

First Steps Into Aged Care

You're just dipping your toe into the water to understand what Mum or Dad might need when the time comes – they can no longer manage at home alone.

Did you know that Aged Care is different from Retirement Living? They have different legislation, different ways of working and different ways of earning money. It gets a bit confusing when someone living in a retirement village can also get Aged Care help, but we'll get to that a bit later.

WHAT IS AGED CARE?

Let's start with an overview. Aged Care has changed over the decades, but nowadays, the government has private companies running facilities and pays them to look after our elderly New Zealanders. This rather clunky system has many auditable requirements with several levels of care, including the Ministry of Health funding it through Health NZ. Many individual operators, some big and some small, provide the care.

Aged Care covers four main levels of care: Rest Home, Hospital, Dementia and Psychogeriatric – long-term or short-term care, also known as Respite Care. There are others, but these are the main four categories.

Before we get too far into this, just some clarity around the term "Hospital". When we hear hospitals, we picture the acute buildings where we see drips, doctors, surgeons and theatres. Aged Care has none of this – a poor use of the term that causes confusion. What it means in Aged Care is

appropriate Registered Nurse time is given to assess and act on the resident's particular needs. It also often means the resident cannot move independently and could require help from more than one person at a time.

You cannot just decide to move into a rest home. To be able to live in an Aged Care facility in NZ, you have to have what is known as a "Needs Assessment". This is carried out by a Needs Assessor who will then advise what level of care you will receive. Not all care is covered by the government; many residents, or their families, pay for care, or part of it.

You get to choose which facility you'd like to move into, and the most frequent place recommended for where you might like to start looking for one is Eldernet. We suggest you look around at different places – most people see three places before they decide.

Some good questions to ask when you visit are:

- 1 Personalised Care: How is the care personalised for Mum? Do you allow Grandad to keep his doctor, or do we have to move to the facility doctor?
- 2 Communication: How are we kept informed of Dad's welfare, and what do you suggest I can do to help keep in touch?
- 3 Accommodation Premiums: Are all rooms with a Premium? What are the daily rates, and what does this include?

By the time you've walked around a few places and got the answers to the above questions, you are likely to have a sense of where your Mum may feel most at home.

THE MONEY

Everyone entering Aged Care needs to understand how the money works. Health NZ sets the amount charged for care at all levels, and the only part that differs from one operator to another is the Accommodation Premiums. There is a variance between varying regions within Health NZ, say Christchurch vs. Levin. However, let's focus back on your part in it.

There are Private Payers, Fully Funded, or a combination of both. Hold on, though – even if you are Fully Funded, it doesn't mean you get to double-dip with government money. Your superannuation is considered money that helps cover your care's cost so you don't get to keep all that.

Fully Funded – also known as Fully Subsidised: WINZ (Work & Income New Zealand) assess your wealth and agrees that Health NZ will pay for your care. The superannuation you receive each fortnight is used as part of that calculation. It uses almost all of it to help cover the costs you covered when you lived at home (like food, power, doctors, medication, etc). WINZ allows for a small amount (less than 10%) that you keep for personal costs such as small gifts or haircuts. The facility will usually require a Guarantor and a Direct Debit form to be completed.

Private Payers: You pay for care, usually one month in advance. The facility will usually require a Guarantor and a Direct Debit form to be completed.

Combination of Both: This is where it gets a little more complicated. Again, WINZ are the decision-makers here. Based on your financial ability to pay, they work out how much Health NZ will pay, and you are expected to cover the rest. Another little quirk to remember here is that you will not have to pay more than the Rest Home level of care. If you need Dementia or Hospital level of care, Health NZ covers the difference between Rest Home and the higher level of care. This may help explain why you must have a Needs Assessment before being able to move into Aged Care. The facility will usually require a Guarantor and a Direct Debit form to be completed.

The confusion with Village: Some people bought an Occupation Right Agreement (ORA) to live in a retirement village, and as their needs change, the village can also provide care – and sometimes, this care can be part of Aged Care. When this happens, the above three categories still apply. There is a complex formula that makes sure there is a balance between the purchase of the ORA and the amount that Health NZ pays. You don't need to worry about this now but know that it is calculated to be fair.

Let's leave the money bit here and get back to it later. Before we get off track too far, there's more context to discover.

FIRST STEPS

Step 1: To break this down a little, let's start with the visit to your doctor. Putting this off for as long as possible is typical – sometimes too long. It's human nature that we want to hold onto our independence for as long as possible. While it is lovely having people help us do a few odd jobs now and then, we still want to hear our choices and preferences and for them to mean something. There is a long-held perception of aged care, and most are not favourable. The reality for most people living in our homes is that they love them. They feel safe, heard, provided for, and genuinely supported in living far more comfortably. There are stories of negative experiences, but this can also be said for many outside of Aged Care.

It can feel very daunting—it's perfectly normal to feel a range of emotions, not the least of which is fear of the changes ahead and often quite overwhelmed. Because this is so compelling, we usually wait for an event, such as a fall, to make a change. The problem is that you

rely on others to choose for you and often react under tight timeframes. It takes courage, but it is worth it.

Chat with your doctor; they are the best people to talk to about starting the journey ahead. They are a neutral person who knows you and your health. Your doctor needs to provide the referral to the Needs Assessor for the Needs Assessment, so if they believe you could do with more support, it's worth at least taking the next step to have a Needs Assessment done. It is still your choice to accept the move into Aged Care. You are not forced, but you may lose that choice if you wait for an event.

Step 2: If you are assessed as requiring care, booking a time with WINZ would be wise. The process through WINZ can be time-consuming and complex, depending on your circumstances. It is best to be open with them early because the more you help them, the more they can help you – and often take the stress out of it.

WORK & INCOME NZ (WINZ)

We are back to the money. How much do you pay? This depends on how much you have.

In straightforward terms, there are two categories WINZ uses:

- 1. Threshold A: \$284,636*** – all assets, including family home and cars
 - Single or Both of you (as a couple) are in care.
- 2. Threshold B: \$155,873*** – excluding family home and a car
 - Couples with one person in care can choose either A or B.
 - Excluded in the calculations are money for the pre-paid funeral of \$10,000* (x2) and pre-purchased furnishings for your room.

* The threshold amounts change annually. Check out www.workandincome.govt.nz

Once the Threshold is A or B, WINZ looks at how much Income you get to establish how much money you need to pay – and how much Health NZ pays.

Some examples of what they look at are:

- NZ Super and overseas pensions
- 50% private super payments
- Investment earnings
- Trust incomes

The Residential Care Subsidy Form from WINZ can feel daunting and delves into every aspect of your finances, including Trusts. The catch here is to complete it as soon as possible.

If you are Fully Funded, this form must be submitted promptly because Health NZ will only back-date payment so far. If you delay, you may be forced to pay the costs without any chance of reimbursement. There is also a Residential Care Loan, which is a bit complex. WINZ will help you with this if it is deemed necessary. In short, the loan can be used against a house for some time to help transition into care.

Now, to your superannuation, here is a little more clarity around this. Even if you are considered Fully Funded, your superannuation is used to pay for your care.

There are a few ways the payments can be made:

- 1.** You can authorise your superannuation to be transferred directly to pay the facility. They keep your spending amount in a “Comfort Fund”, which is held in trust for you to spend. This is your money, and you can use it as you wish—usually less than 10% of your super.
- 2.** You can authorise an Automatic Payment for the portion of your Superannuation that you want to pay—usually about 90%.
- 3.** You can set up a Direct Debit with the facility to make it hassle-free. Many operators and residents prefer this option because it is smooth all around.

ENDURING POWER OF ATTORNEY

There are two types of Enduring Power of Attorney (EPoA): 1) Welfare and 2) Property.

To move into care, you must set up an EPoA for both and provide a copy of this to the facility. There is a difference between having the written documentation

and the authority to act in that capacity. Please seek legal advice on this topic and carefully choose your EPoAs. They make decisions when you can no longer make them for yourself.

DOCTOR'S VISITS

When you move into a facility, some places will support you in retaining your doctor. Other places will not.

Either way, every facility has a doctor or Nurse Practitioner who oversees the resident's care. If transferred to the facility doctor, you will have a minimum review every three months. It is very usual

for the doctor to visit throughout the week, and if needed, you will be seen within the facility, and all these costs are covered as part of your care.

If you retain your doctor, the facility will cover the amount the facility's doctor charges, but you will need to pay extra charges—especially for "house calls."

FIRST THREE MONTHS

It is expected to feel quite different than you did at home. Some people say they are happier than they thought they would be because there is companionship, even if it's just people around. You will often eat more regularly, and if you are on a range of medications, this immediately helps balance previous highs and lows.

Others feel their world close in and go through significant grief. It is entirely natural for this to be part of the process, and there is support for you if you ask. It can be a very confronting time, and everyone's journey is personal, so take your time and ask for the support you may need.

The first few days will feel like a lot of forms are being done, which means many questions are being asked.

It will get better – everyone is just getting to know each other. It may help to know that there are a lot of requirements that an Aged Care facility must complete in the first month of your moving in – and this is designed to provide you with the best-personalised care they can. Obviously, the important part is using this information as intended, which is where you have it, depending on your chosen place.

Hopefully, you're happy – maybe more so than expected – and, most importantly, that you get the support to live in the best way you can while you receive the care you need and deserve.