


# ***IT 261A - Addendum - Fees Paid to Nursing Homes - Whether Payments to a Hospital***

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## **TAXATION RULING IT 261**

### **Fees paid to nursing homes - whether payments to a hospital**

#### **ADDENDUM**

F.O.I. EMBARGO: may be released

Taxation Ruling IT 261 is amended by the following:

1. Paragraph 3, line 1; delete 'A home for mentally retarded children is regarded as a hospital.'; and replace with,

'A home for mentally retarded children is regarded as a hospital where the institution provides the inmates with some medical treatment.'

2. Delete paragraphs 9 and 10 and replace with:

'9. The role of assessing and approving applicants for admission into a nursing home is performed by an aged care assessment team. Such a team consists of people with the necessary specialist skills to determine whether a person has a continuing need for nursing care by reason of infirmity or illness, disease, incapacity or disability.

10. The team must be satisfied that, having regard to the medical condition of the patient and to any other relevant circumstances, the needs of the patient would not be adequately or more suitably provided for in some other type of accommodation.'

3. Insert new paragraph 11 as follows:

'11. In view of the stringent assessment that an applicant has to undergo, it is clear that he or she can only be admitted to a nursing home approved under the National Health Act where he or she is suffering from some illness, etc. Payments to approved nursing homes may be generally accepted, therefore, as payments to a hospital within the meaning of subsection 159P(4).'

**Commissioner of Taxation**

19 July 1995

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