

# **Long-term Residential Care for Older People**

## **What you need to know**

### **2012**

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## **Revised 2019**

## **Important information and disclaimer**

This booklet summarises how older people can access long-term residential care, under Part 4 and Schedule 27 of the Social Security Act 1964. Please refer to [health.govt.nz](http://health.govt.nz) for any updates to the information in this booklet.

The information in this booklet is not legal advice and you should not use it as a substitute for legal advice, particularly if your personal situation is complicated.

If you would like more information about the law or any other issues covered in this booklet, and how it might apply to your situation, you should talk to your DHB, one of the other agencies listed at the end of this booklet, or a lawyer.

This booklet is intended to accurately summarise the relevant law. But if any of the information in the booklet is not consistent with the Social Security Act, any regulations made under the Act, or the DHB aged residential care contract, the Act, Regulations or contract prevail.

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# Introduction

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This booklet tells you about long-term residential care. It outlines the steps you must take to access funding for this live-in care. It helps you find out whether you qualify for financial assistance from the Government to help pay for it. It tells you about:

1. The steps to take to access long-term residential care (page 3)
2. Your needs assessment and service coordination (page 5)
3. Choosing your care home or moving to another care home (page 6)
4. The financial means assessment – asset and income testing (page 7)
5. Who can get the Residential Care Subsidy (page 8)
6. Paying for your care costs (page 15)
7. What services you can expect from residential care (page 18)
8. Complaints or queries about your care (page 21)
9. Where to get more information about residential care (page 23)

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## Terms used in this booklet

**Financial means assessment** means an assessment of your assets and income, which is carried out by the Specialised Processing Services of Work and Income.

**Long-term residential care** means ongoing live-in care. Your ongoing care needs are assessed to see if they are best provided for at the level of a:

- > rest home
- > specialist dementia unit
- > long-term care hospital
- > psycho-geriatric unit.

**NASC** means your local district health board (DHB) Needs Assessment and Service Coordination organisation.

**Needs assessment** means the health check by a needs assessor to see if you need ongoing residential care, and the level of care required.

A **needs assessor** is the person who carries out your needs assessment. Your DHB will arrange for a needs assessor to assess your need for ongoing residential care.

**Residential Care Subsidy** is the money the Government pays towards your ongoing care, if you qualify for this. The Residential Care Subsidy is paid at the rest home level of care cost only.

# 1. The steps to take to access long-term residential care

These steps are summarised in the flowchart on page 16.

## Step 1 – Get assessed

> Ask your family member, doctor, hospital, social worker or other health provider to help you make a needs assessment appointment

or

> phone your local DHB (listed on page 24) and ask to speak to your Needs Assessment and Service Coordination (NASC) organisation

or

> choose your local NASC by checking the list on the Ministry of Health website: [health.govt.nz](https://www.health.govt.nz) and search for ‘Needs Assessment and Service Coordination service’.<sup>1</sup>

## Step 2 – Apply for Residential Care Subsidy

> If your needs assessment shows you need long-term residential care, your needs assessor will give you the Residential Care Subsidy application forms

> These forms need to be filled in and sent to Work and Income promptly for a financial means assessment to see if you qualify for the Subsidy. (See section 4, page 7 for further details).

1 <https://www.health.govt.nz/your-health/services-and-support/disability-services/getting-support-disability/needs-assessment-and-service-coordination-services>

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### **Step 3 – If the financial means assessment shows that your assets are below the defined asset threshold:**

- > you qualify for government funding through the Residential Care Subsidy
- > Work and Income will then assess your income and tell you how much of this you need to pay towards the cost of your care. This will include most of your New Zealand Superannuation and also any other income you receive.

### **Step 4 – If the financial means assessment shows that your assets are above the defined asset threshold:**

- > you do not qualify for the Subsidy
- > you pay the cost of rest home care up to the maximum contribution for your area (see section 6, page 15 for more information)
- > you may qualify for a residential care loan. You can apply for this through Work and Income.

**Each of these steps is explained more fully in the following sections of this booklet.**

#### **Privacy and confidentiality**

Any medical and financial information you provide as part of a needs assessment or a financial means assessment is private and confidential, and will be used only for the purpose of your residential care assessment.

## 2. Your needs assessment and service coordination

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Needs assessment is strongly recommended, but is a ‘must have’ only if:

- > you wish to apply for the Residential Care Subsidy
- > you want to live in a rest home that provides DHB-contracted care services
- > you are receiving subsidised rest home care and require any higher level of care such as dementia or hospital level care.

A needs assessor will look at:

- > your health needs (which may include specialist geriatric assessment)
- > your support needs to see if you need residential care
- > whether you need ongoing, long-term residential care
- > the level of care you need – rest home, specialist dementia, long-term hospital or specialist psycho-geriatric care.

The needs assessor can also help with information about appropriate facilities in your area. If you are hospitalised due to illness or injury, that hospital may arrange a needs assessment for you.

If you wish to live in a rest home and pay for your care yourself you can. You would need to arrange your entry with the rest home provider directly. However, there would be no restriction on the amount of fees you could be asked to pay for your care by the rest home if you have not been needs assessed as requiring aged residential care.

### 3. Choosing your care home or moving to another care home

If you are assessed as needing long-term residential care your needs assessor will give you a list of residential care facilities in your area. You have the right to choose any aged residential care provider in New Zealand with a DHB contract to provide your assessed level of care need.

You can also find out about residential care facilities in your area through your local Age Concern office – find them in the phone book, online white pages <https://whitepages.co.nz> or check for your local branch on their website: [www.ageconcern.org.nz](http://www.ageconcern.org.nz) or [www.eldernet.co.nz](http://www.eldernet.co.nz), click on Residential Care. You can also check a summary audit report on the rest home on the Ministry of Health website: [health.govt.nz/audits](http://health.govt.nz/audits)

You may like to spend some time visiting rest homes in your area, to see what they are like. Remember to ask them if there are any additional charges. Once you have moved into a residential care facility it's OK to change your mind and move to another facility. Your admission agreement will state what advance notice your current place requires.

When you do move to another place for the same level of residential care services, the NASC must be asked to complete a Change of Client Details/Residential Care Transfer form. This is so your payment arrangements will follow you to your new residential care facility.

If you want to receive care in a rest home or hospital that does not have a contract with a DHB you will need to pay for your care privately – it will not be government subsidised.



## 4. The financial means assessment – asset and income testing

Once it is shown that you need long-term residential care, you can apply for a financial means assessment. Your Needs Assessment and Service Coordination organisation (NASC) will give you the forms you need to complete for your financial means assessment.

Your financial means assessment will determine whether you qualify for government funding through the Residential Care Subsidy. Specialised Processing Services, Work and Income, completes the financial means assessment for you based on the information that you give them.

To qualify for the Residential Care Subsidy you need to have assets equal to or below those asset thresholds described in section 5 on page 9 in the year that you apply.

It is important to send in your financial means assessment application promptly, even if you can't supply all the information or papers required by Work and Income at this stage. This is important, as eligibility for the Residential Care Subsidy can only be backdated for up to 90 days before the date of the financial means assessment application.

**Please note:** By law you must pay the fees for your care until it is confirmed that you are eligible for the Residential Care Subsidy. This means that if you delay sending in your forms you will have to pay for any care costs not covered by the subsidy. The residential care facility will reimburse you any extra you may have paid that is subsequently covered by the subsidy.

## 5. Who can get the Residential Care Subsidy

To be eligible for government funding through the Residential Care Subsidy you need to:

- > be aged 65 or older, or aged 50–64 and single with no dependent children
- > have a needs assessment that shows you need ongoing, long-term residential care in a rest home or hospital indefinitely
- > have a financial means assessment that shows that your assets are equal to or below the applicable asset threshold and how much of your income will go towards your care costs
- > receive contracted care services provided by a long-term residential care facility that is certified – under the Health and Disability Services (Safety) Act 2001 – and that has a contract with a DHB.

### Information for those aged 50–64 who need residential care

- a. If you are aged 50–64 years and single with no dependent children, the Residential Care Subsidy is not asset tested. You will have only your income assessed to see what you can contribute to your care costs.
- b. People aged 50–64 who have a partner and/or a dependent child and require residential care are not asset or income tested and do not have to contribute to their care costs until they turn 65 when they must apply for a financial means assessment.

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## Asset thresholds

There are two asset thresholds, Threshold A and Threshold B.

For a single person, or a couple where both are in long-term residential care, asset Threshold A applies.

For a couple aged 65 and over where only one is in long-term residential care either:

- > the house and car is exempt and asset Threshold B applies
- or
- > the couple can opt for the total asset level in Threshold A.

Assets counted in asset Threshold A include house and car. Other assets which are counted in both asset Threshold A and asset Threshold B include: cash or savings, investments or shares, loans made to other people (including family trusts), boats, caravans and campervans, and investment properties.

A prepaid funeral of up to \$10,000 is an exempt asset. Personal belongings including clothing, jewellery, household furniture and effects are also exempt assets.

People whose assets are over the applicable asset threshold, primarily because they own their former home, may be eligible for an interest-free residential care loan if they meet the criteria. See page 17 for more information.

Asset thresholds are adjusted on July 1 every year to reflect changes to the Consumers Price Index.

This means that the percentage increase is likely to be different each year – it depends on what the Consumers Price Index is for that year.

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<sup>2</sup> The All Groups Consumers Price Index for the year ended March, as published by Statistics New Zealand is used for the adjustment.

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As of 1 July 2018 the thresholds are:

- > Asset Threshold A: \$227,125
- > Asset Threshold B: \$124,379.

You can find information on the applicable value of the asset thresholds in various ways:

- > call the Work and Income Specialised Processing Services on 0800 999 727
- > the Work and Income website, [www.workandincome.govt.nz](http://www.workandincome.govt.nz)
- > the Ministry of Health website, [health.govt.nz](http://health.govt.nz) search for: long-term residential care<sup>3</sup>
- > Contact Seniorline to receive information 0800 725 463.

## Income assessment

What you must pay is set by the financial means assessment. Any benefit or pension – such as your New Zealand Superannuation – plus any other income you receive will go towards the cost of your care, except for:

- > a weekly personal allowance and an annual clothing grant (both adjusted to the Consumers Price Index (CPI) every April)
- > an amount of gross income from your annual income from assets (CPI adjusted every July).

If your assets are at or below the asset threshold, Work and Income will assess your income and tell you how much you must pay towards the cost of your care.

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<sup>3</sup> [www.health.govt.nz/our-work/life-stages/health-older-people/long-term-residential-care](http://www.health.govt.nz/our-work/life-stages/health-older-people/long-term-residential-care)

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The income assessment does not include:

- > those earnings or interest from assets that are exempt
- > for couples with one partner in care, any income from paid employment of the partner living in the community.

The exempt amount of interest or earnings from assets is different depending on whether you are:

- > a single person
- > a couple with both in care
- > a couple with one partner in care.

The exempt amount is adjusted each year on 1 July.

When you apply for your financial means assessment, Work and Income's Specialised Processing Services will tell you how much of your income is exempt – or you can check on their website: [www.workandincome.govt.nz](http://www.workandincome.govt.nz)

For more details on how much income you can earn and treatment of family trusts, call the Work and Income Specialised Processing Services on 0800 999 727 or visit their website: [www.workandincome.govt.nz/products/a-z-benefits/residential-care-subsidy.html](http://www.workandincome.govt.nz/products/a-z-benefits/residential-care-subsidy.html)

## Gifts

If you qualify for the Residential Care Subsidy the assets you are able to retain for your use can only be gifted to others at the gifting rate of \$6,500 per year. The gifting amount changes from time to time, check on [www.workandincome.govt.nz](http://www.workandincome.govt.nz) and search for Residential Care Subsidy gifting.

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## People already in care

If you already live in residential care, pay all the costs and have had a financial means assessment, you can ask the Specialised Processing Services of Work and Income on 0800 999 727 for a review of your financial means assessment at any time.

For example, you may wish to ask for a review of your financial means assessment if:

- > you didn't qualify for a subsidy before because your assets were above the asset threshold
- > you think you may now meet the applicable asset threshold
- > your income changes
- > your circumstances have changed.

If you have not been needs assessed and wish to apply for the residential care subsidy you should contact your local Needs Assessment and Service Coordination organisation (NASC) and ask to be assessed. A needs assessment must be done before you can apply for a financial means assessment. These assessments will show if you now qualify for government funding through the Residential Care Subsidy. Your residential care provider will help you with contacting your NASC.

(See section 2, page 5 and section 3, page 6 for more information about the needs assessment process and the financial means assessment.) You can find the asset thresholds that apply in section 5 on page 9.

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## Answering your questions

There are a number of people you can talk to if you would like more information about needs assessment or the financial means assessment for the Residential Care Subsidy.

You can talk to:

- > Work and Income Specialised Processing Services on 0800 999 727
- > your local Needs Assessment and Service Coordination organisation (NASC)
- > Seniorline on 0800 725 463
- > your local DHB Portfolio Manager for Health of Older People.

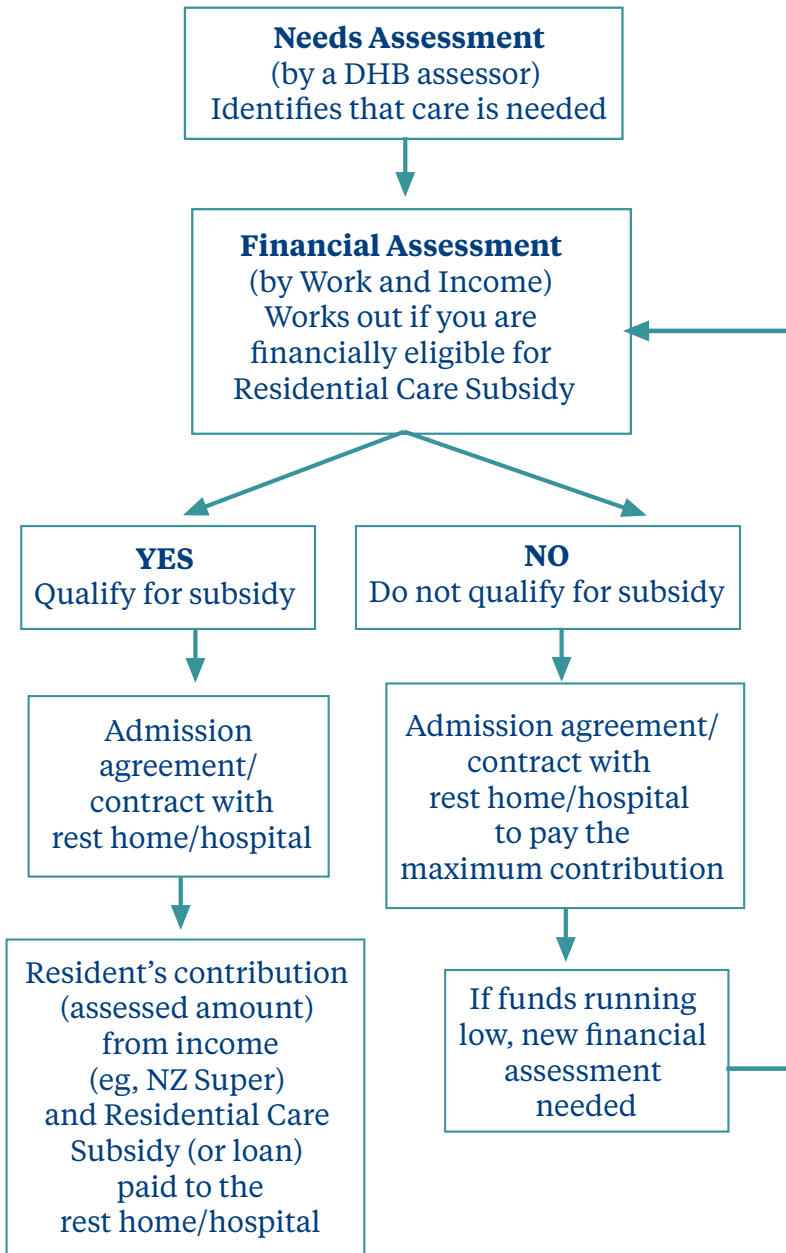
Information is also available on the Ministry of Health website [www.health.govt.nz/our-work/life-stages/health-older-people](http://www.health.govt.nz/our-work/life-stages/health-older-people) and the Work and Income website [www.workandincome.govt.nz/individuals/a-z-benefits/residential-care-subsidy.html](http://www.workandincome.govt.nz/individuals/a-z-benefits/residential-care-subsidy.html)

The information in this booklet applies to services provided under a DHB contract for long-term aged residential care.

You must be a New Zealand citizen or resident who is eligible for publicly funded health or disability services under the New Zealand Public Health and Disability Act 2000.

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# Steps to Residential Care Subsidy





## 6. Paying for your care costs

**YES** ‘I am eligible for the Residential Care Subsidy – how much do I have to pay towards my care costs?’

If you qualify for government funding through the Residential Care Subsidy you still contribute towards the cost of your care from any income you receive. If your residential care provider has a contract with a DHB then the Subsidy, along with your own contribution, is paid direct to the residential care provider.

Your Residential Care Subsidy will make up the difference between what you pay, as set by the financial means assessment, and the price of care that is agreed between your residential care facility and the DHB under the Age Related Residential Care (ARRC) contract.

You can ask Work and Income to pay your New Zealand Superannuation payments direct to your rest home provider. Your personal allowance will be paid to your nominated bank account.

**NO** ‘I am not eligible for the Residential Care Subsidy – how much do I have to pay towards my care costs?’

If you do not qualify for government funding through the Residential Care Subsidy, but have been needs assessed as requiring long-term residential care and your residential care provider has a contract with a DHB, you will not have to pay more than the current maximum contribution per week.

You will only pay more than the maximum contribution if you have agreed in writing with the rest home or hospital to pay for ‘extra services’ (other than contracted care services as set out in the ARRC contract – see section 7, page 18 for more information).

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Your DHB will pay a top-up subsidy to your residential care provider if your assessed care needs are a higher level than rest home care and if your facility has a contract with a DHB for the higher level of care. For example, a higher price for contracted care services is paid for specialist dementia and hospital level care.

If at any time after you move into residential care and your assets are getting close to the allowable asset threshold or your circumstances change, then you can apply for a financial means assessment – or a review of your financial means assessment if you have previously applied and been declined due to the level of your assets.

Please note that DHBs will only pay to the level that they are satisfied meets your assessed care needs. For example: if you are assessed as needing rest home care the DHB will only pay for that level of care and not for hospital level care.

## Maximum contribution

The maximum contribution is the most a person assessed as requiring rest home level care can be asked to pay for their contracted care services. Since 1 July 2005 the maximum contribution has been set by notice in the New Zealand Gazette (officially published government notices) and is updated in line with changes to the contract price for rest home care that DHBs pay providers in your region.

A copy of the current maximum contribution amounts applying in each region can be found on the Ministry of Health website: [www.health.govt.nz/our-work/life-stages/health-older-people/long-term-residential-care/maximum-contribution](http://www.health.govt.nz/our-work/life-stages/health-older-people/long-term-residential-care/maximum-contribution) or obtained from your local NASC.

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The maximum contribution amount varies between regions. DHB contract prices vary across the country and the maximum contribution is equal to the most recent DHB contract price for rest home care.

The maximum contribution is the same for all residents, regardless of the level of care they need.

The maximum contribution applies to contracted care services (see section 7, page 18) and does not cover any extra services offered by your facility.

## **Residential care loan**

People whose assets are over the applicable asset threshold, primarily because they own their former home, may be eligible for an interest-free residential care loan if they meet the criteria. The loan is secured by a caveat over a person's house and becomes payable back to the Government when the person dies or the house is sold.

For information about the residential care loan scheme and a copy of the residential care loan scheme policy gazette notice, check the Ministry of Health website [www.health.govt.nz/our-work/life-stages/health-older-people/long-term-residential-care/residential-care-loan-scheme](http://www.health.govt.nz/our-work/life-stages/health-older-people/long-term-residential-care/residential-care-loan-scheme), or talk to your local Work and Income office, or phone their Specialised Processing Services on 0800 999 727.

# 7. What services you can expect from residential care

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## Contracted care services

The DHB contract with your rest home or hospital requires that your care services meet your own assessed needs. It requires that the services provided:

- > are ‘resident centred’ and ‘promote the independence and quality of life of residents’
- > are those needed for your care, including:
  - accommodation – including access to toilet and shower
  - food services
  - laundry
  - nursing care
  - general equipment for mobility and personal care
  - general practitioner (GP) visits
  - prescribed medication (normally from the official Pharmac list)
  - continence products
  - diversional activity
  - all health care that is prescribed by a GP.

The current contract can be found on your local District Health Board website. The contract is called the Age Related Residential Care Services Agreement.

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The Age Related Residential Care Services Agreement is also available on the TAS website: [tas.health.nz/health-of-older-people/national-agreements/](https://tas.health.nz/health-of-older-people/national-agreements/)

## Extra services and who pays

If you agree to receive extra services, you will need to pay for these services and/or personal items yourself (either directly or by giving money to your rest home or hospital so they can pay for the services or goods on your behalf) just as you would if you were living independently in the community. Such extra services and personal items might include:

- > specialist visits where these are not publicly funded by the DHB
- > transport to services (not related to health needs) or to outside social functions
- > private toll calls
- > your own phone or cellphone or any internet access costs
- > your own newspapers, books and magazines
- > insurance for personal belongings
- > personal clothing items and footwear
- > personal toiletries
- > recreational activities, where these are not part of the normal programme
- > hairdresser
- > dietician, podiatrist or other services that are not prescribed by a doctor or not funded by the DHB
- > spectacles, hearing aids and dental care.

If you do choose to receive extra services these must be itemised in your admission agreement. If, at a later date, you choose to

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stop receiving these, you can do so by informing the manager of your rest home and amending your admission agreement. Rest homes and hospitals contracted to a DHB cannot charge for services already part of this contract, only for extra services outside of the contract.

## **Your admission agreement or contract**

It is a good idea to have someone independent of the rest home such as a relative, friend, nominated power of attorney or lawyer look at any agreement or contract you are offered by your rest home or hospital before you sign it.

You may also choose to have someone to support you if you want to discuss any aspects of an agreement with your rest home. The agreement (or contract) that you sign with your rest home should set out both what services you can expect and what the extra services are that you have agreed to receive and would have to pay for. You have the right to refuse all (or any) extra services offered and this should be noted in your admission agreement or other agreement or contract.

If you have been needs assessed as requiring long-term residential care and you qualify for government funding through the Residential Care Subsidy, or you are a private payer with a 'top-up' subsidy, your rest home cannot charge you for any service you receive that is already part of its contract with a DHB (contracted care services), only for extra services that are not contracted care services.

For example, if you require a piece of equipment to aid care and mobility, then your room needs to be large enough for that equipment with no extra charge for its size.

## 8. Complaints or queries about your care

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It is OK to talk about any aspect of your care that concerns you or your family/whānau. Dealing with a small issue early can prevent a larger problem.

If you believe the care (or facilities) in your rest home or hospital is not up to standard you can tell your residential care provider about your concern. It is useful to check your admission agreement or private contract with the provider to see what you have agreed to, and also what complaints processes the provider has in place.

All rest homes and hospitals are required to have a complaints process and it is always best to talk to the manager first. It is your right to have a support person with you; ask a friend or family/whānau member, or you can ask for help from a health advocate, see contacts below.

If you are not satisfied after speaking to your care provider, then for:

- > concerns about quality of care, contact the Health and Disability Commissioner, [www.hdc.org.nz/making-a-complaint/](http://www.hdc.org.nz/making-a-complaint/)
- > concerns about what contracted care services the provider must provide to a resident, contact your local DHB Health of Older People Portfolio Manager (DHBs are listed on page 24)
- > concerns about costs, go back to your admission agreement which should specify all charges

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> financial issues that you are not able to resolve with your care provider, you can go through the Disputes Tribunal, a user-friendly process that does not involve lawyers. You may wish to ask a family member or friend to do this for you.

Other options include the Commerce Commission or the Consumers' Institute. You must be a paid-up member to get advice from the Institute.

## Who to contact with complaints/ queries about your care

Organisation	Contact details
Health advocates	0800 555 050 Email: <a href="mailto:advocates@hdc.org.nz">advocates@hdc.org.nz</a>
Health and Disability Commissioner	0800 11 22 33
Seniorline	0800 725 463
District Health Boards	Contact your local DHB Portfolio Manager or Needs Assessor
Commerce Commission	0800 943 600
Disputes Tribunal	Contact your local District Court
Senior Services, Residential Care Line, Work and Income	0800 999 727
Ministry of Health	0800 113 813



## 9. Where to get more information about residential care

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- > Your local branch of Age Concern, see phone book or check website: [www.ageconcern.org.nz](http://www.ageconcern.org.nz)
- > Ministry of Health website: [www.health.govt.nz/our-work/life-stages/health-older-people/long-term-residential-care](http://www.health.govt.nz/our-work/life-stages/health-older-people/long-term-residential-care)
- > Your local Citizens Advice Bureau (CAB)
- > Eldernet: [www.eldernet.co.nz](http://www.eldernet.co.nz) – click on Residential Care
- > MSD Seniors website: [www.msd.govt.nz/what-we-can-do/senior citizens](http://www.msd.govt.nz/what-we-can-do/senior-citizens)
- > Work and Income website: [www.workandincome.govt.nz/eligibility/health-and-disability/residential-care.html](http://www.workandincome.govt.nz/eligibility/health-and-disability/residential-care.html)
- > Check Work and Income’s website for details of New Zealand Superannuation/Personal Allowance rate changes (1 April) and interest from assets exemptions (1 July). Benefit rates are usually adjusted on 1 April each year. Look under individuals, where there is an A to Z of benefits.
- > For information on your financial means assessment: Specialised Processing Services, Work and Income, phone 0800 999 727.

## Contact details for District Health Boards

DHB	Phone number
Northland – Whangarei	(09) 430 4100
Waitemata – North Shore	(09) 486 8900
Auckland	(09) 367 0000
Counties Manukau	(09) 262 9500
Waikato	(07) 839 8899
Bay of Plenty – Tauranga	(07) 579 8000
Tairāwhiti – Gisborne	(06) 869 0500
Hawke’s Bay – Napier/Hastings	(06) 878 8109
Lakes DHB – Taupo/Rotorua	(07) 348 1199
Taranaki – New Plymouth	(06) 753 6139
Whanganui	(06) 348 1234
MidCentral – Palmerston North	(06) 350 8061
Wairarapa – Masterton	(06) 946 9800
Hutt Valley – Upper/Lower Hutt	(04) 566 6999
Capital & Coast – Kapiti Coast/Porirua/Wellington	(04) 385 5999
Nelson Marlborough – Nelson/Blenheim	(03) 546 1800
Canterbury – Christchurch/Kaikoura/Ashburton	(03) 364 0490
South Canterbury – Timaru	(03) 687 2100

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West Coast – Greymouth/Hokitika/Westport	(03) 769 7400
Southern	(03) 474 0999

You'll find government legislation relating to residential care on the New Zealand legislation website: [www.legislation.govt.nz](http://www.legislation.govt.nz)



**Choosing a rest home?**

Find out how well your local rest home meets Ministry of Health Standards

[www.health.govt.nz/audits](http://www.health.govt.nz/audits)





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