

Q&As: for providers

12 September 2024 – Version 1.0



Why are these changes being made?

The Minister for Disability Issues, Hon Louise Upston, commissioned an Independent Review of the Disability Support System (DSS) to strengthen its long-term sustainability.

As the Ministry of Disabled People - Whaikaha was facing cost pressures, the Minister wanted a full picture of the situation before considering any changes to the system.

The review made seven recommendations to improve the financial sustainability of the disability system and make access to disability support services fairer given the review found it was currently a postcode lottery. These recommendations are being implemented by the Ministry of Disabled People- Whaikaha and the Taskforce.

The report highlighted six key findings:

1. Delivery of DSS is inconsistent.
2. The DSS 2024/25 appropriation will be breached if spending is not controlled.
3. There is inadequate budgetary control and commercial rigour.
4. The two areas of largest cost growth are flexible funding provisions and residential facilities-based care.
5. The new departmental agency is not set up in a manner that enables it to manage effectively the nature and scale of its appropriation.
6. Current policy settings and service design do not allow the Ministry to administer and deliver DSS effectively.



What is the goal of these changes?

The goal is to ensure:

- the DSS is on a sustainable footing
- there is fairer access to disability support services across the country
- support is available for those who need it most.

Why are there ‘indicative’ budgets for NASCs but ‘fixed’ budgets for EGL sites?

Reference to ‘indicative’ budgets for NASCs and ‘fixed budgets’ for EGL sites reflects how budgets have been described historically.

There are also some differences between the budgets for NASCs and EGL sites, such as the way that Pay Equity and In Between Travel are reflected in budgets.

Regardless of terminology, NASCs and EGL sites are expected to keep expenditure within the budget they are allocated.

How were NASC and EGL site budgets calculated?

Find out about the NASC and EGL site budget methodology in our fact sheet.

What service lines are included in the residential funding target budget?

The Facility-Based Support service lines included within the residential component of NASC and EGL site budgets are:

- Community Residential Care in an Aged Residential Care Setting
- Community Residential Care in Group Homes and live alone arrangements
- Residential Care – Specialist Rehabilitation.



The following are outside the residential funding target budget:

- Choice in Community Living and Supported Living
- Facility-based respite
- Day programmes (although the Day Activity Contribution that some residential providers receive is included).

Some costs are outside of both residential component of NASC and EGL site budgets, such as:

- Oranga Tamariki costs
- Regional Intellectual Disability Supported Accommodation Service (RIDSAS)

DSS will monitor the long-term use of facility-based respite care, as this is not a suitable alternative to residential care. However, this will not affect the ability of families to use their full allocation of facility-based respite days at one time, where a provider is able to accommodate that length of stay.

Is the Government committed to the Enabling Good Lives (EGL) approach?

The Government is committed to the EGL vision and principles.

The principles are:

- Self-determination
- Beginning early
- Person-centred
- Ordinary life outcomes
- Mainstream first
- Mana enhancing
- Easy to use
- Relationship building.



The national roll-out of the EGL approach is paused while the Government makes decisions the review recommended to make access to DSS fairer, more consistent and based on the disabled person's need, no matter where they live.

What is the future role of the standalone government agency?

As a standalone government department, the Whaikaha – Ministry of Disabled People will provide leadership and stewardship for disabled people across government.

This includes:

- System leadership and facilitating societal change
- Strategic policy advice on matters affecting disabled people
- System-level monitoring
- Disability information and advice
- Managing government relationships with disabled people.

Further information can be found in the August 2024 Cabinet paper.

What is the role of the Taskforce?

The August 2024 Cabinet paper described the role of the Taskforce as being to:

- implement the recommendations made by the Independent Review of Disability Support Services
- build the necessary systems, processes, and capabilities to support the effective operation of the disability support system
- provide policy advice or make decisions on operational changes relating to the Independent Review.



Will the relationship with other government agencies change?

The changes in the role of the Whaikaha – Ministry of Disabled People will not change the responsibilities of other government agencies (apart from its disability support service responsibilities moving to Ministry of Social Development).

Review Panel processes

Find out about the Review Panel on our website.

What funding packages need to be considered by the Review Panel?

The funding packages that need to be considered by the Review Panel are set out in the Operational Policy and Guidelines on our website – see ‘Situation where Review Panel approval is and is not required’ (pages 4-6). Those situations are:

- All new proposed individual rates for residential support
- Any increases to existing individual rates for residential support.
- Planned entries to residential care that the NASC or EGL site considers essential, whether they are on contract rates or individual rates.
- Proposed community packages exceeding \$105,000 per annum.

Will flexible funding continue to be offered?

Yes.

Cabinet has agreed to the recommendation to establish criteria for access to flexible funding and review the flexible funding guidelines, to improve clarity and consistency.

Decisions on this are expected by the end of 2024 and there will be public consultation process that occurs before any final decisions are made.



The changes made to the Purchasing Rules in March 2024 continue to apply. The amount of flexible funding that is allocated may be limited by the overall budgets available to NASCs and EGL sites.

Why are there differences between the eligibility for Equipment and Modification Services (EMS) and other disability support currently managed by Whaikaha?

There is no change to eligibility for EMS or for other disability support. EMS is available to people with age-related disabilities as well as people with intellectual, physical and sensory disabilities. These EMS responsibilities met from the funding available for Disability Support Services within Vote Social Development.

Health New Zealand is responsible for most other support for people with age-related disabilities.

Are billing processes going to change?

Current billing processes continue for now. Any new systems will be clearly signalled in advance.


Are you updating existing pricing tools?

Cabinet agreed to the recommendation to update the assessment and allocation settings for individuals based on level of need. This work will be led by the Taskforce. Decisions are expected by the end of 2024.

The work already done between the Ministry and NASCs will feed into the Taskforce's work. The Taskforce will also engage with NASCA, NASCs and providers.

What is happening to payments for pay equity and sleepovers?

There will be no increases to Advance Interim Payments for pay equity costs in 2024/25.



There will be also no wash-up at the end of the year for Advanced Interim Payments as there should be no significant relative differences emerging between providers or from estimates from start-of-year to year-end.

Bulk funded sleepovers will not be increased for the period of the hold and no new sleepover funding will be put in place.

How do we respond if the changes adversely affect providers?

We are committed to supporting providers during the implementation of the Independent Review recommendations.

If a provider has concerns around their sustainability, this should be raised with your Portfolio Manager as early as possible, so risks can be understood and managed appropriately.

