

Implementing a Court of Appeal decision

The Ministry of Social Development will implement a Court of Appeal decision on means assessment for long-term aged residential care.

Wellbeing Budget 2021

The Ministry of Social Development will repay those who paid too much for their residential care.

Government has provided \$20m over two years to enable the Ministry of Social Development to correct clients' financial means assessments for residential care.

- The Ministry of Social Development (MSD) conducts financial means assessment for people applying for a subsidy to pay for their long-term residential care. The Subsidy is paid to residential care providers by the Ministry of Health (through DHBs).
- In May 2019, the Court of Appeal found that some aspects of MSD's approach to undertaking financial means assessment for the Residential Care Subsidy were not consistent with legislation. This related to the process for identifying and assessing deprivation of assets and income.
- MSD has updated the financial means assessment process and has been using it since December 2019 for new clients and current clients to ensure that they are paying the right amount now.

Funding covers repayments to clients and/or their estates for Residential Care Subsidy underpayments following a 2019 Court of Appeal decision.

- This funding will be used to refund clients (or their estates) if they paid too much for their care in the past.
- MSD is funding the operational and IT costs from baseline.
- MSD will monitor the levels of uptake by clients or their estates requesting a review of their financial means assessment, the number of reviews that are completed, the amount of money that has been paid out in refunds and whether any debts have been created.

Costs (operating) \$m	2020/21	2021/22	TOTAL
	5.000	15.000	20.000