



A Guide to Aged Care



With the increasing demand for aged care facilities, there is a growing concern within families around how they will cater for aging parents in providing comfortable, secure living in a financially able way.

In this eBook we highlight some facts around aged care and scratch the surface on the difficult task of how you might go about securing aged care accommodation for your loved ones. Whilst the Government holds initiatives to bring increased home care relief and a revamped Accommodation Bond process after 1st July 2014, the current assessment process remains and with no certainty around future legislation post-September election.

Aged Care Market

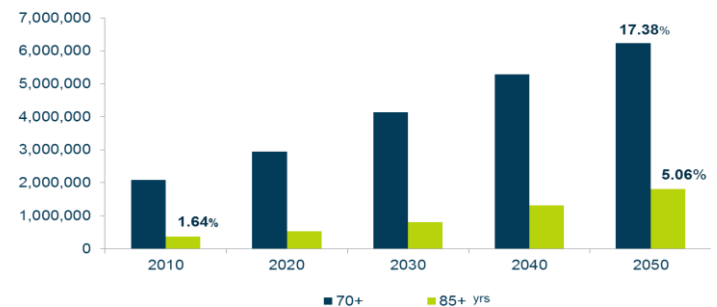
- ▶ Over 1 million older Australians receive some form of aged care and support each year and this is projected to grow to over 2.5 million over the next 40 years*
- ▶ There are around 169,000** residents living in residential care
- ▶ 58,172** people were admitted into residential aged care between 1 July 2010 and 30 June 2011
- ▶ Average length of stay is under three years**
- ▶ From July 2014 new entrants to Home Care packages will be income tested
- ▶ Over the next five years, the number of Home Care Packages will increase by nearly 40,000 to around 100,000 packages across Australia

*Productivity Commission Inquiry Report, Caring for Older Australians, No. 53, 28 June 2011.

** Australian Institute of Health & Welfare, Res Aged Care in Aust: 2010-11 Statistical review

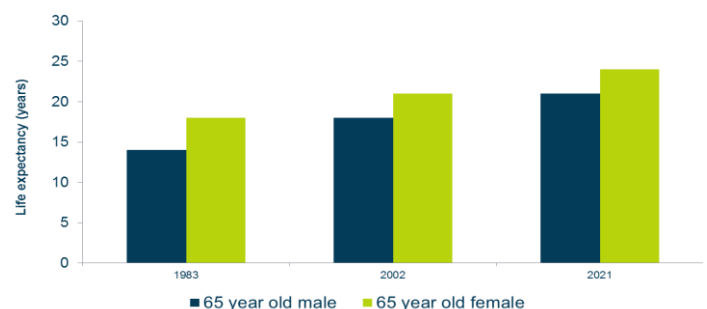
Why demand for Aged Care is growing?

Australia is an ageing population



In addition to an ageing population, advances in medical technology, healthier eating and appreciation of personal fitness and well-being, are factors acting to help us all live longer, placing further strain on limited aged care residential resources and home care allocations. By 2021, the average life expectancy for those over 65 years is expected to grow by circa 15%.

People are living longer



Choices for the elderly

Those able to care for themselves

- ♦ Retirement villages
- ♦ Granny flat arrangements
- ♦ Move in with family and friends

Those needing 'at home assistance'

- ♦ Home and Community Care Services
- ♦ Community Aged Care Packages
- ♦ Carer Assistance

Those no longer able to live at home

- ♦ Respite care (temporary)
- ♦ Residential low level care
- ♦ Residential high level care

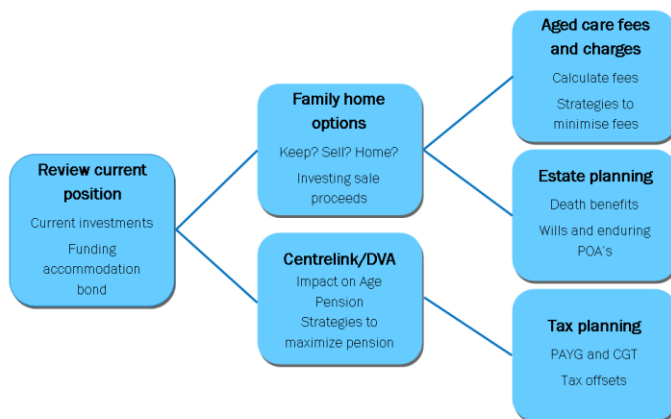
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Major concerns and decisions

The move to aged care is often rushed and a stressful time. Some common concerns are:

- ▶ Whether to keep or sell the family home
- ▶ What are the upfront costs and how to fund it
- ▶ What are the ongoing costs and ways to minimise fees
- ▶ Any impact on Centrelink or DVA benefits and how to maximise benefits
- ▶ How to manage cash flow requirements
- ▶ What will be left for the family

There is a lot to consider when contemplating aged care, coupled with the fact it is often associated with a very stressful and emotional time. It is because of these emotions that you should call on your Pinnacle Advisor to support you and your family and trust they will guide you to the right decision. Below is a snapshot of the main issues to be considered and where your decisions will impact.



What is the process of moving to Aged Care?



Step 1 - ACAT Assessment

- ▶ ACATs (Aged Care Assessment Teams) assess and approve older people for Australian Government subsidised aged care services

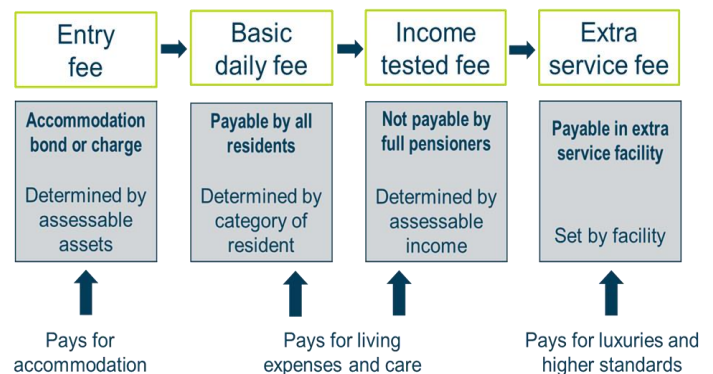
- Low level care – valid for 12 months
- High level care – does not expire
- Respite care – does not expire
- At home care packages

- ▶ ACATs can visit people in their home or in hospital and ask a series of questions to determine the best care option
- ▶ They can also assist in finding a suitable facility
- ▶ Arrange through doctor, hospital or by calling 1800 200 422

Step 2 - Find a home - three levels of Aged Care



Step 3 – Organise Finances – Aged Care Fees and Charges



Aged Care changes— Post 1 July 2014

The Federal Government's \$3.7 billion Living Longer, Living Better Aged Care reforms aim to deliver more choices, easier access, better care for older Australians, their families and carers of the industry.

Key aspects of the reforms include:

- ▶ removal of the distinction between low and high level care so there will only be one type of approval for permanent care
- ▶ enabling care recipients the choice of paying for their accommodation through a fully refundable lump sum payment, a periodic payment or a combination of both
- ▶ establishing a new Aged Care Pricing Commissioner to make decisions on certain pricing issues, and
- ▶ providing for an independent review of the reforms commencing in 2016.