



Aged Care (Maximum Accommodation Payment Amount) Determination 2014

I, Mitch Fifield, Assistant Minister for Social Services, make the following determination under subitems 26(1) and (2) of Schedule 2 to the *Aged Care (Living Longer Living Better) Act 2013* and subsections 52G-3(1) and (2) of the *Aged Care Act 1997*.

Dated: 28 January 2014

Mitch Fifield
Assistant Minister for Social Services

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1 Name of determination

This determination is the *Aged Care (Maximum Accommodation Payment Amount) Determination 2014*.

2 Commencement

This determination commences on 1 July 2014.

3 Authority

This determination is made under subitems 26(1) and (2) of Schedule 2 to the *Aged Care (Living Longer Living Better) Act 2013* and subsections 52G-3(1) and (2) of the *Aged Care Act 1997*.

4 Definitions

In this determination:

Act means the *Aged Care Act 1997*.

price agreement day, for a person and an aged care service, means the day on which the person and the approved provider of the service agree, under paragraph 52F-1(1)(b) of the Act, about the maximum amount that would be payable if the person paid an accommodation payment for the service.

Note: A number of expressions used in this determination are defined in Schedule 1 to the Act, including the following:

- (a) accommodation payment;
- (b) daily accommodation payment;
- (c) refundable accommodation deposit.

5 Maximum refundable accommodation deposit amount

The maximum refundable accommodation deposit amount that an approved provider may charge a person is \$550 000.

Note: An approved provider may charge a person a refundable accommodation deposit amount of up to the amount specified in this section without obtaining approval from the Aged Care Pricing Commissioner. However, if an approved provider wishes to charge an amount of accommodation payment that is higher than the refundable accommodation deposit amount specified in this section, the approved provider may apply to the Aged Care Pricing Commissioner for approval to charge the higher amount (see section 52G-4 of the Act and the *Fees and Payments Principles 2014*).

6 Maximum daily accommodation payment amount

- (1) The maximum daily accommodation payment amount that an approved provider may charge a person is worked out as follows:

Maximum daily accommodation payment amount calculator

- Step 1. Work out the maximum permissible interest rate for the person using the calculator in subsection (2).
- Step 2. Multiply the rate worked out at step 1 by \$550 000 (being the maximum refundable accommodation deposit amount referred to in section 5).
- Step 3. Divide the amount worked out at step 2 by 365.

The result is the ***maximum daily accommodation payment amount*** that the approved provider may charge the person.

- (2) The maximum permissible interest rate for the person is worked out as follows:

Maximum permissible interest rate calculator

- Step 1. Work out the general interest charge rate for the person's price agreement day under section 8AAD of the *Taxation Administration Act 1953*.
- Step 2. Multiply the rate worked out at step 1 by the number of days in the calendar year in which the person's price agreement day falls.
- Step 3. Subtract 3 percentage points from the amount worked out at step 2.

The result is the ***maximum permissible interest rate*** for the person.

Note: If a person's price agreement day were the day on which this determination is made, the maximum daily accommodation payment amount that an approved provider could charge the person would be \$99.30.