

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH AND AGEING PORTFOLIO**

Budget Estimates 2012-2013, 30 & 31 May and 1 June 2012

**Question:** E12-212

**OUTCOME 4:** Aged Care and Population Ageing

**Topic:** Means testing

**Type of Question:** Hansard Pages 76-77, 30 May 2012

**Number of pages:** 2

**Senator:** Senator Fierravanti-Wells

**Question:**

In terms of projected numbers of people, particularly in relation to home care, do we know how many people are likely to be affected? ... Do we know how many of those people there are and how they are going to be affected? ... I was just, in broad terms, trying to put a number on the people who would be affected and have to pay more.

**Answer:**

People who are receiving care through a Home Care package on 30 June 2014 will not be affected by the new arrangements while their current (at that time) episode of care continues.

The Government sets the maximum level of fees that a care recipient can be asked to pay. The amount a care recipient actually pays in fees is an arrangement between themselves and their provider. The Department of Health and Ageing does not regularly collect information on fees paid by Home Care package recipients.

Currently, care recipients can be asked to pay:

- A daily Basic Fee, up to 17.5 per cent of the Single Basic Age Pension; and
- A daily income tested fee, up to 50 per cent of their assessable income over the level of the maximum Age Pension. The income tested fee does not reduce the level of the Government Care Subsidy.

From 1 July 2014, new care recipients will be able to be asked to pay:

- A daily Basic Fee, up to 17.5 per cent of the Single Basic Age Pension; and
- A daily income tested fee (Care Fee), up to 50 per cent of their assessable income over the maximum (assessable) income level of a full pensioner. The income tested fee will reduce the level of the Government Care Subsidy.

No full pensioner will pay a care fee under the new arrangements. Some part pensioners and non-pensioners may be asked to pay higher total fees by their provider than are currently charged; noting that the maximum income tested fee for a care recipient will be lower under the new arrangements.

In addition, under the new arrangements there will be Annual and Lifetime Caps on the maximum income tested fees, whereas there are currently no caps on the income tested fees that care recipients can be asked to pay.

The effect of the new arrangements will therefore depend on how providers currently charge fees and how they choose to charge fees under the new arrangements.