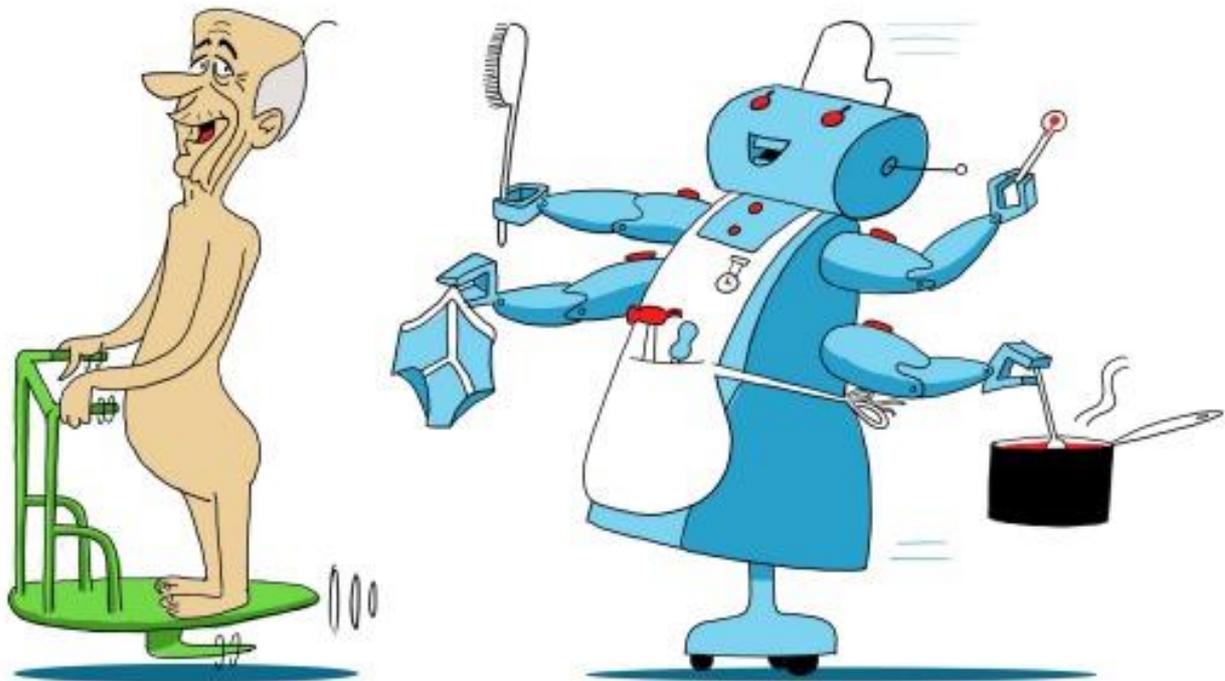


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The long game: how to fund staying at home in the twilight years



Simon Letch

by [Bina Brown](#)

With big increases in the number of ageing Australians, how you fund your last few decades – and where you want to live them – is becoming a much more pressing issue for families across the country.

Whether you're contemplating your own need for more help with daily life as you age or you're trying to help an ageing parent, chances are that staying at home is preferable to moving into an aged care facility.

There are government-subsidised packages to help pay for services at home. But there are not enough of them, which is forcing many families to assess their options – including managing their own care, paying for help privately or premature entry into aged care.

The rapidly ageing population means increased financial pressure on families and a much expanded area of financial advice for financial advisers.

Home care packages and what you'll have to contribute

Level of home care package	Basic home care subsidy from government		Your max annual contribution to subsidy based on income*		
	Per year	Per day	Full pensioner income <26,327pa	Part pensioner income 26,327 to 50,876.80	Self-funded retiree income >50,876.80pa
1	\$8,157.00	\$22.35	\$3,712.00	\$5,313.00	\$10,627.00
2	\$14,837.00	\$40.65	\$3,712.00	\$5,313.00	\$10,627.00
3	\$32,620.00	\$89.37	\$3,712.00	\$5,313.00	\$10,627.00
4	\$49,592.00	\$135.85	\$3,712.00	\$5,313.00	\$10,627.00

* Capped at \$63,760.00 lifetime (regardless of income)

SOURCE: BETTERCARING

"Increasing life expectancies is generally good news, but to ensure we can enjoy our extra years, it is important that we consider where we will get help when our capabilities start to diminish," says Louise Biti, director of Aged Care Steps, which trains financial advisers in aged care advice. "We have a greater chance of staying in our own homes with home care options expanding, but only if we pay attention to what is happening and plan for the costs."

As she points out, the number of government-subsidised home care packages is increasing. But with more than 101,000 people already in the queue and the number of people approved (and being added to the waiting list) growing by 23.9 per cent in the quarter to end-September

2017, a long wait should be expected. "Without careful planning, this puts extra pressure on families," Biti adds.

The numbers on ageing are compelling. "The structural ageing of the Australian population over the next 20 years will see the size of the 70-plus cohort increase by around 1 million people each decade," says the Aged Care Financing Authority (ACFA), which provides independent advice to the government on funding and financing issues.

Breaking this down, it says the number of those aged 85 and older will more than double – from just under 500,000 people in 2017 to just over 1 million people by 2037. "This rapid expansion in the number of older people, particularly in the oldest age groups, will result in a marked increase in demand for aged care services," says the ACFA.



The other problem with the Home Care Packages program is that of the 80,000 home care packages in the market, 37,000 are at levels below what the individual has been assessed for.

Louise Biti says careful planning around funding can relieve the pressure on families. Dominic Lorrimer

How you get help at home

Eligibility for a home care package is determined by a government-approved Aged Care Assessment Team (ACAT) of health professionals who decide whether someone should receive a package of between

\$11,869 and \$53,304 a year to put towards services and equipment to keep them in their own home.

The packages range from level one for low care needs (such as cleaning) to level four for higher care needs (such as help with showering, dressing etc).

Government-subsidised home care packages are the starting point for most elderly people with complex care needs who are looking for the services needed to keep them in their own home. With the long waiting list, there are plenty of people who need to look at alternatives, particularly as the demand for packages delivering high care represents about 60 per cent of the total queue



Isabelle and Manuel Sanchez have got more out of their home care packages by managing them themselves online. **Adam McLean**

RSL Life Care manager of Life Care at Home Wendy Marshall says most people working with a package lower than what they have been assessed for manage with "great difficulty".

"They either go without or they pay for extra services themselves and that can be substantial," she says.

"If a family really don't want someone to go into a residential care facility, they will often pay the extra costs. I have one family paying \$8000 a month extra to keep their loved one at home," she says.

Marshall says the flipside of that is people sitting on package money which they haven't yet spent because family or friends are helping.

She says while you can't make people take the services on offer, she has heard the government could start taking back and reallocating unspent funds in existing packages.

A popular interim measure for help is the Commonwealth Home Support Program which offers eligible people subsidised services such as cleaning, gardening and transport.

About 1 million people receive help through this scheme, which generally suits people who are still able to live independently but need simple help with one or two areas of care such as access to meals-on-wheels, transport to appointments or community nursing.

Individuals are assessed by the Aged Care Regional Assessment Service (RAS). The amount paid for services will vary depending on the service provider.

Home care packages

Once assessed by ACAT as being eligible for a home care package, you are placed in a national queue until your funding is allocated.

High demand for packages, particularly a level four, can mean a wait for up to a year, says Uniting Head of Home and Community Care (NSW/ACT) Jacki Attridge.

Once funds are allocated, you have 28 days to select a home care provider. Your choice will depend on where you live but it won't be a given that it can help with the services or level of care you need.

The chosen provider hosts the package and for a fee (which comes out of the package) will manage it for you – working with you to select the services and carers based on what you need to stay in your own home.

Assyat David, also a director with Aged Care Steps, says the monthly budget prepared by the provider allows you to see how much funding is available and where it is being spent. This may also help to determine how to tailor the services to meet your own needs.

The budget differs according to the package level.

A level one package comes with an annual budget of \$11,869.80 which consists of \$8157 (see table) plus a mandatory contribution depending on your annual income. If you're on a full age pension, you'll pay a maximum \$3712 a year (\$10.17 a day).

The same kind of contributions apply to the other levels: level 2 has a total budget of \$18,549.30 a year including your contributions. Level three's total is \$36,332.10 a year and level four \$53,304.60 a year.

David says that everyone can be asked to pay a basic daily fee of \$10.17 a day or \$3712 a year. If the provider does not collect this from you, the value available in your package will be lower. An income-tested fee capped at \$5,313 for part pensioners and \$10,627 for self-funded retirees may also be payable (see table).

Some providers will waive the basic daily fee if there is an income-tested fee.

As well as paying for the selected services, the budget has to cover the administration and case management fees, which could be as high as 40 per cent.

Depending on the case management and admin fees and the hourly rate charged by the provider, the number of hours generally works out at about two for a level two package, two to four hours for level two, seven-10 hours for level three and 10-14 hours for level four.

It is not uncommon for clients or family to top up the packages with privately funded services – generally charged out at about \$55 an hour.

Depending on the provider, they may be charged at a higher rate than through the package.

Attridge says that where people can't afford to top up packages, they use the package funding for more complex support and manage other tasks themselves. For example, they may do the shopping or cleaning themselves, to allow for more assistance with showering or clinical supports, she says.

Later Life Advice director Brendan Ryan says that for some self-funded retirees, the amount of financial support offered by a package after means testing could be significantly less than expected.

"It is important to get some sense of the outcomes before getting in a queue that may result in a long wait, when you may be better off getting private services sooner rather than later," says Ryan.

Self-managed package

One way to get more from your home care package could be to manage it yourself.

Approved providers are increasingly offering flexible, tiered levels of case management and enabling consumers to engage workers directly,

which can cut down on the admin and case management fees and leave more of the package to spend on services.

Administration and case management fees totalling 35-50 per cent of the package are not uncommon. By agreeing to do some of the case management and choosing and scheduling your own services, you may spend only 10-20 per cent on admin and case management, leaving you with 80-90 per cent of the package funds to spend on the services.

It all depends on the complexity of your needs and whether you or a family member feels confident enough to manage the services you receive.

Online care and support worker service Better Caring co-founder Peter Scutt says it is possible for aged care consumers who self-manage their package to double the hours of care and support they get from their package using the online Better Caring platform.

The increase in hours comes from individual carers charging less than what an approved provider generally charges. It might be \$30 an hour to hire someone privately but \$55 an hour through a provider.

Consumers still need to choose an approved provider to host their package but Better Caring can refer consumers to providers that have come on board to provide an even greater level of flexibility.

Using the Better Caring online platform, individuals choose from a team of independent workers and schedule according to their needs and preferences.

Once they have received the services – anything from help with showering each day and a regular outing to cleaning or grooming – the consumer approves the workers' electronic time sheets.

Better Caring invoices and collects payment on behalf of the workers from the home care provider that hosts the consumer's package.

"It is game-changing for consumers, their families and workers," says Scutt.

He adds that for the thousands of people on the waitlist, Better Caring can also be a cost-effective option for engaging workers privately.

When a package does come, though, consumers can continue using these same workers using home care package funding.

DRC Care Solutions founder Danielle Robertson says self management will suit some people and families better than others.

"I'd rather have a provider provide a carer or carers that they then have oversight for. But if people feel comfortable finding someone to care for their loved one themselves, then they will get more hours from their package," she says.

She says a good case manager will do a good job in managing the carers they employ to meet your care needs and they will pick up the pieces if something goes wrong.

"It is easier for a provider to deal with issues like a carer calling in sick or abuse. People who don't have a case manager need to know who to go to and what to do if they do get in strife," she says.

In the five years since Isabelle Sanchez, 72, and her husband Manuel, 73, started getting help in their home, there have been more than 100 different carers through their front door.

With Manuel's advancing dementia, Isabelle – who has a heart condition, crippling arthritis and is wheelchair-bound – knew something had to

change if they were both going to stay at home with just the help of their level four Home Care Packages.

Using the low-cost Let's Get Care as their provider and hiring and scheduling workers through Better Caring, Isabelle has been able to increase the hours of help from about 24 to 37 a week using just four carers.

"Even though we had the packages, we had to find providers who would work with us and we did. Staying at home is best for Manual but it is also better for me. We've been married for 50 years and have known each other since we were 16 and 17. I knew when I met him that he was a good and kind man and he has been a very good husband. He doesn't need a care facility and to lie in bed all day," says Isabelle.

Private help

Canberra-based National Community Care is one of many privately-run providers of support services 24/7.

Rather than host government packages, it works directly with clients or approved providers to deliver everything from personal care, medication assist, domestic services, meal preparation, social support, transport services and overnight care.

Costs range from \$50-\$60 an hour during the week.

National Community Care managing director Natasha Telfer says while government packages are essential to communities and allow clients to access the necessary services, these presume these clients also have support networks to assist with the gaps that their funding may not cover.

"Unfortunately, this is not always the case. So for us, instead of having to worry about client funding and plan management, we prioritise client care. We aim to be that support network for our clients.

"We have heard all too often of the clients that had to choose between a packet of continence aids or their social support service one time or another due to budget restraints. We feel we provide additional support to fill these voids within the sector," she says.

DRC Care Solutions' Robertson says if help is needed and you can afford it, then it makes good sense for those people waiting on a package to pay privately for the services they need until the package is allocated.

"It is a bit like a bonus when the package does come through and you get more hours that you don't have to pay for," she adds.

Struggling on with no help could lead to a fall or a break, preventing you from returning to your own home.

Bina Brown is a Director of aged care solutions company **Third Age Matters.**

AFR Contributor