



Memorandum

Date: 19 February 2024

For: Executive Leadership Team

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Proposed Measures to manage demand within the 2023/24 Equipment and Modification Services Budget

Purpose

This Memo seeks your approval to introduce demand management measures for Equipment and Modification Services (EMS) for the 2023/24 financial year.

It is recommended that you:

- | | |
|---|-------------------------|
| a) Approve the introduction of a priority rating process for EMS to ensure disabled people with the most urgent needs can continue to access the equipment and modifications they need. | Agree Disagree |
| b) Approve commencing a work programme to review the EMS access and eligibility criteria. | Agree Disagree |
| c) Endorse this paper going to our partnership groups following the approved Whaikaha process for engagement. | Agree Disagree |
| d) Note Enable New Zealand have advised Whaikaha that if demand measures are not introduced, they will have no budget to allocate to new service requests from April 2024. | Noted |

e) Note a whole of system approach needs to be implemented as people may seek to purchase EMS through Enhanced Individualised Funding (EIF) Individualised Funding (IF) or Personal Budgets if they need to wait to access their recommended equipment and modifications. NASC, IF Hosts and EGL sites will need to be aware of the changes and ensure they work within the Purchasing Guidelines¹, to support Whaikaha to manage within its appropriation. Allocations through IF/EIF and Personal Budgets should not change based on the need to purchase equipment that a person would be eligible for via EMS.

Noted

Paula Tesoriero MNZM

Te Tumu Whakarae | Chief Executive

Date

Amanda Bleckmann

Deputy Chief Executive Commissioning, Design and Delivery

16 February 2024

¹ Purchasing Guidelines paper presented to ELT concurrently.

Proposed Measures to manage demand within the 2023/24 Equipment and Modification Services Budget

Background

Enabling Good Lives is a community led social movement, with the intent that disabled people, tāngata whaikaha Māori and whānau have increased choice and control over their disability supports and lives. Enabling Good Lives has increased expectations the disability community has of being supported to achieve their good life which can include access to the EMS solutions that they prefer. Disabled people have the expectation to live their life to their fullest potential, including active community participation, and advances in technological solutions are positively contributing to achieving these outcomes.

Context

In the current fiscal environment, Whaikaha is considering a range of measures of options to manage within our appropriation. These actions will be focused on ensuring that there is a consistent funding approach and equitable application of resources across services and supports that also provides the best outcome for disabled people. The way in which we allocate resources across the system needs to be carefully considered.

Whaikaha is undertaking a work programme to review expenditure and to ensure that we are achieving value for money and alignment between our expenditure and our priorities with a continued commitment to improving disability supports.

Our aim is to ensure that every dollar we spend generates the maximum possible value for the disabled people we serve. This means being good at prioritising the money we have to improve disability supports within a constrained fiscal environment.

We are guided by values in undertaking this work.

Whaikaha is founded on three pou – Tiriti o Waitangi, the principles of Enabling Good Lives and the United Nations Declaration on the Rights of People with Disabilities. We look to these pou to guide our decision making in this work.

We will also apply public decision-making principles

- **Equity:** continuing to ensure that the system serves those with the highest needs first
- **Fairness:** ensuring that people in similar situations are provided similar supports
- **Transparency:** being clear about what support is available in what circumstances

- **Efficiency:** ensuring that reductions in trajected expenditure can be implemented in time to achieve the savings needed
- **Minimum impact:** ensuring that the impacts of recommended savings options on the supports available to disabled people are the least possible.

Equipment and Modification Services

Equipment and Modifications Services (EMS) assist disabled people to undertake day to day tasks such as activities of daily living, communicating, working or studying, looking after children and other dependent people, and enabling other people to care for them.

Whaikaha funds EMS for people who have a physical, intellectual, sensory (vision or hearing) and/or age-related disability.

To be considered for access to EMS a person must

- have a long-term disability (a disability that is likely to continue for at least 6 months)
- need specific equipment, or modifications to their home or vehicle, to help them manage and/or access everyday activities
- have a disability that is not already covered by the Accident Compensation Corporation (ACC)
- be a New Zealand resident usually living in New Zealand
- be living in New Zealand at the time they request and receive the equipment or modifications.

Access to Equipment and Modification Services

EMS Assessors are allied health or other hearing and vision professionals who work with a person to assess and recommend solutions to meet their disability related need. The EMS Assessors support the application for Whaikaha funding and/or other funding options.

The EMS Assessors submit service requests through one of two EMS Providers who hold a contract with Whaikaha:

- Accessable (Northland and Auckland)
- Enable New Zealand (all other regions in New Zealand).

Prioritisation

To ensure that provision of services is affordable within defined budgets, service allocation is evaluated against the following principles:

- They reflect a lifetime perspective by recognising that the services that are most appropriate for a person may change over time.

- They make an effective contribution towards helping disabled people to live, as far as possible, as others do in their own home and communities.
- They represent value for money both now and in the future.
- They are allocated fairly through a consistent, principled and equitable approach.

The EMS providers advise EMS Assessors regarding eligibility for services and funding criteria. The criteria are well established and documented in the EMS Manuals. The EMS Manuals were last updated in 2014. People must meet defined criteria to access funding. A range of thresholds and income and cash asset testing may apply.

Both EMS providers have well established procurement processes to ensure commonly recommended equipment is provided in the most cost-effective way and to help manage the cost of high-cost prescribed equipment, such as complex wheelchairs, and solutions that are customised to meet a person's needs. The equipment may be provided from existing refurbished stock or purchased to meet a person's particular needs.

Housing modifications, customised complex wheelchairs and vehicle requests are managed through skilled credentialed assessors and through seeking a range of quotes.

EMS Contracts - Budget Management

The following clauses in the Equipment and Modification Services (EMS) Specification relate to the provider requirements to manage demand within the allocated budget:

Administration

The Provider will administer the following services: c) Management of annual budget and service demand; the management of the annual budget allocated by the Ministry (now Whaikaha) and the demand for services requested by EMS Assessors on behalf of eligible people.

Demand Management

Manage service demand so that the allocated annual budget is not exceeded or underspent. Demand management will be supported through the relationship management approaches as described in this service specification. Monitor and track the value of Service Requests received against the available budget and report on service demand according to the reporting requirements in clause.

Engage with relevant sector groups in response to the impact of any changes in the wider environment (for example, technology, demographic, pricing, international best practice, assessment waiting times) on a regular basis to gather information and assist with forecasting, identifying trends and reporting these to the Ministry.

In recent years, the disability support budget has allowed for EMS services to be managed as demand driven. This has been the approach from around 2020/21 until 30 June 2023.

In this financial year Whaikaha allocated new EMS budgets to Enable New Zealand (\$84.6m) and Accessable (\$44.1m) which allowed for around 10% growth from the 2022/23 expenditure. When the wider DSS budget came under pressure at the end of 2023 Whaikaha advised our EMS providers that they needed to manage demand within their allocated budget as set out in their contract.

Our EMS providers are actively working with us to achieve this; however it is clear that we will need to introduce further prioritisation measures to manage demand and expenditure within the allocated 2023/24 budget.

Prioritisation measures have been previously used to manage EMS demand

From 2014 until 2019/20 the EMS providers worked with an agreed prioritisation tool which was developed implemented by Disability Support Services. The tool was based on a person's ability to benefit from the recommended solution. Disability Support Services removed the requirement to use the tool in 2019 as it was no longer effective at prioritising demand, and it was difficult and time consuming for families and EMS Assessors to complete.

Prior to 2014, a Priority Rating System (P1 for EMS services needed urgently for safety, P2 for all other services) was in place. The EMS providers held a waitlist of less urgent applications for EMS and disability support services released funding to reduce this waitlist when budget allowed for this. This approach contributes to unmet need, and impacts on work pressures for EMS Assessors, and rental costs that Te Whatu Ora pays for the provision of short-term loan equipment. It is likely to be effective at managing within the budget in the short term. Any longer-term delays may have a significant impact on disabled people accessing the services they need and add to the workload of EMS Assessors (for example, they will need to reassess).

We have previously experienced periods when EMS demand has exceeded the available budget. Both Enable New Zealand and Accessable have worked with the Ministry to review criteria, manage access to the available budget following an agreed prioritisation process, and communicate any updates to EMS assessors.

Drivers impacting demand for EMS

- More disabled people are accessing services. Enable NZ report a 9% increase in service requests from Dec 22 to Dec 23. Accessable report a 15% increase in service demand during this period.
- Considerable unmet need and long waiting times to access an EMS Assessor through Te Whatu Ora or other assessment services. Whaikaha has been advised that assessment services are working on reducing waiting times and this has increased service requests for EMS.

- Increased complexity of need and cost of required solutions e.g. in Auckland/Northland there has been a 12% increase in demand for complex equipment in the period from July- Dec 2023 compared to the previous six months.
 - Increased construction costs.
 - An aging population.
 - Increasing range of technologies.
 - Increasing expectations for a person's preferred solution.
 - Enable New Zealand had challenges with their new operating system introduced in Feb/March 2023. These challenges had an impact on their reporting and financial systems and are closely monitored by Whaikaha (Operations and Finance). Enable reports that the required 'catch-up' payments have now been concluded, however these have contributed to demand for services in 2023/24 (around \$4m), and the allocation of budget in the region covered by Enable.
 - Health and safety requirements for safety in the workplace including for people working in a person's home.

Proposal and timeframe for managing access to EMS

We recommend we implement the following measures to ensure disabled people with the most urgent needs can continue to access the equipment and modifications services they need

- Engage further with EMS assessors and Te Whatu Ora allied health leaders to agree on demand management strategies. We have sent an initial communication to EMS services advising of the need to provide services in the most cost-effective way to eligible people.
- Engage directly with our contracted specialist assessment services (TalkLink, Mobility Solutions, Canterbury Wheelchair and Seating Service, and Seating to Go Ltd) to advise them of the need to manage demand within the available resources and identify further demand management strategies. These are high-cost services due to the complexity, such as powered wheelchairs with tilt in space features to allow a person to change their position independently.
- Undertake urgent work to re-introduce the Priority Rating System (P1 for EMS services needed urgently for safety, P2 for all other services) from 1 March 2024. A waitlist of less urgent applications for EMS will be held by the EMS providers and funding released when budget allows for this.
 - Require IF Hosts to monitor any requests for equipment or housing modifications and decline funding if the request is within the scope of EMS funding, from 1 March 2024.²
 - Ensure that NASCs and Enabling Good Lives sites are not allocating funding that is intended to be used for EMS equipment or housing modifications.

² Note a separate paper on Flexible Funding is being presented to ELT 19/2/24.

- Prioritise design work to consider the allocation of EMS within the transformed disability support system.
- Commence urgent work to review the EMS access and eligibility criteria with key partners and stakeholders. This work will inform future EMS funding in the medium to longer term (from 2024/25).

For discussion

Whaikaha is required to manage within its appropriation and has committed to work with partners regarding the disability support system. Guidance is requested on engaging with key partners outside of our EMS provider/EMS assessor/Directors of Allied health groups. This is to ensure implementation of demand management strategies is socialised and Whaikaha meets its commitment to engage with partnership groups.

A decision is required regarding commencing a work programme to review the EMS access and eligibility criteria, some of which require Cabinet level decisions (CAB Min (10) 5/2A refers). This will require resource from Policy, Service Design and the Operations team.

Engagement

We have engaged with the Whaikaha financial sustainability group, our two contracted EMS providers, the Te Whatu Ora lead Directors of Allied Health, and EMS assessors. Engagement with partnership groups will commence, following ELT approval.

Implications, risks and issues

Restricting access to EMS will result in increased waitlists, primarily impacting disabled people, Te Whatu Ora and Child Development Services.

Restricting access may result in some disabled people requiring increased disability support services (including support from carers), until equipment/modification solutions are able to be provided.

Next steps

The Operations Team will implement any approved initiatives to manage access to EMS in 2023/24 and work with key stakeholders and the Service Design/Policy Teams regarding any proposed changes to the EMS criteria to manage access to the services in the medium to longer term.

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