care (myagedcare.com.au)
- It only can be charged to the government subsidy (you don’t have to pay from your pocket)
- IT SHOULD NOT IMPACT ON YOUR SERVICE DELIVERY
- If there is not enough money left in your package, the organisation CAN’T claim the exit fee
- Money must go towards the administration cost of closing your package and the transferring of information to the new provider or back to the government.
- People tend to worry about Exit Fees – they shouldn’t. Focus on the other aspects of the budget which have a real impact on your service delivery: Administration and case management fee, Surcharges, Assessment fees, etc.
- **For example:** if an organisation does not charges Exit Fee but has a high administration fee and higher hourly rate, you will receive less services than with an organisation who charges an Exit fee amount but has less admin costs and lower hourly rate for services. Always look at the whole picture!
Budget Explained

What can be in a home care package budget?

- **Government Subsidy**: varies depending on the level, calculated based on daily rates.
- **Additional supplements**: such as dementia supplement (additional funds for people with complex needs) [https://agedcare.health.gov.au/aged-care-funding/home-care-supplements](https://agedcare.health.gov.au/aged-care-funding/home-care-supplements)
- **Co Payment**: This money will go towards your services (if you pay less, you will receive less services)
- **Income tested care fee**: if you earn more than the basic age pension, your subsidy from the government will be reduced and you might have to pay more (non-negotiable)
- **Administration Cost**: for administering your package such as rostering staff and scheduling visits, government reporting, insurance and other administrative overheads.
- **Case Coordination Cost**: costs associated with care planning, periodic reviews or re-assessments, and case coordination or case management.
- **Contingency Fee**: an optional amount that can remain unallocated in case of an emergency.
- **Establishment Fee**: provider might charge you for the establishment of the package (including initial application/assessment/application sent to government/admin costs)
- **Exit Fee**: Exit fee can be charged after the 27th February 2017 by the provider. It is charged from the government subsidy not from your pocket.
- **Hourly Rate of Services**: This might change depending on the type of service
- **Surcharges**: for additional services which you might want to have but the organisation has to broker it out (pay someone to deliver the services)
- **Any extra cost**: which the provider must disclose to you.

*These budgets are examples only and they do not take into account your personal needs and financial circumstances. Please talk to our friendly staff at Umbrella Inc. on 9275 4411 if you have more questions.*
Contact Umbrella’s friendly staff today!

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