
Residential aged care home costs

Summary

- The Australian Government covers most of the cost of living in an aged care home but you may have to pay something towards the cost of your care.
 - How much you have to pay to stay in a residential aged care home will depend on the kind of care you need, the aged care home you choose and your financial situation.
 - The Australian Government Department of Human Services will assess your income and assets to work out how much financial assistance you will receive.
 - The main costs of aged care homes are divided into four areas: basic daily fees, means-tested care fees, accommodation payments and fees for any extra services.
 - If paying for your aged care will cause you financial hardship, you can apply for government help, but this cannot be used to pay for fees related to any extra services.
 - For an estimate of what you will be asked to pay for while living in a residential aged care home, use the **Residential Care Fee Estimator** on the My Aged Care website.
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As with all aged care services in Australia, the Australian Government covers most of the cost of living in a residential aged care home (also known as a 'residential aged care service') but you may have to pay something towards the cost of your care.

How much you have to pay to stay in a residential aged care home will depend on the kind of care you need, the residential aged care home you choose and your financial situation.

The Australian Government Department of Health will assess your income and assets to work out how much aged care financial help you will receive.

Primary aged care fees

The main costs associated with residential aged care homes are divided into four areas:

- basic daily fee
- means-tested care fee
- accommodation payments
- fees for extra services.

Basic daily fee

Everyone living or staying in a residential aged care home must pay a basic daily fee. The fee covers day-to-day living costs such as cleaning, meals, laundry and heating. The maximum basic daily fee for new residents is 85 per cent of the single person rate of the basic Age Pension.

The Australian Government Department of Health and your aged care provider will work out what you have to pay on top of the basic daily fee.

Means-tested care fee

If you can, you will be asked to pay something towards the cost of your care in a residential aged care home.

A means-tested fee means your income and assets are taken into account when working out how much you will have to pay. For example, if you have a high income and a lot of wealth, you will have to pay a higher fee.

There are annual and lifetime caps on your means-tested care fee. Any other income-tested care fees that you have paid in a Home Care Package before moving into an aged care home will also be included in these annual

and lifetime caps.

The Australian Government Department of Health will assess your income and assets to work out your means-tested care fee.

If your financial situation changes after you have entered a residential aged care home, you will need to contact the Australian Government Department of Health to update your records. The department will do a new assessment and, depending on whether your assets have increased or decreased, you may have to pay more or less for your care.

Accommodation payments

The Australian Government Department of Health will also review your income and assets to work out how much you will have to pay to cover the cost of accommodation in your residential aged care home.

If you are married or living with your partner, the aged care accommodation assessment is based on half of your total combined income and assets, even if one of you earns a lot more money than the other.

Once you have been assessed, the Australian Government Department of Health will tell you whether you will have to pay your own accommodation costs or whether you are eligible for government financial help.

Depending on your financial situation you will:

- pay no accommodation costs (with the Australian Government paying the total)
- pay a contribution to your accommodation costs (with the Australian Government paying the rest)
- pay the full cost of your accommodation.

Fees for extra services

Many aged care homes offer a range of extra services for those who want more choice. Services include higher quality accommodation, social activities, entertainment options or personal care, such as manicures and hairdressing.

All aged care homes charge different fees for extra services, so it is a good idea to talk to the staff about what the costs are before signing up.

Financial hardship assistance

You can still receive residential aged care services even if you do not have the money to pay for your care. If paying for your aged care will cause you financial hardship, you can apply for government financial assistance.

Financial hardship assistance can be used to reduce your aged care accommodation costs and cover your basic daily fee and your means-tested care fee. It cannot be used to pay for any extra services.

Visit My Aged Care for more information on [**financial hardship assistance**](#).

Getting an estimate of your aged care costs

To work out how much you will have to pay while living in a residential aged care home, use the [**Residential Care Fee Estimator**](#) on the My Aged Care website.

For more information see the [**My Aged Care**](#) website.

You may also want to see a financial advisor to work out the options that will be best for you in order to pay your aged care costs.

Where to get help

- Your local doctor
- Aged Care Assessment Services
- [**My Aged Care**](#) , call 1800 200 422

- Commonwealth Respite and Carelink Centre, call 1800 052 222
- **Carers Victoria** , call 1800 242 636
- Your residential aged care home
- **Seniors Rights Victoria** , call 1300 368 821
- **Council on the Ageing Victoria** , call (03) 9654 4443
- **Aged Care Complaints Scheme** , call 1800 550 552
- **Personal Alert Victoria**

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