

Continuing Care Strategy



Living well in a place you can call home.

Paying for Long-Term Care

December 2009

Long-term care provides accommodation, supervisory care, personal care, and nursing services to individuals who can no longer live independently in the community with the family and other supports available.

Long-term care is provided in three types of homes: Community Based Options, Residential Care Facilities, and Nursing Home (or Homes for the Aged).

Long-term care is paid for jointly by the provincial government and by long-term care residents.

Government pays for:

- Health-care costs for resident care. These costs may be related to the salaries, benefits and operational costs of nursing and personal care; social work services; recreation therapy; and physical, occupational and other therapies. These costs will only be covered for residents who enter long-term care homes that participate in the provincial Single Entry Access system.
- Transportation for dialysis and for inter-facility transfers due to the First Available Bed policy.
- A specialized equipment loan program for residents in long-term care. This program is administered by the Red Cross, Nova Scotia division. Depending on income, a resident may be required to pay a fee.

Long-term care residents pay for:

- Accommodation charges, which include: salaries, benefits & operational costs of maintenance, dietary services, housekeeping, management and administration departments, capital, and return on investment. This charge is collected by the long-term care facility.
- Personal expenses including: clothing, eyeglasses, hearing aids, dental services, funerals, pharmacare co-pay, transportation (two exceptions noted above), and other services provided by the long-term care facility.

The figures used below are in effect from **November 1, 2009 to October 31, 2010**.

Accommodation Charges

Each year, the Department of Health sets the standard accommodation charge for the three types of long-term care homes. These rates are based on average operating costs. Residents are notified of their accommodation charges at least 30 days before the November 1 effective date.

Nursing Homes = \$94.75 per day
Residential Care Facilities = \$54.50 per day
Community Based Options = \$48.00 per day
Respite Charge = \$30.90 per day

Individuals who are able to pay the standard accommodation charge are not required to undergo a financial assessment. These residents pay the standard accommodation charge and retain all remaining income and assets.

Reduced Accommodation Charges

Individuals can apply to have their accommodation rate reduced by undergoing an income-based financial assessment.

You will be asked to provide your income tax information (Notice of Assessment provided by Canada Revenue Agency) for the designated tax year. The financial assessment will look at your net income and account for a spouse or dependent child who lives in the community. Residents are not expected to pay more than 85 per cent of their assessed income toward accommodation charges.

The financial assessment will not look at any assets, nor will you be expected to sell your assets to pay toward your accommodation charge.

The Department of Health will conduct a financial review for you each year, or you can request a review at any time if your financial situation has changed significantly.

Minimum Retained Income

The Department of Health ensures residents keep some income to cover expenses after paying for long-term care. Residents retain at least 15 per cent of their annual income. In no instance will residents be left with an amount below the Minimum Retained Income amount. Residents will have full control over the use and management of their retained income and all assets.

Financial Assessment Process for Spouses

Many people entering long-term care have a spouse who will continue to live in the community. The financial assessment to determine a reduced accommodation rate will account for this situation.

The Department of Health also adjusted two income related areas effective Nov. 1, in keeping with this year's increase to the federal government's old age security/guaranteed income supplement.

Single seniors are able to retain 15 per cent of their income or \$2,760, (whichever is greater,) before they pay accommodation charges.

Couples who cannot pay the standard accommodation charges will also keep more of their money. Spouses who live in the community can retain \$16,974 per year, or an average of \$1,414.50 per month.

The spouse remaining in the community will be able to retain 50 per cent of the joint family income and control over all assets. In some circumstances, a portion of the long-term care resident's income may be transferred to the spouse in the community, providing that the resident's income does not fall below the minimum retained income amount, described above.

What is included in “net income?” Does it include my investments and savings accounts?

Taken from your most recent Notice of Assessment from the Canada Revenue Agency, your “income” that will be considered as part of your financial assessment is derived from net income (line 236) minus taxes payable (line 435). Line 236 may include income from pension, employment, dividends, interest earned on investments, RRSP's, etc.

Will I need to sell my house if I can't afford to pay for long-term care? Or, will the value of my house and other assets be considered in determining the amount I pay?

No.

What if I disagree with the decision made on the financial assessment?

Following the financial assessment, you will receive a letter (the Authorized Accommodation Charge) from the Department of Health informing you of the amount you are expected to pay for long-term care. If you disagree with the result of the financial assessment, you may request an administrative review. A review request form will be attached to your Authorized Accommodation Charge letter.

For more information:

Phone: 1-800-225-7225 (toll free)

Web Site: www.gov.ns.ca/health/ccs