



19 NOV 2015

Mr. [REDACTED]
Street

Auckland [REDACTED]

Dear [REDACTED]

On 8 July 2015 you emailed the Ministry two letters requesting, under the Official Information Act 1982, information on Jobseeker Support, Supported Living Payment, Sole Parent Support and various reports relating to health and disability research. This letter responds to both of your requests for information and addresses 24 questions.

I will address each of your questions as follows:

Questions 1 to 3 (Benefit breakdowns and living costs)

New Zealand's main benefit system provides a basic income to replace income that would generally be obtained through paid employment. Benefits are funded through general taxes. The initial rate of benefit depends on the benefit type and whether the person is single, partnered or a sole parent. The rate of payment does not relate to the person's previous income from employment, rather it is intended to provide an adequate income to meet basic living costs.

There is no legislative formula used to decide the "correct" rates of benefit however a number of competing objectives and issues must be taken into account, including whether the rates:

- provide an adequate income to allow participation and belonging in society.
- are economically sustainable.
- maintain incentives to work.
- maintain incentives to study (particularly in the case of younger people).
- achieve broadly equivalent living standards for different household types receiving the same benefit.

The standard weekly rates of the main benefits are increased yearly on 1 April. This increase reflects changes in the Consumers Price Index (CPI) in the previous year. Unlike New Zealand Superannuation rates, main benefit rates are not linked to any measurement of wages.

Questions 1 to 4 of your second request (Reports and correspondence the Ministry has received from Professor Mansel Aylward, David Beaumont and any research staff at the Centre for Psychological and Disability Research at Cardiff University)

The reports and written correspondence you have requested regarding health, disability and work assessments do not exist. As such, question one to four of your request are refused under section 18(e) of the Official Information Act.

Questions 5 to 8 (Health and Disability Panel)

The Ministry of Social Development is the largest government department in New Zealand and makes decisions every day that directly or indirectly affect the lives of many New Zealanders. As such, staff are required to uphold the Ministry's values by ensuring that decisions are made and implemented with the highest standards of integrity and professionalism.

The Health and Disability Panel was an advisory panel to the Ministry of Social Development, with no decision making authority. Members were chosen because of their knowledge and expertise in working with people with health conditions or disabilities. The Health and Disability Panel members completed a conflict of interest declaration as part of the appointment process.

As part of the induction process, appointees are required to complete a conflict of interest check and declare whether they have any current or previous professional, personal or financial conflicts of interest.

The Ministry can confirm that Dr David Beaumont and Ms Helen Lockett declared no conflicts of interest when being appointed in their respective roles.

Four panel members declared a potential conflict of interest which can include other forms of employment, memberships to another organisation or family relationships. However, upon review the declared conflicts were not deemed significant. The conflict of interest forms are withheld under section 9(2)(a) of the Official Information Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

Question 9 (Dr David Bratt's Study Trip)

The Principal Health Advisor (PHA) Dr David Bratt undertook a study trip to Europe between 29 March and 31 May 2014. The trip was initiated by an invitation from Sir Mansel Aylward following his visit to New Zealand in 2013. Dr Bratt's study trip benefited the Ministry in a number of ways, his attendance provided the Ministry with the most up-to-date information on practice and policies relating to both the integration of services, and to large scale change management. Dr Bratt also had the opportunity to establish key contacts for future exchanges of information.

The first 10 days of the trip were spent taking an *Integrated Care Master Class* involving 20 key New Zealand based Health Service Providers. The programme started with the Nuffield Trust which is a Charitable Foundation aimed at collating evidence to support innovative programmes.

- This was followed by visits to several demonstration sites of integration of Health and Social Services
- Dr Bratt attended an International Conference on Integrated Care (including presentations on experiences from Christchurch post-earthquake) in Brussels, and then travelled to Utrecht in Holland.
- From April 28 through to May 29 2014, Dr Bratt worked with Sir Mansel Aylward in Cardiff, Wales. During this time, Dr Bratt held meetings with the Chief Medical Advisor to the Department of Work and Pensions and his senior colleagues in London, the senior health managers of Atos, the Hon Mark Drakeford, Minister of Health and Social Care, Dame Carol Black and Dr David Halpern amongst many others.

The group itself integrated well and has provided a nationwide network of key opinion leaders in the health sector. There were many useful points to come out of this conference such as the need to focus on the wider determinants of health if long-term benefits are to be achieved.

As Dr Bratt's trip was for professional development, the Ministry contributed \$6,915 towards attendance at the master class and conference and travel costs.

Question 10 (Integrated Master Class)

On 30 March 2014, Dr Bratt attended the 2014 Integrated Master Class in order to spend time examining, discussing and learning about integrated care policies. Dr Bratt did not receive any sponsorship funding for the Master Class however, as the trip was beneficial to the Ministry, he continued to receive his regular salary for the duration of the trip. Information on the General Practice NZ Integrated Master Class can be found at the following link:

<http://gpnz.org.nz/wp-content/uploads/2014-IC-Masterclass-Programme.pdf>

Questions 11 and 12 (Designated Doctor and Host Doctor Fees)

Clients who meet the criteria and are in hardship may, in exceptional circumstances, be able to receive financial assistance for medical reports to assist with an application for benefit. Where a client is referred to a Designated Doctor for assessment, the cost for the client to attend is paid for by Work and Income. Where people are referred to a specialist or other health practitioner for further assessment by a Medical Appeals Board, the cost of the assessment and travel is also paid by Work and Income. Clients who have on-going and additional health costs relating to a disability may be able to include the cost of doctor's fees in Disability Allowance.

The Ministry's financial reporting system does not have one specific financial reporting code for costs associated with Designated Doctors. Multiple codes are used to ensure the various reasons for a Designated Doctor assessment are recorded accurately. Examples of these codes include; Second Opinion – Jobseeker Support at grant, Second Opinion – Supported Living Payment (Health) at grant and Second Opinion – Child Disability Allowance at Grant.

The following table provides the amounts paid by the Ministry that are known to be associated costs for Designated Doctor services (such as Reports and travel) and Host Doctor Reports, for the last three financial years.

Nominal Description	2012/2013	2013/2014	2014/2015
Nominal Code for Host Doctor services	\$73,759.84	\$71,009.01	\$103,865.76
Nominal Codes associated with Designated Doctor services	\$477,893.98	\$388,440.39	\$693,566.36
Total	\$551,653.82	\$459,449.40	\$797,432.12

Question 13 and 14 (Medical Appeal Board Fees)

The Medical Appeal Board (MAB) is an independent body established to ensure that correct and fair decisions are made within the legislation.

A client can appeal to the MAB when they disagree with a decision that has been made on eligibility or obligations by the Ministry on medical grounds or on grounds relating to capacity for work and is covered under the provisions listed in section 10B of the Social Security Act 1964.

The following table provides the amounts paid by the Ministry for the Medical Appeals Board for the last three financial years.

	2012/2013	2013/2014	2014/2015
Medical Appeal Board costs	\$393,877.41	\$253,160.29	\$284,845.18

Enclosed for your information is a fact sheet containing further MAB information including financial data, the number of Medical Appeals received, reviewed and completed, and the number of medical appeals that were upheld. Unfortunately the Ministry does not break this information down by type of appeal.

Question 15 (Internal Reviews completed prior to Medical Appeals Board hearings)

If a client does not agree with a decision made by Work and Income on medical grounds, they have the right to make a written appeal to the Medical Appeals Board. Once the request for an appeal is received, the Ministry undertakes an internal review of the original decision.

The internal review is an opportunity for the Ministry to reconsider all of the facts and any additional information provided, to ensure the correct decision was made. This includes:

- considering relevant legislation and policy
- reviewing the information presented at the time and any new information to hand
- ensuring the client has been offered a referral to a Designated Doctor

- seeking independent advice from a Regional Health Advisor or Regional Disability Advisor not previously involved in the case.

This process is similar to the Internal Reviews completed as part of the Ministry's Review of Decision process.

The Review of Decision process is a formal review that allows decisions made by the Ministry to be reviewed by a Benefits Review Committee (BRC). This process does not cover decisions made on medical grounds.

A client may ask that a decision on medical grounds be considered through the Review of Decision process, however the BRC does not have jurisdiction in these matters. This means that the BRC will not be able to make a decision on the matter and the client will be given the option of appealing the decision through the Medical Appeals Board.

I can advise that there may have been instances where a client has asked that a decision made on medical grounds was considered through the Review of Decision process, however to provide you with this number would require staff to manually compare individual client records held in the MAB database with client records held in the Review of Decision database. I therefore refuse this part of your request under section 18(f) of the Official Information Act, due to the substantial manual collation this would require.

I have considered whether this information could be provided given extra time or the ability to charge, however I consider the greater public interest is in the effective and efficient administration of the public service.

Question 16 (Designated Doctor and Host Doctor fee structure)

Enclosed for your information is a fee schedule for Designated Doctors services.

Question 17 (Social Impact Bonds Project)

This part of your request has been transferred to the Ministry of Health in accordance with section 14(b)(i) of the Act. You will receive a response to this question directly from the Ministry of Health.

Questions 18 to 21 (Mental Health Service Employment Service and Sole Parent Employment Service Trial)

As you are aware, the Mental Health Service Employment Service and Sole Parent Employment Service are trials being conducted for three years. The outcomes will be used to inform how the Ministry can best deliver services to these client groups.

The Ministry will conduct a full evaluation of the trial following its completion in June 2016 however interim reporting is being refined so that information that is reported is robust and consistent while the trials continue.

Mental Health Employment Service

I can advise that, at the end of February 2015, of the 3,377 clients who had been referred to the Mental Health Employment Service, 998 individuals were enrolled in the trial.

For the same period, 414 clients had been placed into employment, of which; 63 clients had exited the service after achieving 12 months continuous employment, 171 clients had achieved six months continuous employment and remained in the service and 180 clients were yet to achieve six months continuous employment and remained in the service.

Sole Parent Employment Service

I can advise that, at the end of February 2015, of the 3,169 clients who had been referred to the Sole Parent Employment Service, 1,151 clients were enrolled in the trial.

For the same period, 628 clients had been placed into employment, of which; 73 clients had exited the service after achieving 12 months continuous employment, 246 clients had achieved six months continuous employment and remained in the service and 309 individuals were yet to achieve six months continuous employment and remained in the service.

I hope you find this information helpful. You have the right to seek an investigation and review of my response by the Ombudsman, whose address for contact purposes is:

The Ombudsman
Office of the Ombudsman
PO Box 10-152
Wellington 6143

Yours sincerely



 Carl Crafar
Deputy Chief Executive, Service Delivery

Medical Appeal Board Decisions as at 30 June 2013

Period: 1 July 2012 to 30 June 2013

2012/2013 Medical Appeal Costs

Medical costs include board member fees, travel, accommodation and meals.

- The 2012/2013 budget for medical appeals is \$619k
- As at the end of June 2013, \$394k has been paid for medical appeals

Medical Appeal Summary Statistics

From 1 July 2012 to the end of June 2013:

- 576 medical appeals were received. Of these:
- 95 are in the process of being reviewed internally or are waiting for a medical appeal hearing to be scheduled, and
- 481 have been completed.

Completed Medical Appeals

Of the 481 completed:

- 89 (19%) were withdrawn
- 50 (10%) were overturned following an internal review, and
- 342 (71%) were formally heard by a medical appeal board.

Appeal Board Outcome

Of the 342 appeals formally heard by a medical appeal board:

- 245 (72%) were upheld
- 7 (2%) were partially upheld, and
- 90 (26%) were overturned.

Medical Appeal Board Decisions as at 30 June 2014

Period: 1 July 2013 to 30 June 2014

2013/2014 Medical Appeal Costs

Medical costs include board member fees, travel, accommodation and meals.

- The 2013/2014 budget for medical appeals is \$458k
- As at the end of June 2014, \$63k has been paid for medical appeals¹.

Medical Appeal Summary Statistics

From 1 July 2013 to the end of June 2014:

- 418 medical appeals were received. Of these:
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- 55 are in the process of being reviewed internally or are waiting for a medical appeal hearing to be scheduled, and
- 363 have been completed.

Completed Medical Appeals

Of the 363 completed:

- 80 (22%) were withdrawn
- 87 (24%) were overturned following an internal review, and
- 196 (54%) were formally heard by a medical appeal board.

Appeal Board Outcome

Of the 196 appeals formally heard by a medical appeal board:

- 150 (77%) were upheld
- 6 (3%) were partially upheld, and
- 40 (20%) were overturned.

Medical Appeal Board Decisions – June 2015

Period: 1 July 2014 to 30 June 2015

2014/2015 Medical Appeal Costs

Medical costs include board member fees, travel, accommodation and meals.

- The 2014/2015 budget for medical appeals is \$663k
- As at the end of June 2015, \$245k has been paid for medical appeals.

Medical Appeal Summary Statistics

From 1 July 2014 to the end of June 2015:

- 372 medical appeals were received. Of these:
- 61 are in the process of being reviewed internally or are waiting for a medical appeal hearing to be scheduled, and
- 311 have been heard.

Completed Medical Appeals

Of the 311 completed:

- 75 (24%) were withdrawn
- 101 (33%) were overturned following an internal review, and
- 135 (43%) were formally heard by a medical appeal board.

Appeal Board Outcome

Of the 135 appeals formally heard by a medical appeal board:

- 100 (74%) were upheld
- 6 (4%) were partially upheld, and
- 29 (22%) were overturned.

Designated doctor fee schedule – Effective 1 July 2014

Designated Doctor assessment	\$250.00 + GST
Administration fee for Designated Doctor arranging a Host Doctor Report.	\$25 + GST
Fee for missed appointment (if client reschedules)	\$60.00 + GST
Fee for missed appointment (if client doesn't attend at all)	\$125.00 + GST
Payment to host doctor (usual GP) for providing a report to the designated doctor	\$75.00 + GST
Participation on Medical Appeal Board	No set fee.
Mileage allowance where the doctor is required to visit the client away from their surgery	\$1.32 per km

Designated Doctor's fees – Effective May 2004

Invalids Benefit assessment by a Designated Doctor	\$60.00 + GST
Invalids Benefit assessment by a specialist	\$92.30 + GST
Host Doctor Report	\$40.00 + GST
Administration fee for Designated Doctor arranging a Host Doctor Report.	\$20.00 + GST
Participation on Medical Appeal Board	No set fee.
Non-attendance fee when claimed by the doctor	up to half the usual fee
Mileage allowance where the doctor is required to visit the client away from their surgery	\$1.32 per km
Note the fees listed are for medical assessments requested by Work and Income.	