

Maroba Aged Care Finances

There are 2 types of fees and charges payable when entering residential aged care. They are split into Resident Fees and Accommodation Payment and Contributions.

I. Resident Fees

Resident Fees are applicable from date of entry and are charged daily.
These are:

○ Basic Daily Care Fee

All residents will be asked to pay the basic daily fee. This fee covers the day-to-day living costs of residents such as meals, care, and hospitality services. This fee is set by the government and is based on approximately 85% of the single Australian Aged Pension. The current Basic Daily fee as at 20 September 2023 is \$60.86 per day.

○ Means Tested Care Fee

The Means Tested Care Fee is based on the outcome of an Assets and Income assessment and is a dollar amount a resident may be asked to contribute towards their care. If the Means Tested Care Fee is applicable the annual amount (as at 20 September 2023) is capped at \$32,718.57 and lifetime is capped at \$78,524.69. This cap is indexed, and the daily charge will change every quarter.

○ Maroba Advantage

The Maroba Advantage Fee is \$29 per day for non-supported and \$5 per day for supported and covers the cost of a range of additional services as outlined. (Refer to Page 10). A Supported person are those persons who are assessed as not being subject to paying a RAD/ DAP or a RAC/DAC at time of entry.

This will be discussed with you during your financial interview with Maroba as outlined by your assessment.



II. Accommodation Payment and Contributions

In addition, residents with sufficient assets and income will be asked to pay either a Refundable Accommodation Deposit (RAD) or Accommodation Charge (AC) depending on the outcome of your Asset and Income assessment.

○ Refundable Accommodation Deposit (RAD)

A resident with assessed assets above \$197,735.20 will be required to pay a Refundable Accommodation Deposit towards their accommodation payment which will be the agreed room price. There are 3 payment options available:

- **Lump Sum is full payment of the agreed room price.**

Under the Aged Care Act 1997 (Commonwealth) this is to be paid within 6 months and until the RAD is paid, a daily fee (DAP) will be charged.

If a resident is transferring to another aged care facility or returning home the RAD is refunded within 14 days.

If a resident pass; the RAD will be refunded within 14 days of receipt of a certified copy of the Grant of Probate.

- **Daily Accommodation Payment (DAP) is charged daily and is the interest on the unpaid component of the agreed room price (RAD).**

This amount is the RAD equivalent calculated by multiplying the agreed room price by the government interest rate (at date of entry) divided by 365, like rent, no payments are returned when the resident leaves the facility.

Example:

RAD \$530,000 x 8.38% (Interest rate as at 1 January 2024) divided by 365 = DAP is \$121.68/day

- **Combination is where the resident opts to pay part of the accommodation payment as a lump sum (RAD) and then the balance as a Daily Accommodation Payments (DAP). DAP payments will be calculated based on the unpaid component of the RAD amount.**

Example:

RAD \$530,000 and the resident has decided to pay 50% as a lump sum and 50% as a DAP.

RAD component (530,000 – 265,000) = \$265,000 and DAP component \$265,000 x 8.38% (Interest rate as at 1 January 2024) divided by 365 = \$60.84 / day.

○ Accommodation Charge (AC)

A resident with assessed assets between \$58,500 and \$197,735.20 will be required to pay an Accommodation Contribution. There are 2 payment methods available:

- **Daily Accommodation Contribution (DAC)** is a dollar amount that they may be asked to contribute towards their care, based on the outcome of their Assets and Income Assessment. The Department of Health will advise the resident and Maroba of this amount that will change every quarter. The current Daily Accommodation Contribution as at 20 September 2023 is \$32.74 / day.

- **Refundable Accommodation Contribution (RAC)** is a lump sum payment equivalent of the assessed Daily Accommodation Contribution Charge. As the assessed DAC changes, a top up payment will be required as either a DAC or RAC.



If a resident is transferring to another aged care facility or returning home the RAC is refunded within 14 days.

If a resident pass; the RAC will be refunded within 14 days of receipt of a certified copy of the Grant of Probate.

The formula for calculating the RAC is the assessed Daily Accommodation Charge divided by the government interest rate (at date of entry) multiplied by 365.



Example:

Assessed DAC \$32.73/day divide by 8.38% (Interest rate as at 1st January 2024) multiply 365 days
= RAC \$142,559.07

- **Combination** is where the resident opts to pay part of the accommodation charge as a lump sum (RAC) and then the balance as a Daily Accommodation Charge (DAC). DAC payment will be calculated based on the unpaid component of the RAC amount.

Example: Assessed DAC \$32.74/day. Resident has decided to pay 50% as a RAC and 50% as a DAC.

\$32.74 divided by 2 = \$16.37 DAC component, and RAC component \$16.37 divided by 8.38% (Current Interest rate as at 1st January 2024) multiply by 365 days = \$71,279.53