

Memorandum

Date: 4 March 2024

For: Whaikaha Executive Leadership Team (ELT)

Security level: ~~In confidence~~

Implementation Plan for changes to Flexible Funding

Purpose

The purpose of this paper is to set out the proposed approach to implement the agreed changes to flexible funding.

Changes to Equipment and Modifications Services (EMS) prioritisation already have an implementation plan. We will coordinate announcements about EMS changes, but the focus of this paper is on how we will implement the changes to flexible funding.

Recommendations

It is recommended that you:

- a) Approve the implementation plan for changes to flexible funding.

Approve

Paula Tesoriero MNZM

Te Tumu Whakarae | Chief Executive

Date

Amanda Bleckmann

DCE, Commissioning Design and Delivery

Date: 4 March 2024

Background

1. ELT has agreed to temporarily introduce a number of limits on the use of flexible funding (REP/WHK/24/2/018 refers) while we work on long term fiscal sustainability and service development is undertaken. Specifically;

"Approve temporary changes to flexible funding options currently available in Individualised Funding, Enhanced Individualised Funding, Choice in Community Living, Personal Budgets and Carer Support.

This is a temporary pause and includes

- *Stopping use of funding for overseas travel, accommodation and other costs generally understood to be sensitive expenditure in most contexts*
- *Stopping use of funding for self-care services such as massages, pedicures and other appearance or therapeutic care that is not for the purpose of improving the functional adaptation of the disabled person*
- *Stopping use of funding for the cost of activities or items that, while they might be beneficial to family carers, do not obviously address how the care responsibilities of the family member limit their opportunities to otherwise participate in that activity*
- *Stopping use of funding to pay for the purchase of items such as consumer electronics, sporting or recreation goods that may reduce the need to take a break but may also be hard to distinguish from items which families might otherwise provide for.*
- *Stopping use of funding to pay items that are available through other funding streams, such as EMS, behaviour support.*
- *Stopping use of funding to pay for times that are the responsibility of another agency, such as transport, equipment, health funded therapy, and day services."*

Advice

2. We propose to:
 - a. provide clarification on the scope and purpose of the individual flexible funding products, to guide the application of rule one.¹
 - b. amend rule 4 to:
 - i. pause the ability to purchase something within another agency’s responsibility where what it provides is not suitable or available in a timely way; and
 - ii. explicitly exclude purchase of equipment which is prioritised and managed through the EMS system.
3. This approach has the advantage of providing clarity to people about what they positively *can* use their flexible funding for and limits the need to navigate multiple nuanced changes across documents.
4. By relating the new exclusions to existing terms and conditions of service we can more quickly and with more confidence implement these changes.
5. s9(2)(f)(iv) OIA [Redacted]
6. We have included as Appendix One what is considered within the new scope of each flexible funding service would be.

Enabling Good Lives (EGL) Personal Budgets

7. Implementing the changes in Enabling Good Lives (EGL) Personal Budgets will be more difficult than for other flexible funding lines. There is for example, no ‘pre-Covid’ or less flexible state to move back to for EGL Personal Budgets.
8. s9(2)(h) OIA [Redacted]

■ This may require clarifying the wording of rule one, which has generally been implemented to require that support must be purchased within the purpose it was allocated for, evidenced by for example the overall service specification. The specific wording of rule one could be clearer on this point.

b. s9(2)(h) OIA

9. Because the scope of flexibility someone accesses through an EGL Personal Budget is defined by the individual's plan, a level of rapid re-planning may be required to implement these changes with those who have existing budgets.
10. We expect the Sites, as part of taking an EGL approach, will wish to work with people on personal budgets to exercise choice and control within the new limitations in a relational way. We will work with the Sites to deliver that approach whilst also responding to the need to move rapidly and maintain fairness with those who are accessing other flexible funding arrangements.

Implementation plan

Overall approach

11. Implementation will take place in five stages:
 - a. *Prepare* formal operational policy materials, as well as guidance, FAQ and communications materials.
 - b. *Inform* key partners, organisations involved in the management of flexible funding, and Whaikaha kaimahi such as EGL Connectors, of what will be implemented and why.
 - c. *Notify* individual's receiving or managing flexible funding of the changes to the terms and conditions.
 - d. *Complete* individual's receiving or managing flexible funding will have a short grace period to submit any outstanding (pre-approved) claims they have from before the change of conditions. After that period no further claims affected by the new exclusions will be accepted.
 - e. *Monitor* –any issues that emerge that are not foreseen or that we cannot prepare for within the current timeframe. We will work closely with Hosts and others implementing these changes to support them with any issues that arise, and to seek to understand any emerging trends in compliance that may require addressing.

12. Specific tasks and timeframes are set out below

Time frames

| Date | Stage | Task |
|------------------------------|-----------------|--|
| <i>By 4 March</i> | Prepare | EGL agree scope of support to give effect to exclusions |
| <i>By 6 March</i> | Prepare | Prepare explanation and guidance to Hosts |
| <i>By 8 March</i> | Prepare | Confirmed plan for how these exclusions will be implemented in the EGL Sites |
| <i>By 13 March</i> | Prepare | Agree Q&As and key messages |
| <i>By 15 March</i> | Inform | Advise Te Whatu Ora team leading their implementation of flexible rules for Carer Support of our intention to make changes |
| <i>By 15 March</i> | Inform | Discuss with Te Whatu Ora Sector Ops our intended change for their work (Carer Support processing) |
| <i>On 18 March</i> | Inform | Explain to EGL Sites the changes to be made, why they are happening, what is expected of them, and where to find resources for explaining to affected people. |
| <i>On 18 March</i> | Inform | Explain to Hosts, FDS, and CiCL providers the changes to be made, why they are happening, what is expected of them, and where to find resources for explaining to affected people. |
| <i>On 18 March</i> | Inform | Advise partnership groups (SAG, TMB, EGL, TAMA) the changes to be made, why they are happening, where to find resources for explaining to affected people, and how they can participate in the next stage. |
| <i>On 18 March</i> | Notify | Commence sending letters to all affected flexible funding recipients. Post information about the changes on Whaikaha website. |
| <i>Ongoing from 18 March</i> | Inform | Host forums with family and disabled person groups to explain further the changes and what happens next. |
| <i>By 29 March</i> | Complete | End of grace period for people potentially incurring costs without knowing about the changes. |
| <i>By 12 April</i> | Complete | End of claiming period for people to claim costs from before the rules were changed. |
| <i>From 25 March</i> | Monitor | Regular check-ins with Hosts, FDS providers, and EGL kaimahi about emerging issues and/or compliance with changes. |

Communications Plan

13. A full communications plan and products will be developed to support this work. Our draft key messages are:

- a. Demand for Whaikaha funded disability supports has been increasing for some years and continues to rise. In addition, the cost of providing these supports is also rising - by about 3% more than inflation year on year.
 - b. Whaikaha, like all other government agencies, is now working within a more constrained fiscal environment with New Zealand experiencing challenging financial circumstances and pressure across the public service.
 - c. We are seeing continued growth in the number of people entering the disability support system and increased complexity in needs. We are anticipating significant cost pressures going into 2024/25.
 - d. Because of these challenges, Whaikaha – Ministry of Disabled People is having to make some tough decisions to ensure that the funding and support we have gets to those that need it most.
 - e. In light of this, Whaikaha is putting in place temporary prioritisation measures on EMS and Flexible Funding while we develop strategies to respond with the increased demand and costs.
 - f. Whaikaha will be working with EMS assessors and allied health teams to put in place temporary measures to manage demand within the available resources we have. We will be reintroducing prioritisation while we work on longer term initiatives.
 - g. Whaikaha will also place temporary changes to spending within Individual Funding (IF), Personal Budgets and Carer Support. This will mean more clarity on what this disability funding can be used for.
 - h. Putting temporary measures in place for EMS and flexible funding will enable Whaikaha to reassess the current situation and work with stakeholders to determine what more permanent measures will be put in place.
 - i. The bottom line is we need to ensure disability support and funding is directed at the person it is meant for, and prioritised to those that need it the most.
14. Additional key messages will be developed for each audience. An initial stakeholder map is included as Appendix Two.

Risks

15. Most risks have already been canvassed as part of the earlier decision paper.
16. The risks include:

- a. A number of family and disabled person's groups may have an expectation of significant advance engagement before any changes to flexible funding are made. Mahi Aroha for example has set an expectation of working closely with Carers groups on a number of matters that affect them. Whilst significant advance notice is not possible, we consider that we can best honour our commitments to engagement and partnership by giving advance notice where we can, and by having very clear opportunities for those groups to contribute to the more permanent changes.
- b. At a practical level, the agreements we have with individual's managing flexible funding vary across Carer Support, IF, and EGL personal budgets. This variation largely reflects differences in scope, but there may be some unintended consequences for the way in which we go about implementing these changes in different service lines. We will continue to work with Whaikaha Legal to ensure we are using as appropriate a processes to implement these changes, taking into account differences in the underlying agreements.
- c. We are expecting the Court of Appeal decision on the Fleming and Humphrey's cases to be released around about when we will be notifying people of the changes to flexible funding. This will need to be accounted for in preparation of communications, and we will need to ensure that our time is managed so that any support from flexible funding SMEs needed to respond to that decision can be made available without compromising making these changes.

Next steps

17. CDD will continue to progress this plan in line with the timeframes set out above. I will update ELT at our regular meetings on any issues that emerge.

Appendix One – Proposed scopes for flexible funding services

| | Carer Support | IF Respite | IF HM & PC | CiCL |
|-----------------|---|--|---|--|
| Includes | <ul style="list-style-type: none"> • Contribution to the costs of substitute caring whilst a break is being taken • Expenses incurred as a necessary part of providing that substitute care • Reasonable gifts and other forms of recognition for support provided voluntarily (we would expect what is reasonable to be limited by the applicable half day or day rate for the amount of care provided) | <ul style="list-style-type: none"> • Contribution to the costs of substitute caring whilst a break is being taken (including wages etc) • Expenses incurred as a necessary part of providing that substitute care • Reasonable gifts and other forms of recognition for support provided voluntarily • Costs of a service that delivers respite by a health and disability provider, where that provider is not contracted to Whaikaha for the purpose of delivering respite | <ul style="list-style-type: none"> • Contribution to the costs of delivering HM and PC care (including wages etc. and intermittent care) • Expenses incurred as a necessary part of providing that care • Reasonable gifts and other forms of recognition for support provided voluntarily • Items that substitute for the need for a support worker to deliver care (except where those items are part of what is provided for or managed under EMS) • Costs of a service that delivers Household Management and Personal Care. | <ul style="list-style-type: none"> • Individual support for a disabled person, who might otherwise need residential services, to plan for and live more independently in a home of their choice, including: <ul style="list-style-type: none"> - Contribution to the costs of delivering support and facilitation to live independently in one’s home (including wages etc. and other costs of staff time) - Expenses incurred as a necessary part of providing that care which are not otherwise excluded in the CiCL specification - Items that substitute for the need for a support worker to deliver care (except where those items are part of what is provided for or managed under EMS) |
| Excludes | <ul style="list-style-type: none"> • All purchases of items as a form of delivering respite. • All expenses, where the expense alone, is intended to provide respite. • Accommodation, overseas travel, or food expenses incurred in the course of providing substitute care. | <ul style="list-style-type: none"> • All purchases of items as a form of delivering respite. • All expenses, where the expense alone, is intended to provide respite. • Accommodation, overseas travel, or food expenses incurred in the course of providing substitute care. | <ul style="list-style-type: none"> • Overseas travel, accommodation, or meal costs, including as part of providing support to a disabled person who is travelling. • Purchase of ready-made food as a substitute for household management. | <ul style="list-style-type: none"> • Overseas travel, accommodation, or meal costs, including as part of providing support to a disabled person who is travelling. • Purchase of ready-made food as a substitute for meal prep support. |

Appendix Two – Initial Stakeholder Map

| Stakeholder | Key Messages | Channels | When | Who |
|---|--|---|--------------------|---|
| <p><i>EMS Assessors –</i> <i>Accessible (Northland and Auckland)</i> <i>Enable New Zealand (rest of the country)</i> <i>Te Whatu Ora Allied Health Leaders</i></p> | <p>Necessary changes to EMS in constrained fiscal environment Budget implications Impact on services</p> | <p>Letter Face to Face</p> | <p>By 15 March</p> | <p>Amanda Bleckmann/CDD/ <i>Paula Tesoriero?</i></p> |
| <p><i>Service Providers</i> <i>TalkLink, Mobility Solutions</i> <i>Canterbury Wheelchair and Seating Service</i> <i>Seating to Go Ltd</i></p> | <p>Necessary changes to EMS in constrained fiscal environment Impact on services Next steps</p> | <p>Letter Face to Face (online meeting) Key messages Q&A</p> | <p>By 15 March</p> | <p>Amanda Bleckmann/CDD/ <i>Paula Tesoriero?</i></p> |
| <p><i>Recipients of flexible funding</i></p> | <p>Necessary changes to flexible funding in constrained fiscal environment Next steps What it means for you Where to go for more information</p> | <p>Letters Direct to website / contact centre for more info</p> | <p>18 March</p> | <p>Amanda Bleckmann/CDD/ <i>Paula Tesoriero?</i></p> |
| <p><i>Carers New Zealand</i></p> | <p>Necessary changes to Flexible Funding in constrained fiscal environment What it means for Carers Next steps Where to go for more information</p> | <p>Face to Face Letter/Email Key Messages Q&As Website copy Online hui for their stakeholders Factsheet</p> | <p>1 March</p> | <p>Amanda Bleckmann/CDD/ <i>Paula Tesoriero?</i></p> |
| <p><i>Carers Alliance</i></p> | <p>Necessary changes to Flexible Funding in constrained fiscal environment What it means for Carers Next steps Where to go for more information</p> | <p>Face to Face Letter/Email Key Messages Q&As Online hui for their stakeholders Factsheet</p> | <p>15 March</p> | <p>Amanda Bleckmann/CDD/ <i>Paula Tesoriero?</i></p> |
| <p><i>NASCS</i></p> | <p>Necessary changes to EMS and Flexible Funding in constrained fiscal environment What it means for Carers</p> | <p>Face to Face (possibly online) Letter/Email</p> | <p>18 March</p> | <p>Amanda Bleckmann/CDD</p> |

| Stakeholder | Key Messages | Channels | When | Who |
|---|---|---|-------------|--|
| | Next steps | Key Messages Q&As Factsheet | | |
| <i>IF Hosts</i> | Necessary changes to EMS and Flexible Funding in constrained fiscal environment What it means for Carers Next steps | Face to Face (possibly online) Letter/Email Key Messages Q&As Factsheet | 18 March | Amanda Bleckmann/CDD |
| <i>Other groups eg Deaf Association, NZDSN, etc</i> | Necessary changes to Flexible Funding in constrained fiscal environment Where to go for more information | Email Key Messages Website | 18 March | Ben O'Meara/ PSG (?) |
| <i>Partnership groups (Transformation Management Board, Insights Alliance, Strategic Advisory Group)</i> | Necessary changes to Flexible Funding in constrained fiscal environment What it means for Carers | Email/Meeting (depending on timing) Factsheet Website | By 18 March | Ben O'Meara/ PSG (?) |
| <i>Contact Centre</i> | Necessary changes to Flexible Funding in constrained fiscal environment What it means for people | Email Key Messages Q&As Factsheet | 15 March | Comms |
| <i>Whaikaha Kaimahi</i> | Necessary changes to Flexible Funding/EMS in constrained fiscal environment Impact on disabled community | Team briefing Waharoa | 18 March | Amanda Bleckmann/CDD or Paula Tesoriero supported by Comms (?) |
| <i>Other Government Departments Te Whatu Ora Ministry of Social Development Ministry of Education Ministry of Transport</i> | Necessary changes to Flexible Funding/EMS in Constrained fiscal environment Impact on disabled community | Email Key Messages Website | 18 March | Ben O'Meara/ PSG (?) |

| Stakeholder | Key Messages | Channels | When | Who |
|--------------------|--|-----------------|-------------|--------------------------------------|
| <i>Ministers</i> | Update on developments | Briefing | 15 March | Amanda Bleckmann/ Paula Tesoriero |
| <i>Media</i> | Key Messages around who, what when, why and how. | Reactive Lines | As required | Comms |