

ACCOMMODATION PAYMENTS – INFORMATION FOR RESIDENTS AND THEIR REPRESENTATIVES

New rules governing accommodation payments become effective for all residents entering residential aged care on or after 1 July 2014. Residents will now have a choice when entering care to pay a Refundable Accommodation Payment/Contribution (RAD) or a Daily Accommodation Payment/Contribution (DAP) or a combination of both. Residents may change their choice of payment up to 28 days after admission.

WHAT IS A REFUNDABLE ACCOMMODATION DEPOSIT

A Refundable Accommodation Deposit is a lump sum payment paid or payable by a resident for entry to residential care. The balance of the refundable accommodation deposit will be refunded to the resident or their estate on termination of the agreement for residential services after agreed deductions have been drawn down.

WHAT IS A DAILY ACCOMMODATION PAYMENT

A daily accommodation payment is an amount calculated by converting the refundable deposit payment into a daily fee using the maximum permissible interest rate legislated and applying at the time of admission.

HOW IS A REFUNDABLE ACCOMMODATION PAYMENT DETERMINED?

The amount of the refundable accommodation payment is set for each type of accommodation (room) that Synovum Care Centre's offer. This amount is set in our Pricing Schedule on the company website and on the My Aged Care website.

The lump sum refundable accommodation deposit paid by a resident is included in the new means tested care fee calculation

DOES SYNOVUM CARE KEEP ANY MONEY FROM THE REFUNDABLE ACCOMMODATION DEPOSIT?

Under normal circumstances there will be no deductions from the lump sum refundable accommodation deposit while a resident is in our care. Residents who choose to a combination of the RAD and DAP may elect to have the amount of the daily accommodation payment (DAP) deducted from the lump sum balance of the refundable accommodation deposit (RAD) If this occurs you may be required to top up the lump sum to the original RAD amount at selected intervals.

HOW LONG DO I HAVE TO PAY THE REFUNDABLE ACCOMMODATION DEPOSIT?

Refundable accommodation deposits can be paid up to six months from the date of entry. Interest is calculated daily from the date of entry for unpaid RAD's and is charged monthly. Residents may change their mind about their options for paying a RAD, DAP or combination up to 28 days after admission.

WHAT IS THE INTEREST RATE?

Interest rates for unpaid RAD's are determined by the Australian Government Department of Social Services and are based on the Treasury Yield Note. This is referred to as the Maximum Permissible Interest Rate and is determined on a quarterly basis. For the current MPIR download the 'Schedule of Fees and Charges' on the Fees and Chagres page of our website.

WHAT CHOICES DO I HAVE FOR PAYING AN ACCOMMODATION PAYMENT?

Accommodation payments can be paid as lump sum amounts (RAD), by daily payment (DAP) or a combination of both. Where accommodation payments are paid by a combination of RAD and DAP, the amount and frequency of the payment will be advised in the admission process and is determined in conjunction with the residents. Any agreed amounts and payment methods will be documented in the Resident Accommodation Agreement. Amounts paid as daily accommodation payments are non-refundable.