



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

28 OCT 2016

Ms Alexandra Marette
Senior Researcher
Office of the Leader of the Opposition
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Dear Ms Marette

On 29 September 2016 you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *Is the Ministry of Social Development's expectation when a client is hospitalised for or part of the duration of stay with a supported accommodation provider, the client still gets to keep their personal allowance from their residential support subsidy (e.g. to re-establish their food supplies after discharge from hospital). Does the Ministry expect providers to return the personal allowance to a client after a hospitalised stay for a week or longer?*
- *Is the Ministry aware of examples in contracts where the personal allowance is kept by the provider in contracts during hospitalisation or of supported accommodation providers keeping the client's personal allowance when they are in hospital and/or redistributing to their head office? If so, please provide examples of when you have been made aware in the past few years and what action has been taken in response.*

As discussed with you by phone call on 4 October 2016, clients in receipt of a Supported Living payment are not entitled to Residential Support Subsidy and Personal Allowance as they are not in 24/7 care. You described a situation where an individual under 65 years of age who may have a disability was in accommodation which was partially funded by the Ministry and partially funded by the District Health Board. You wanted to know what would happen to their Personal Allowance when they were in hospital and whether the Ministry was aware of any situations where the Personal Allowance was kept by the accommodation provider or redistributed to the main office. The Ministry has addressed your request with information about clients who are receiving Residential Support Subsidy, not clients in supported accommodation as this best aligns with the situation you described.

Residential Support Subsidy, Personal Allowance and redirections.

When a client is in residential care, they are required to contribute any main benefit they receive (less a Personal Allowance) to the residential service provider towards the cost of their care. This is usually done by a redirection of benefit; however the client may choose to make their own arrangements to pay the service provider.

Residential Support Subsidy is the name given to payments made by the Ministry of Health for people with physical, sensory, intellectual, psychiatric disabilities (including drug and alcohol rehabilitation) or disabling chronic health conditions who are receiving residential support services. The payments are administered by the Ministry of Social Development but funded by the Ministry of Health.

Clients who are receiving Residential Support Subsidy are able to retain a portion of their main benefit for their personal needs. This is called a Personal Allowance. The Personal Allowance enables the client to purchase items such as shampoo, magazines and postage stamps. It cannot be paid to cover any of the costs of residential care services when a person is receiving Residential Support Subsidy.

Residential Support Subsidy Personal Allowances are paid to the client in most instances. The exception is, when requested, the Personal Allowance is paid to the Residents Trust Account, to be held on the client's behalf. In this instance the provider is responsible for forwarding the Personal Allowance onto the client. On the application form for Residential Support Subsidy, there is a section on payment authorisation (question five). In this authorisation, the client elects whether their Personal Allowance payments are paid to the bank account on their Work and Income records or the Residents Trust Account with their residential service provider. The application form is available online at: www.workandincome.govt.nz/documents/forms/residential-support-subsidy-authorisation-form.pdf. Further information about Residential Support Subsidy is available at: www.workandincome.govt.nz/products/a-z-benefits/residential-support-subsidy.html

In extraordinary cases the Service Managers, using good cause, can re-direct the Personal Allowance to the Providers Trust Account. The Service Manager has advised that there has been one case where this has occurred in the past 15 months. Good cause means that the merits of the individual case justify the payment of benefit to the other party. Each case must be judged on its own merits. Further information regarding benefit redirection is available at: www.workandincome.govt.nz/map/income-support/core-policy/redirection-of-benefit-payment/index.html

Hospitalisation

Clients retain their Personal Allowance when they go to a public hospital.

If the client is to be in hospital less than 13 weeks, and the service provider is holding the client's bed and providing support to the client, the Residential Support Subsidy is continued to be paid to the service provider. If these conditions are not met, the client should be paid their full benefit entitlement and the redirection of benefit to the service provider should be stopped.

From the beginning of the fourteenth week of hospitalisation, the Residential Support Subsidy is stopped and the client's benefit reduces to the hospital rate of payment as per section 75 of the Social Security Act 1964.

The Ministry is not aware of examples where a client's Personal Allowance has been kept by the service provider or redistributed to their head office when the client is in hospital, nor of service provider contracts with clients that stipulate this is to occur. The Ministry's role is to administer the Personal Allowance to the account elected on the Residential Support Subsidy application form. If the client's Personal Allowance is

being paid into the Residents Trust Account, the provider is responsible for forwarding the payments to the client.

I hope you find this information about Residential Support Subsidy and Personal Allowance helpful. 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 available to the wider public after ten working days. 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.

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely



Ruth Bound
Deputy Chief Executive, Service Delivery