

[In Confidence]

Office of the Minister of Health
Chair, Cabinet Legislation Committee

Government Response to the Report of the Petitions Committee on Petition 2020/24 of Paul Jackson on behalf of Alopecia NZ: Improve the wigs and hairpieces subsidy, accepted products and claim terms

Proposal

- 1 This paper seeks approval of the Government's response to the Petitions Committee report on Petition 2020/24 of Paul Jackson on behalf of Alopecia NZ: Improve the wigs and hairpieces subsidy, accepted products and claim terms (the Petition). This response is from the Minister of Health.

Background

- 2 Alopecia is an autoimmune condition that results in hair loss on the scalp and elsewhere. It can start at any age, but often begins in childhood. The cause is unknown and there is no known cure. People with alopecia may experience distress and discrimination due to their lack of hair, particularly women, children and young people. Wigs, hairpieces, and services such as cosmetic tattooing (including microblading) help mitigate this distress.
- 3 The Wig and Hairpiece Service Payments were established in 2005 via a notice issued under section 88 of the New Zealand Public Health and Disability Act 2000.
- 4 The Ministry of Health (the Ministry) administers Wig and Hairpiece Service Payments, which subsidise wigs, hairpieces, and related products. Payments are available to anybody suffering from hair loss caused by a medical condition or treatment, including people with alopecia and people being treated for cancer. People may claim all or part of the payment at any time over a certain period. The current subsidy amounts are:
 - 4.1 \$2,330.66 over a nine-year period for adults with permanent hair loss (this averages \$258 a year)
 - 4.2 \$408.88 over a one-year period for adults with temporary hair loss
 - 4.3 \$1,226.66 for children over a three-year period or until they turn 18 years old, whichever happens first (an average of \$408 a year).
- 5 Amounts increased in December 2010 to account for an increase in goods and services tax. Payment levels have not been amended further since 2010.
- 6 The Ministry spent \$1.29 million on these payments in 2020 and \$1.65 million in 2019. 3,235 adults and 174 children or young people claimed the payment in 2020.
- 7 If a person has received funding from the Wig and Hairpiece Subsidy and still cannot cover the cost of securing a wig, then they may also be able to apply for the Ministry of Social Development's Special Needs Grant. The maximum amount claimable under this grant is \$300 in a 52-week period.

- 8 Representatives of Alopecia NZ told the Petitions committee that wigs can cost between \$500 (for low-quality synthetic) and \$5,000 (for high quality, real hair). Care products and tools, fitting and styling, and care and maintenance can also cost hundreds of dollars a year. Some members spend their entire nine-year entitlement under the subsidy in a single year.

The Petition of Paul Jackson

- 9 The Petition received 2791 signatures and was presented to the House on 10 February 2021. It requests that the House of Representatives call on the Government, more specifically the Minister of Health, to:
- 9.1 increase the subsidy that it pays through the Ministry of Health to reflect the actual costs of wigs and hairpieces
 - 9.2 reduce the period for submitting adults' claims to two years, and for children's claims to one year
 - 9.3 include "microblading" and other eyebrow tattooing in the subsidy
 - 9.4 treat all claims from people with alopecia the same, so that those who are diagnosed as having temporary hair loss can access the same payments as those with permanent hair loss.
- 10 The Ministry provided a written submission to the Petition, agreeing to consider the petitioner's requests alongside other health and disability funding priorities. Specifically, the Ministry said it would conduct a review covering:
- 10.1 the amounts available under the Wig and Hairpiece Service Payments
 - 10.2 reducing the period for submitting claims and reviewing the level of service provision for children.
- 11 The Ministry clarified that people can already claim for microblading and other eyebrow-tattooing services where these services are supported as being appropriate by the person's specialist or general practitioner (GP). These requests are considered by the Ministry on a case-by-case basis.
- 12 The Ministry did not support the petitioner's request to treat all claims from alopecia sufferers as permanent so that people incorrectly classed as having temporary hair loss can access a higher amount. The Ministry advised that people with temporary hair loss can make a further claim in another year. It also commented that doctors may specify the cause as temporary, where hair loss results from cancer therapies such as chemotherapy and radiotherapy.

The Petitions Committee findings

- 13 The Petitions Committee urged the Ministry to conduct its review swiftly and recommended that the Ministry:
- 13.1 increase the amounts that people can claim under the Wig and Hairpiece Service Payments
 - 13.2 reduce the claim periods for adults and children
 - 13.3 include microblading and other eyebrow tattooing in the payment
 - 13.4 work with the Ministry of Social Development to explore ways of streamlining the payments in this area

- 13.5 do further policy work to ensure that the Wig and Hairpiece Service Payments better meet the needs of those with temporary alopecia.
- 14 The Petitions Committee was pleased to hear that the Ministry intends to review key elements of the subsidy, but noted that:
- 14.1 having two sets of payments (the Wig and Hairpiece Service Payment and the Ministry of Social Development's Special Needs Grant) may be confusing for the recipients and may present barriers to accessing the payments
- 14.2 while people with temporary alopecia can access multiple smaller temporary payments to purchase a wig, this will not help them greatly in their first year of needing a wig.
- 15 The Ministry of Health and Ministry of Social Development will consider opportunities to better align the Wig and Hairpiece Service Payment and the Special Needs Grant as a part of the previously agreed review.

Comment on the Petitions Committee findings and recommendations

- 16 The Wig and Hairpiece Service Payment is currently administered by the Disability Directorate in the Ministry of Health as part of the Ministry's funding of disability support services (DSS).
- 17 In October 2021, Cabinet agreed to the establishment of a new Ministry for Disabled People, and that relevant DSS functions will transition from the Ministry of Health to the new Ministry [CAB-21-MIN-0395 refers].
- 18 The Minister for Disability Issues and I considered advice from the Ministry of Health in December 2021 on services currently funded by DSS which are primarily health services and therefore should remain in the health system. We have agreed that the Wig and Hairpiece Service Payment falls into this category.
- 19 The Ministry of Health proposes to begin the review immediately, subject to Cabinet approval of the Government response. In undertaking the review, the Ministry will engage with affected communities.
- 20 Any changes to the Wig and Hairpiece Service Payment as a result of the review would need to be made via a notice under s88 of the Public Health and Disability Act 2000.
- 21 Dependent on the timing and extent of engagement the review would likely take between 9 – 12 months, including the section 88 notice process.

Timing of the Government response

- 22 The Government response must be presented to the House by 2 March 2022.

Consultation

- 23 The following agencies have been consulted on this paper: the Ministry of Social Development, the Treasury, the Cancer Control Agency, the Office for Disability Issues, and the Department of the Prime Minister and Cabinet.

Financial implications

24 There are no cost implications directly from this paper. The review of the Wig and Hairpiece Service Payment may recommend changes to funding levels and/or frequency that could have future cost implications.

25 The cost of any proposed changes will be examined as a part of the review.

Publicity

26 No additional communications are required at this time.

Proactive Release

27 I propose to proactively release this paper, once the Government response has been presented to the House and I have written to the petitioner to advise them of the response to the report of the Petitions Committee.

Recommendations

The Minister of Health recommends that the Cabinet Legislation Committee:

- 1 **note** that on 15 November 2021 the Petitions Committee presented its report to the House entitled “Petition of Paul Jackson: Improve the wigs and hairpieces subsidy, accepted products and claim terms”;
- 2 **note** that the Petitions Committee recommended that the Government:
 - 2.1 increase the amounts that people can claim under the Wig and Hairpiece Service Payment
 - 2.2 reduce the claim periods for adults and children
 - 2.3 include microblading and other eyebrow tattooing in the payment
 - 2.4 encourage the Ministry of Health and the Ministry of Social Development to work together to explore ways of streamlining the payments in this area
 - 2.5 do further policy work to ensure that the Wig and Hairpiece Service Payments better meet the needs of those with temporary alopecia;
- 3 **note** that the Ministry of Health will review elements of the Wig and Hairpiece Service Payment included in the Petitions Committee report, specifically:
 - 3.1 the level of funding available for people with permanent hair loss under the subsidy;
 - 3.2 the level of service provision for eligible children
 - 3.3 options to better align Ministry of Health and Ministry for Social Development payment systems;
- 4 **note** that while this paper is not seeking any funding, there may be financial implications as a result of the review;
- 5 **approve** the attached Government response to the report of the Petitions Committee entitled “Government response to Report of Petitions Committee on Petition 2020/24 of Paul Jackson on behalf of Alopecia NZ: Improve the wigs and hairpieces subsidy, accepted products and claim terms”;

- 6 **note** that the Government response must be presented to the House by 2 March 2022;
- 7 **invite** the Minister of Health to present the Government response to the House in accordance with Standing Order 252;
- 8 **invite** the Minister of Health to write to the petitioner enclosing a copy of the Government response to the report of the Petitions Committee on the petition, after the response has been presented to the House.

Authorised for lodgement

Hon Andrew Little

Minister of Health

PROACTIVELY RELEASED

Appendix A

Government Response to Report of Petitions Committee on

**Petition 2020/24 of Paul Jackson on behalf of Alopecia NZ: Improve
the wigs and hairpieces subsidy, accepted products and claim
terms**

Presented to the House of Representatives

In accordance with Standing Order 252

Government response to Report of Petitions Committee on Petition 2020/24 of Paul Jackson on behalf of Alopecia NZ: Improve the wigs and hairpieces subsidy, accepted products and claim terms

Introduction

- 1 The government has carefully considered the Petition Committee's report on the Petition: "Improve the wigs and hairpieces subsidy, accepted products and claim terms". The petition requests that the New Zealand government:
 - 1.1 increase the amounts that people can claim under the Wig and Hairpiece Service Payments
 - 1.2 reduce the claim periods for adults and children
 - 1.3 include microblading and other eyebrow tattooing in the payment
 - 1.4 do further policy work to ensure that the Wig and Hairpiece Service Payments better meet the needs of those with temporary alopecia.
- 2 The Petition Committee also recommended that:
 - 2.1 the Ministry of Health and the Ministry of Social Development to work together to explore ways of streamlining the payments in this area.
- 3 The government welcomes the Committee's report, and we thank the petitioner for bringing this matter to the government's attention.
- 4 The government responds to the referral of this petition in accordance with Standing Order 252.
- 5 The government has considered the petition as it relates to the government's ongoing commitment to support people who suffer permanent or temporary hair loss due to a medical condition.

Recommendations and government response

- 6 Recommendation 1: increase the amounts that people can claim under the Wig and Hairpiece Service Payments.
- 7 Response: The Ministry of Health (the Ministry) will review the level of funding available for people with permanent hair loss under the subsidy.
- 8 Recommendation 2: reduce the claim periods for adults and children.
- 9 Response: The Ministry will review the level of service provision for eligible children.

- 10 Recommendation 3: include microblading and other eyebrow tattooing in the payment.
- 11 Response: the Ministry supports new types of services, including tattoos and microblading, where these services are supported as being appropriate by the person's specialist or general practitioner (GP). These requests have been considered by the Ministry on a case-by-case basis. The Ministry has updated consumer information to reflect this.
- 12 Recommendation 4: do further policy work to ensure that the Wig and Hairpiece Service Payments better meet the needs of those with temporary alopecia.
- 13 Response: The Ministry will retain the provision for temporary hair loss as set out in the Notice. People with temporary hair loss due to cancer therapies and people who are diagnosed with temporary hair loss due to alopecia will continue to have the option of accessing the temporary hair loss entitlement.
- 14 Recommendation 5: encourage the Ministry of Health and the Ministry of Social Development to work together to explore ways of streamlining the payments in this area.
- 15 Response: The Ministry of Health and the Ministry of Social Development will consider options to better align payment systems as a part of the review.

Conclusion

- 16 The government is committed to ensuring all New Zealanders, including those suffering from permanent or temporary hair loss, have access to adequate care and support.
- 17 The government thanks Paul Jackson and Alopecia NZ for raising concerns about the Wig and Hairpiece Service Payments and will review key elements of the policy.