

AGREEMENTS AND INFORMATION

When you are offered a place

When you move into an aged care facility, the facility is required to tell you about:

- the type and extent of the care, services and accommodation being offered to you; and
- how much you are expected to pay for the care, services and accommodation.

This information enables you to make an informed decision about whether to accept the offer to live in that facility.

How much will I have to pay?

The Australian Government sets the maximum amounts that you may be asked to pay. Up to these maximums, the amount you pay is a matter for negotiation between you (or your representative) and the aged care provider.

All residents may be asked to pay a basic daily care fee. In addition, some residents may be asked to pay an income tested fee depending on the level of their income. (For more information, see our *Daily Fees* fact sheet.)

A person entering low level care or entering an extra service facility to receive either high or low level care may also be asked to pay an accommodation bond. A person entering high level care (other than in an extra service facility) may be asked to pay an accommodation charge. (For more information, see our fact sheets called *Introduction to Aged Care, Accommodation Bonds* and *Accommodation Charges*.)

The types of agreements

The facility should give you a written agreement (or contract) which sets out the terms that you and the facility have agreed to. There are four types of agreement. They are:

- resident agreements;
- accommodation bond agreements;
- accommodation charge agreements; and
- extra service agreements;

One or more of these agreements may be relevant to you. They may be separate documents

or all the information might be included in one document.

What is important for you to know is that:

- the law requires facilities to offer the relevant agreement(s) to you;
- you should ensure that the terms of the written agreement(s) are consistent with any oral agreements you have made with the facility;
- you should read the document(s) very carefully - *we suggest you get good legal advice before you sign*; and
- once signed, *they are legally binding*.

There are certain laws that deal with unfair contracts and misleading representation. If you believe that one of the terms is unfair, get legal advice straight away.

The resident agreement

This is the agreement you will be offered to sign when you first move into residential care. It is the main agreement between you and the facility.

The facility must offer you this agreement, which should be written in plain language.

The law says that this agreement must have details about:

- the name of the facility;
- the date you are entitled to move into your bed or room;
- the levels of care and services that the facility has the capacity to provide to you;
- the process for setting your ongoing fees;
- when and how you can be asked to leave;
- the facility's complaints handling process;
- the rights and obligations of you and the facility; and
- anything else you have agreed to with the facility.

This agreement must also say that:

- the agreement becomes void if you tell the facility in writing within fourteen days of

signing it that you wish to withdraw from the agreement;

- if you do withdraw, you are only liable to pay fees and charges for the period you lived in the facility and that the facility must refund any other amounts you have paid;
- you can change the agreement if both you and the facility agree; and
- you can end the agreement by giving at least seven days' written notice to the facility.

Respite residents

If you are entering a facility as a respite resident, your resident agreement must include details about your period of respite and the amount of the respite booking fee. For more information, see our fact sheet called *Daily Fees*.

Accommodation bond agreements

If you agree to pay an accommodation bond, the facility must make sure that an accommodation bond agreement is signed by you (or your representative) before, or within 21 days after, you move in. For more information, see our fact sheet called *Accommodation Bonds*.

Accommodation charge agreements

If you agree to pay an accommodation charge, the facility must make sure that an accommodation charge agreement is signed by you (or your representative) before, or within 21 days after, you move in. For more information, see our fact sheet called *Accommodation Charges*.

Extra service agreements

Some aged care facilities offer "extra service" places (low care or high care). Residents occupying "extra service" places receive services in addition to the minimum services that facilities must provide.

If you are entering a facility on an "extra service" basis it should be clearly stated in the information given to you by the facility before entry. The facility can charge an additional daily fee to cover the cost of the extra services, known as an extra service amount. If you enter an extra service facility then either a separate extra service agreement or the resident agreement must contain the following information:

- the level of the extra service amount;
- how this amount may be varied; and
- the standard of the accommodation, services and food to be provided.

The agreement must also say that:

- an extra service amount cannot be charged if "extra service status" is cancelled or suspended;
- the agreement can be changed or cancelled by agreement; and
- if you were a resident in the facility before it became an extra service facility and you choose to receive the extra services - that you may cancel the agreement, without penalty, within three months of when you sign the agreement.

Who can sign?

The law allows you, or someone authorised to be your representative, to sign any of the agreements. But before anyone signs, we suggest you get legal advice.

What if I don't sign?

You are not obliged to sign the resident agreement offered by the facility. One advantage of signing an agreement is that your rights and obligations should be clearly outlined for you in the agreement. If you don't sign the resident agreement, there are certain obligations imposed on facilities by the law that will still apply and which will protect your rights.

What if the facility doesn't give me an agreement?

It is a breach of the *Aged Care Act 1997* if the facility doesn't offer you the relevant agreement(s). Contact Elder Rights Advocacy (ERA) for further advice.

Contact ERA

Phone: (03) 9602 3066, 1800 700 600
Email: era@era.asn.au
Mail: Elder Rights Advocacy
Level 2, 85 Queen Street
Melbourne VIC 3000
Website: www.era.asn.au

Empowering older Victorians

Elder Rights Advocacy is the registered business name of Residential Care Rights Inc. (ABN 63 367 539 827) which is part of the National Aged Care Advocacy Program - an Australian Government Initiative.

Note: The information in this fact sheet is general information only – it is not legal advice.

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