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Medical Appeal Board costs treble then drop back

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News

The cost of people appealing decisions that have denied them access to welfare benefits on medical grounds has grown steeply, until last year.

Since the National Government took office in 2008, the annual cost of Medical Appeal Board hearings has gone from \$196,412 to \$690,646 in 2010/2011. But, last year, 2011/2012 the annual cost reduced to \$449,582.

In documents provided to *New Zealand Doctor* under the Official Information Act, Work and Income deputy chief executive Debbie Power says the costs rose because of changes made by the Ministry of Social Development.

Since 2009, there has been increased awareness of financial assistance available to potential clients and children with medical conditions, Ms Power says. For example, Work and Income now has system-generated letters which are sent to children on a child disability allowance, who are about to turn 16, telling them about possible entitlement to an invalid's benefit.

In 2010, all people receiving sickness benefits for more than 12 months were required to see their case manager to review their circumstances and eligibility, and second opinions were sought where deemed appropriate, Ms Power says.

"These changes increased the numbers of applications for assistance and the number of decisions being made about people's entitlement to medical-related financial assistance. Correspondingly, the number of reviews increased," she says.

The drop in 2011/12 corresponds with the number of appeals lodged returning to normal levels after the spike, a Work and Income spokesperson says. But the costs have not reduced to the levels recorded in the early 2000s when the ministry spent between \$120,000 and \$135,000 annually on Medical Appeal Boards.

The number of Medical Appeal Board hearings has also fluctuated, but appears to not affect cost directly. For example, in 2004/2005 800 hearings cost \$134,755 but the following year 192 hearings cost just \$129,569 (see table).

Details of the number of hearings held in the years 2004/2005 to 2008/2009 are available in the ministry annual reports for those years. From 2009/2010, when the costs started going up, the number of hearings is no longer included in the annual report, and the ministry would not provide these numbers. *New Zealand Doctor* is appealing the ministry's decision on this.

From 2010/2011, any information about the Medical Appeal Board is also excluded from the annual report.

Ms Power says this is due to a review in 2010 of annual reports across the sector.

"The ministry chose to remove reporting on fees and expenses of statutory and other bodies to ensure consistency in reporting with the majority of government departments."

New Zealand Doctor asked if there were any themes emerging over the last three years of Medical Appeal Board hearings on the types of medical conditions which have or have not been deemed to prevent people from working.



The ministry does not centrally record the medical conditions of clients who have made an appeal regarding a benefit

However, the ministry does not centrally record the medical conditions of clients who have made an appeal. "Rather this information is held on the individual client file and as such I am unable to provide this information... as it would require a large amount of manual collation to compile this information," Ms Power says.

Medical Appeal Boards were first established in 1938.

Where a benefit was declined or cancelled on medical grounds, the decision could be appealed to a group of people with the expertise to assess the medical information provided to support the application.

Initially, this was only in relation to the invalid's benefit but it has been extended over the years to include other benefits.

Appeal boards are made up of three members appointed by the Work and Income chief executive. The members may be medical or other rehabilitation professionals, such as nurses, occupational therapists, physiotherapists or psychologists.

The board members are paid according to how much time they provide and what type of medical professional or rehabilitation professional they are; there is no standard rate.

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The cost of people appealing decisions that have denied them access to welfare benefits on medical grounds has grown steeply, until last year. Since the National Government took office in 2008, the annual cost of Medical Appeal Board hearings has gone from \$186,412 to \$690,648 in 2012/2013. But last year, 2011/2012 the annual cost reduced to \$448,882. In documents provided to New Zealand Doctor under the Official Information Act, Work and Income deputy chief executive Debbie Power says the costs rose because of changes made by the Ministry of Social Development. Since 2009, there has been increased awareness of financial assistance available to potential clients and children with medical conditions, Ms Power says. For example, Work and Income now has system-generated letters which are sent to children on a child disability allowance, with the aim of telling them about possible entitlement to an invalid's benefit. In 2010, all people receiving sickness benefits for more than 12 months were required to see their case manager to review their circumstances and eligibility, and second opinions were sought where deemed appropriate, Ms Power says. "These changes increased the number of applications for assistance and the number of decisions being made about people's entitlement to medical-related financial assistance. Correspondingly, the number of reviews increased," she says. The dip in 2011/12 corresponds with the number of appeals lodged returning to normal levels after the spike, a Work and Income spokesperson says. But the costs have not reduced to the levels recorded in the early 2000s when the ministry spent between \$120,000 and \$135,000 annually on Medical Appeal Boards. The number of Medical Appeal Board hearings has also fluctuated, but appears to not affect cost directly. For example, in 2004/2005 800 hearings cost \$134,756 but the following year 192 hearings cost just \$129,589 (see table). Details of the number of hearings held in the years 2004/2005 to 2008/2009 are available in the ministry annual reports for those years. From 2009/2010, when the costs started going up, the number of hearings is no longer included in the annual report, and the ministry would not provide these numbers. New Zealand Doctor is appealing the ministry's decision on this. From 2010/2011, any information about the Medical Appeal Board is also excluded from the annual report. Ms Power says this is due to a review in 2010 of annual reports across the sector. "The ministry chose to remove reporting on fees and expenses of statutory and other bodies to ensure consistency in reporting with the majority of government departments."