



4 AUG 2021

Tēnā koe

On 6 July 2021, you emailed the Ministry of Health requesting, under the Official Information Act 1982 (the Act), the following information for the years 2017/2018, 2018/2019 and 2019/2020:

1. *How many people are in residential care for each of the three years?*
2. *How many people received the residential care subsidy (RCS) in each of the years?*
3. *How many applications are declined and for what reason (e.g. excess income/assets or other) in each of the years?*
4. *Do you have standard operating procedures for the RCS with regard to assets? If you do, is it possible to view these? Specifically, we are interested in whether there is any further action taken if people advise that they are under the asset threshold or if they advise that they have not engaged in excess gifting, e.g. is there a random audit?*
5. *Over the past five years, have there been any prosecutions resulting from people providing incorrect information in order to receive the RCS?*

On 7 July 2021, your request was transferred to the Ministry of Social Development (the Ministry) to respond to as it more closely aligned with the practises of the Ministry.

Residential Care Subsidy is a subsidy paid through the District Health Boards by the Ministry of Health.

The subsidy assists with the cost of contracted care for a client in long-term residential care in a hospital or rest home indefinitely.

Generally, the amount of subsidy is the difference between the cost of contracted care and the amount a client is required to contribute for that care.

To qualify for Residential Care Subsidy, a client must be eligible for publicly funded health and disability services and be aged:

- 65 years or over, or
- between 50 and 64, single with no dependent children

Also, they must:

- have been needs assessed as requiring long-term residential care in a hospital or rest home indefinitely, and
- be financially eligible as determined by a financial means assessment

Please note, eligibility to publicly funded health and disability services is determined by the Needs Assessor on behalf of the District Health Board.

You can find more information regarding the Residential Care Subsidy at the following link: www.workandincome.govt.nz/map/income-support/extra-help/residential-care-subsidy/introduction.html.

Please find the information relevant to questions one, two and three in the following three Tables, respectively.

Table One: The total number of Residential Care Subsidy grants in the financial years 2017/2018, 2018/2019 and 2019/2020.

Financial year	Number of grants
2017/18	10,749
2018/19	10,314
2019/20	9,501

Table Two: The total number of current clients in receipt of Residential Care Subsidy as at end of June 2018, June 2019 and June 2020.

Financial year	Number of clients
2017/18	18,708
2018/19	18,579
2019/20	18,249

Table Three: The total number of Residential Care Subsidy declines in the financial years 2017/2018, 2018/2019 and 2019/2020, broken down by reason for decline.

Reason group	Financial year		
	2017/18	2018/19	2019/20
Died	381	408	462
Excess Income/Assets	2,028	2,148	1,734
Other	1,338	660	666
Total	3,744	3,216	2,862

Notes:

- Table One is current clients receiving RCS.
- Table Two is number of grants in each financial year. A client may have more than one grant in the reported periods
- Table Three is number of declines in each financial year. A client may have more than one decline in the reported periods for multiple reasons.
- Table Three decline reason 'Other' may include reasons such as change of circumstances, lack of representations and administrative error.
- In certain circumstances low numbers may potentially lead to individuals being identified.
- Due to these privacy concerns, numbers for Table Three decline reasons have been aggregated.
- To protect confidentiality the Ministry of Social Development uses processes to make it difficult to identify an individual person or entity from published data.
- These data tables have had random rounding to base three applied to all cell counts in the table.
- The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals.
- The published counts will never differ by more than two counts.

In regard to question four, the Ministry undertakes a financial means assessment with any potential RCS client. This assessment determines the financial situation and eligibility of the individual. The Ministry works on a "high trust" model and the client/agent/Power of Attorney signs a declaration as part of the Residential Care Subsidy application form that the information they have provided is correct and if anything changes they will let the Ministry know.

The Ministry also follows a "low-risk" assessment process. If a client has minimal assets and we can see from our system notes that Hardship grants and extra help has been provided over the years, these RCS applications are prioritised and completed with urgency.

In most cases we are provided with the verification of the assets/gifting and unless something significant shows on transactions etc, the verification is accepted as being true and correct. There are no audits completed on our financial means assessments.

Section 47 of the Residential Care and Disability Support Services Act 2018 provides for a review process where a "mistake" in the original assessment was identified (such as incorrect or incomplete information being supplied). There has occasionally been the need to amend the granting of a subsidy to a decline when further information comes to hand down the track, but these situations are rare.

You can find more information about the financial means assessment and gifting at the following two links:

- www.workandincome.govt.nz/map/income-support/extra-help/residential-care-subsidy/financial-means-assessment-01.html
- www.workandincome.govt.nz/map/income-support/extra-help/residential-care-subsidy/gifting-01.html

In regard to question five, I can confirm that over the past five years, there has not been any prosecutions from people providing incorrect information in order to receive the RCS.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response regarding the Residential Care Subsidy, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui



B.S.
Bridget Saunders
Manager
Issues Resolution
Service Delivery