

# Frequently Asked Questions



## What are the costs involved in Residential Care?

**A basic daily fee**, which everyone will be asked to pay. This covers living costs such as meals, power and laundry. Everyone moving into Residential Care will be asked to pay this fee.

**Hotelling Supplement Contribution (HSC)**, is a contribution towards the cost of your care, worked out by Services Australia (Centrelink). They will look at your income and assets to determine if you need to pay this fee, and let you know the amount.

**Non-Clinical Care Contribution (NCCC)**, is a contribution towards the cost of your care, worked out by Services Australia (Centrelink). They will look at your income and assets to determine if you need to pay this fee, and let you know the amount.

**Accommodation costs** cover your stay in Residential Care. Some people will have their accommodation costs paid in full or in part by the Australian Government, while others will need to pay the accommodation price agreed with the Residential Care facility. Services Australia (Centrelink) will assess your income and assets and let you know which applies to you.

**Fees for Higher Everyday Living Expenses (HELFE)** apply if you choose to opt in for a higher standard of accommodation or extra services. We can give you details of these services and the fees that apply. You may also have to pay additional fees for care or services that go beyond your assessed care needs or the care and services we are required to provide.

## How does the 'Waiting List' work at Lutheran Homes Group?

As long as you have a current assessment approval from an Aged Care Assessment Team (ACAT), you are welcome to submit an application to be on our waiting list at any time. Once you are included on our waiting list, we will contact you when we have suitable accommodation available. Please note that we consider a number of factors, including care needs, when assessing applications.

Please note that submitting an application does not guarantee placement. Once reviewed and accepted, applications will be kept on file for six months. If you have not been admitted into care or received confirmation of waitlist placement within that time, we kindly ask that you resubmit your application. This ensures our admissions team has up-to-date information to best understand and support your current care needs.

## What is a Refundable Accommodation Deposit (RAD)?

A Refundable Accommodation Deposit is a lump sum amount paid or payable by a resident, for entry to Residential Care. The balance of the RAD (after any agreed deductions have been drawn down) will be refunded to the resident or their estate on termination of the agreement for residential services.

## What is a Daily Accommodation Payment (DAP)?

A Daily Accommodation Payment is an amount calculated by converting the Refundable Accommodation Deposit into a daily charge, using the Maximum Permissible Interest Rate (MPIR) applicable at the time of admission.

## How is the Refundable Accommodation Deposit (RAD) amount determined?

The amount of the RAD is set for each type of accommodation that we offer. At LHG information about our accommodation types, key features of the accommodation as well as the RAD amount, are available to view on the My Aged Care website as well as our website ([lutheranhomes.com.au](http://lutheranhomes.com.au)). The amount that you will be asked to pay as a RAD, is included in the new means-tested care fee calculation.

## Does Lutheran Homes Group keep any money from the Refundable Accommodation Deposit (RAD)?

If you pay a RAD, this amount (less any allowable deductions) is refunded to you or your estate when you leave the aged care home. From 1 November 2025, all residential aged care providers will be required to retain 2% per annum, up to a maximum of 10% over 5 years to protect residents who remain in care for a long time.

## What if I am a 'Fully Supported' or 'Partially Supported' pensioner?

If you are fully supported, you will not be asked to pay an accommodation payment because you will have assets and income less than the defined thresholds. You will also not be required to pay any means-tested care fee. If you are partially supported, you will be required to pay a contribution for your accommodation, but no means tested care fee would apply.

## Are there minimum assets that I must be left with?

You cannot be charged a RAD that would leave you with less than the permissible asset value of 2.5 times the annual single pension, which is currently \$64,500.

The requirement for a person to be left with the minimum amount of net assets only applies if you pay or commit to paying, the lump sum amount within 28 days of entry and have supplied sufficient information to us to determine your means. This may entail completing a means test assessment with the DHS or DVA. If you refuse to provide information about your assets, we are not required to meet the minimum permissible asset rule. An additional payment made after 28 days is not subject to the minimum permissible asset rule.

## Will I be able to accept Residential Care accommodation if I don't have any money?

Residential Care providers are required to allocate a percentage of their accommodation to those who have limited financial means. The percentage amount is prescribed by the Federal Government and depends on the location of the facility. According to your level of assets and income, part, or all, of your accommodation costs may be paid by the Government.

## How long do I have to pay the Refundable Accommodation Deposit (RAD)?

You will have six months, from the date of entry, to pay the RAD. Please note that a DAP will continue to be payable until the RAD is paid.

## What are my payment options for accommodation payments?

Accommodation payments can be paid:

- as lump sum amounts
- by daily payment or
- a combination of both.

Where accommodation payment is paid by a combination of the RAD and DAP, the amount and frequency of the payment, will be advised in the accommodation offer and is determined in consultation with you. Amounts paid as Daily Accommodation Payments are non-refundable.

## When is the Refundable Accommodation Deposit (RAD) returned?

The Refundable Accommodation Deposit balance is repaid in accordance with the criteria outlined in your signed Residence Agreement, (typically within 14 days after you vacate LHG or on the receipt of the probate). The repayment due includes any applicable interest on the outstanding Refundable Accommodation Deposit balance, calculated for the period from the day you vacate, until the date on which the balance is refunded.

Please note, as of 1 November 2025, a 10% retention fee, which is a 2% annual fee for up to five years, on the Refundable Accommodation Deposit (RAD) will apply. This fee is non-refundable and reduces the amount of the RAD that is returned when a resident leaves care. It is calculated daily on the outstanding RAD balance and is taken out monthly.

## If I am an existing resident in Residential Care Facility, and entered care prior to 1 November 2025, what do all the new legislative changes and reforms mean for me?

'Grandfathering' provisions apply for everyone who entered a Residential Care facility prior to 1 November 2025. You will continue to pay accommodation and care costs based on the current system. However, if you leave the Care Facility for 28 days and then return, you will be subject to the new pricing arrangements. You will also be given the option to change to the new system if you move to a new Residential Care facility.



## What are the available Accommodation Payment options, and how does the combination payment with draw down work?

To help understand the options for your Accommodation Payments,  
please read the fictional examples below:

### Example 1 – Margaret:

Margaret is moving into an aged care home from her rented unit. The Age Pension is her only income, and she has minimal assets.

**Basic Daily Fee:** Margaret will pay the Basic Daily Fee through her Age Pension.

**Accommodation Payment:** Given her low means, the Australian Government will likely cover the full cost of her accommodation. Margaret will likely not need to pay an Accommodation Payment.

**Hotelling Supplement and Non-Clinical Care Contribution:** Margaret will likely not need to pay a Hotelling Supplement or a Non-Clinical Care Contribution due to her low means.

### Example 2 – John:

John owns his unit and receives a modest income from his superannuation.

**Basic Daily Fee:** John will pay the Basic Daily Fee.

**Accommodation Payment:** Based on his assessment, John may be asked to pay a partial Accommodation Payment contribution. He can choose to pay this as a smaller RAD, a DAP, or a combination of the two. The Government will pay the remaining portion of his accommodation cost.

**Hotelling Supplement and Non-Clinical Care Contribution:** John may need to pay a partial Hotelling Supplement and Non-Clinical Care Contribution.

### Example 3 – Mary:

Mary is a self-funded retiree with significant income and assets.

**Basic Daily Fee:** Mary will pay the Basic Daily Fee.

**Accommodation Payment:** Mary will need to pay the full Accommodation Payment contribution for her chosen room. She can choose to pay this as a RAD, a DAP, or a combination of the two.

**Hotelling Supplement and Non-Clinical Care Contribution:** Mary will pay the maximum Hotelling Supplement and Non-Clinical Care Contribution, based on her income and assets, up to the applicable lifetime caps.

*\*Please note that if you decide to pay less than a certain percentage of the Accommodation Payment fixed by LHG by way of RAD/RAC [lump sum], you will be required to guarantee the payment of that amount by signing a Guarantee Deed.*

## How can I work out what fees I may have to pay?

A Residential Care Fee Estimator tool is available online on the My Aged Care website. It provides an indication of the fees you may pay.

Please visit [myagedcare.gov.au](https://myagedcare.gov.au) ↗

## Can I refuse to have my means assessed by Centrelink?

Yes you can. If you refuse to have your income and assets assessed, you will not be eligible for government assistance to pay your fee and accommodation costs. Centrelink will write to you seeking income and asset information. If information is not provided, you can be asked to pay the maximum HSC and NCCC, based on the cost of your care, as well as an accommodation payment (agreed with the Residential Care facility).

## Am I required to complete a new income and assets assessment if I move to a new Residential Care Facility?

If you first entered a Residential Care facility on or after 1 November 2025, you must have a new means-tested amount determined each time you move to a new Residential Care Facility (as identified by a separate RACS ID). A previous assessment will not be valid unless it is within the initial 120 days validity period. However, if you have kept the Department of Human Services (DHS) informed of changes to your means, you may not need to complete the Residential Aged Care Calculation of your cost of your care form, or Residential Aged Care property details for Centrelink and DVA customers. If unsure, you should speak to Services Australia on 1800 227 475. It is your means-tested amount, at the date of entry into a facility, that determines whether you will be liable to pay an accommodation payment or accommodation contribution towards your accommodation costs in that facility, as outlined under the Aged Care Act 2024. If you were in care before 1 November 2025, are moving to a new facility and considering opting into the new fee arrangements, you will need to complete Residential Aged Care Calculation of your cost of your care.

## Can I have a means assessment before entering Residential Care?

Yes you can. To request an assessment prior to entering Residential Care, you will need to complete and lodge the Residential Aged Care Calculation of your cost of your care form. The form is available on the Department of Human Services website. The Department of Human Services will issue an initial fee notification advice which is valid for 120 days. If there is a change in your circumstances after the fee advice has been issued, the Department of Human Services (or Department of Veterans' Affairs) will need to be notified and provided with updated information.

## Mode of payment for the payment of the fees

LHG has a policy that **all of the Fees and Charges** (e.g. Basic Daily Fee, HSC, NCCC, HELF, DAP/DAC, medications, hairdresser's charges, other extras etc) must be paid by Direct Debit from your nominated bank account. You will be asked to complete the **Direct Debit Request Service Agreement** before your admission.

## How can My Aged Care help me?

**My Aged Care** is designed to make it easier for older people, their families, and carers to access Residential Care information, have their needs assessed, and be supported to access aged care services. You can contact My Aged Care via the My Aged Care website ([myagedcare.gov.au](https://myagedcare.gov.au)) or calling My Aged Care contact centre on 1800 200 422.

If you are seeking access to services for the first time, you will need to contact the My Aged Care contact centre. My Aged Care contact centre staff will:

- **Discuss your aged care needs and determine the appropriate next steps for you**  
This may involve providing you with information about aged care or referring you for either a home support assessment conducted by the Regional Assessment Service (RAS) or a comprehensive assessment conducted by an existing Aged Care Assessment Team (ACAT); and

- **Create a client record for you**

The client record will enable appropriate sharing of your information with you, your representatives, assessors and service providers. You will be asked for your permission to share your client record, which will decrease the number of times you have to repeat your information.

If you are referred to a RAS, they will contact you to arrange the assessment. During the home support assessment, the RAS assessor will work with you to develop a support plan that reflects your care needs, goals and preferences. The support plan forms part of your client record, which can be viewed online via the My Aged Care client portal.

The outcome of your home support assessment may include referral to **Commonwealth Home Support Programme** services, such as transport, social support, domestic assistance, personal care, home maintenance, meals, home modification, nursing care and flexible respite services.

## **What happens if I am currently receiving aged care services?**

If you are currently receiving aged care services, you do not need to contact My Aged Care. If your needs change and you want to consider different or additional services, you can contact My Aged Care to receive a referral to the RAS or an Aged Care Assessment Team.

More information is available online at [myagedcare.gov.au](https://myagedcare.gov.au) or via phone on 1800 200 422.