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"Once Supported, Always Supported"

Pre-1 July 2014 supported residents can remain supported on transfer to another service.

Many residents may have had their financial position change since their original admission to residential care, usually following the death or admission to residential care of their spouse.

Despite this change in circumstances, they can remain supported on transfer to a different service and not complete an Assets and Income Assessment Form and not become subject to Means-Tested Care Fees (MTCFs). They will remain subject to the pre-1 July 2014 income testing rules and the Income Tested Fee (ITF).

They could **elect** to move to the new system if they wished and would have the benefit of the lifetime cap on the MTCF (there is no lifetime cap on the ITF).

Another area of need for good financial advice!

Personal Guarantees - Don't Hide Your Light Under a Bushel!

A number of providers require that a family member sign a personal guarantee that a resident's fees and RAD and DAP will be paid before accepting the resident onto a waiting list.

Other providers require a personal guarantee from a family member when it comes time to sign the resident agreement as an Enduring Power Of Attorney (EPOA).

It is fine to require a personal guarantee, but it can come at a cost to **occupancy**. Many well-informed people would never sign a personal guarantee for anyone - including their mother, spouse or child. These people will thank the provider for the offer of a bed and politely decline and go elsewhere.

If you do **not** require a personal guarantee of payment of fees and RADs and DAPs; or a caveat clause; or similar, then don't hide your light under a bushel. Shout it out! Make it part of your marketing - "*No Personal Guarantees Required. Ever.*"

"I wouldn't ever sign a personal guarantee. Would you?"

(Don't forget to strongly seek payment of deposits to limit impact of slow/late/non-payments.)

Hardship for Home Care Recipients

Home care package recipients, who commenced their package from 1 July 2014, can apply for financial hardship assistance with both the basic daily fee and/or income tested care fee. The new hardship arrangements do not apply to persons already receiving a home care package on 30 June 2014 unless:

- they ceased their home care package and then entered into a new home care package more than 28 days later; or
- upon moving to a new service provider opt-into the new arrangements.

Section 95 of the *Subsidy Principles 2014* sets out a number of considerations which either must or may be considered when DHS is assessing someone's application for financial hardship. For a financial hardship application to be considered, the consumer must have:

- completed a means test; and
- have realisable assets (including their home) of less than 1.5 times the annual age pension (plus supplements) - approximately \$33,317.70 (as at September 2014); and
- not have gifted more than \$10,000 in the last year or \$30,000 in the last five years.

DHS will also consider the amount of income a person has remaining after

paying essential expenses. If financial hardship is granted, the Government will pay a hardship supplement of an amount determined in each individual case.

The hardship in home care now means home care providers do not need to discount fees for eligible, less well-off persons, and for home care providers operating some or all pensioner rental units this is a real "game changer".

The financial hardship assistance form and associated guidelines can be found at:

<http://www.humanservices.gov.au/customer/forms/financial-hardship-assistance-home-respite-care>



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