

# Understanding the costs for care

Helping you and your family understand the options and costs for long-term care.

## Summerset care

We understand it's not easy when the time comes, and you realise that you may need more support and care. Knowing there are options available, we can help you make decisions that work for you and your family.

At Summerset, we know how to look after people. Every day we assist hundreds of New Zealanders who now need that little bit more care and support than they once did.

Whatever your situation, it's good to know you're in safe hands. For over 25 years we've been the proven, experienced and trusted company New Zealanders look to in their older years.

We're certified to offer you rest home-level and hospital-level care, with round-the-clock nursing care available on site, seven days a week\*. We can also offer secure dementia care in state-of-the-art memory care centres at some of our villages, and of course we're proud to be accredited as dementia-friendly by Alzheimer's New Zealand.

The most important thing to us is that you are clear about the accommodation options available, that you make a choice you are happy with and that you understand any associated costs. Our team are here to support you. We can guide you and your family through the process and answer any questions.

## Making the right care decision

The first step is to have an assessment which determines the level of care you need. Ask your GP to arrange an assessment for you.

If you or your loved one requires rest home-level, hospital-level or rest home-level secure dementia care, Summerset may be able to provide care for you.

There is a charge for this care. The care fee is set by the Ministry of Health and is reviewed every year.

Depending on your financial situation, you may qualify for a Residential Care Subsidy toward the care fee. Find out more by visiting [workandincome.govt.nz](http://workandincome.govt.nz).

Once you or your loved one has been assessed, the next step is to choose a room and payment option which suits you.



\* Level of care and payment options may vary by village. Please speak to our Care Centre Manager or Sales Manager to discuss the options at the village you are inquiring for.

# Accommodation and living options

We offer a variety of accommodation options that range in types, size, features and price (and in the case of premium rooms, payment options). We recommend you talk to our friendly team about the ways we can care for you or your loved one. They will advise on availability and the details about the village you are interested in - including financial options. This is important, as our villages do vary in the types of accommodation and care levels available.

## Standard rooms

A standard room in our care centre may include shared ensuites. You can receive rest home-level and hospital-level care in a standard room. If you choose this option, you only pay the **care fee** for your accommodation and care. You still receive the same level of high quality care provided to everyone in our care centre. Available at select villages.

## Premium rooms and care suites

Our premium rooms and care suites offer a larger room and include a private ensuite bathroom. They may also include a balcony, kitchenette and a view. You can receive rest home-level and hospital-level care in our premium rooms. There is an additional cost for premium rooms.

Care Suites are purchased under an **Occupation Right Agreement**.

## Serviced apartments

Our serviced apartments are located within our village centre, close to village facilities, providing supported living packages. Serviced apartments offer a double bedroom, ensuite, living area with kitchenette, and storage. These apartments are purchased under an **Occupation Right Agreement**. (Many have been certified up to rest home-level care).

## Memory care apartments/suites

Our memory care centres provide modern apartment-style homes for people living with rest home-level dementia. Our memory care centres offer innovative design for freedom of movement in a secure environment. These apartments/suites are purchased under an **Occupation Right Agreement**. Available at select villages.

# Room types and payment options

Standard room	Premium room	Memory care apartment Serviced apartment Care suite
<p><b>Care fee</b></p> <p>If you choose a Standard Room, you only pay the <b>care fee</b>. This fee is set by the Ministry of Health.</p> <p>The care fee covers your: meals, accommodation, laundry, cleaning, personal care needs, nurse supervision, and standard doctors visits.</p>	<p><b>Option 1: Daily accommodation premium fee</b></p> <p>If you choose a Premium Room, you pay the <b>care fee</b>, plus an additional charge for the premium room, known as the <b>daily accommodation premium</b>.</p> <p><b>Option 2: Occupation Right Agreement</b></p> <p>Instead of paying the daily accommodation premium, you can choose an <b>Occupation Right Agreement</b> and pay a licence fee upfront. The advantage of this option is cost certainty. Once you've paid the licence fee, you don't have to pay an ongoing premium fee while you live in the room.</p> <p>There is a deferred management fee (DMF) of 25% accrued over two years which is deducted from your repayment sum when you exit.</p> <p>As with all room options, you will still pay the <b>care fee</b>.</p>	<p><b>Occupation Right Agreement</b></p> <p>Our memory care apartments, serviced apartments and care suites are purchased under an <b>Occupation Right Agreement</b> with a deferred management fee. The deferred management fee (DMF) of 25% is accrued over two years and deducted from your repayment sum when you exit.</p> <p>As with all room options, you will still pay the <b>care fee</b>.</p>

## You'll probably have questions

A lot of people have questions about how their care arrangements will work. We're happy to answer these one on one of course – but here are some of the more common questions we get asked.

### **Q: The difference between daily accommodation premium fee and Occupation Right Agreement – how to choose?**

**A:** The daily accommodation premium fee is charged for your room by the day, for the entire time you are in our care centre. An Occupation Right Agreement is a one off payment which you may find to be more cost effective if you are in our care centre for a longer period of time, and it gives cost certainty.

### **Comparing a daily accommodation charge with Occupation Right Agreement (ORA) - Example**

Premium Room with a Daily Accommodation Premium of \$75		Premium Room purchased with a Licence Payment of \$240,000	
Timeframe	Cumulative cost	Timeframe	Cumulative cost
After 1 Year	\$27,375	After 1 Year DMF	\$36,000
After 2 Years	\$54,750	After 2 Years DMF	\$60,000
After 3 Years	\$82,125	After 3 Years DMF	\$60,000

### **Q: What's the deferred management fee and how does that actually work?**

**A:** The deferred management fee (DMF) is accrued over two years and is capped at 25% of the licence to payment.

For example if your licence payment for your room was \$240,000 the DMF would be deducted as follows:

Period in Care Room	DMF Percentage	Amount of fee	Total DMF	Repayment Sum (Licence fee less DMF accrued)
On Entry	5%	\$12,000	\$12,000	\$228,000
After year 1	10%	\$24,000	\$36,000	\$204,000
After year 2	10%	\$24,000	\$60,000	\$180,000
From year 3	Fully accrued	Nil	\$60,000	\$180,000

### **Q: If I am purchasing a care room under an Occupation Right Agreement, do I have to pay a weekly village fee?**

**A:** Effectively, no you don't as the weekly fee is fully offset against the accommodation portion of the care fee you are already paying.

### **Q: What happens if my home needs to be sold in order to purchase an Occupation Right Agreement?**

**A:** Talk to one of our sales team. They can talk you through the options that may be available to assist in providing care in your chosen room before your home is sold.

### **Q: Do I have to get a needs assessment?**

**A:** Yes. You need to do this because it determines what level of care we need to provide you; rest home, hospital or rest home dementia.



## SUMMERSET SURE GUARANTEE

If you decide that a Summerset life is not for you, you can activate your Summerset Sure guarantee. This means you have:

- 30 days to decide if your occupation right for your memory care apartment or premium room is right for you; or
- 90 days to decide if your serviced apartment is right for you.

If you're unhappy with your decision (other than for health reasons), we will refund your licence payment in full. Some conditions apply.

### Q: How does the Occupation Right Agreement work?

A: An Occupation Right Agreement (ORA) has three parts:

You pay this before you move in	You pay this while you live in our village	You receive this back when you exit
A \$3000 deposit. This is fully refundable if you should decide to cancel your application.  Plus a licence payment for the room.	The care fee.  Plus any additional charges for services such as phone, internet, hairdresser etc.	Your repayment sum. This is the licence payment you paid before you moved in minus the deferred management fee (DMF) and any outstanding charges.  This DMF is accrued and capped at 25% of the licence payment.

### What is a maximum contribution?

A: If you require long-term residential care you will generally only pay the maximum contribution rate for your care regardless of your care level, as set by the Ministry of Health. A residential care subsidy may apply through WINZ.

## What are the next steps from here?

Changes in independence can be challenging and upsetting, but at Summerset we can provide a range of different care options to help you retain as much independence as possible.

To make the move into care at Summerset, there are two things you need to do:

- Firstly, ask your GP to organise a needs assessment to determine what level of care you require.
- Arrange to meet with your Summerset village Care Centre Manager and Sales Manager to discuss availability, and which care and accommodation options will work for you and your family.

We also recommend you complete a WINZ Financial Means Assessment to see what subsidies and support you may be eligible for. You'll find this at [workandincome.govt.nz](http://workandincome.govt.nz).

**Thank you for trusting Summerset to look after you or your family member.**



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