

## Changes to Aged Care rules effective 26<sup>th</sup> June 2013

Five Bills have been passed by the Senate on the 26 June 2013 relating to changes to the Aged Care Act 1997 with the Federal Government's \$3.7 billion *Living Longer, Living Better Aged Care reforms*. The reforms aim to deliver more choices, easier access, and better care for older Australians, their families and carers of the industry.

### Changes to the Act can be categorised in Four key areas:

1. changes relating to residential care: in the way Government subsidies and residential fees are calculated.
2. changes relating to Home care: increasing the types of home care services that are available and changes to the way Government subsidies and residential fees are calculated.
3. changes relating to governance and administration: establishing a new Aged Care Pricing Commissioner to make decisions on existing pricing issues, and provide a an independent review of these reforms, commencing in 2016, and
4. changes that are minor, administrative and consequential: to improve the operation of the Act and address anomalies in the legislation.

### Summary of changes from 1 August 2013

- Introduce home care as a new type of care. Four levels of home care packages will replace the current at-home packages (currently the Community Aged Care Packages (CACP) and Extended Aged Care at Home (EACH) packages).
- 3 new supplements will be made available to approved providers who deliver home and or residential care services, these are:
  - an additional dementia supplement,
  - a new veteran's mental health supplement,
  - a workforce supplement

### Summary of changes from 1 July 2014

- removal of the distinction between low and high level care after 28 days of moving into care, residents will have the choice of paying
- their accommodation costs through either a refundable lump sum payment (with no retention amount) a periodic payment, or a combination of both. the existing Bond Guarantee Scheme will extend to those who choose to pay their bond via periodic payments.
- replace the income-tested daily care fee with a means-tested care fee using both income and assets tests. Fees will be capped and a life-time limit will be introduced.
- Residents in care at 30 June 2014 will be able to continue under their current arrangements.

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