



Cost Contribution: when and how is it calculated?

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Overview

Introduction

What is a cost contribution process and when is it used?

Process and documentation

How are costs calculated

Who does what - roles and responsibilities

Recommendations

Questions & Answers



What is a cost contribution?

Section 8.5 of the EMS
Housing Manual:

“A Cost Contribution is an amount that the Ministry has agreed to pay towards *part* of the total cost of a housing modification.”



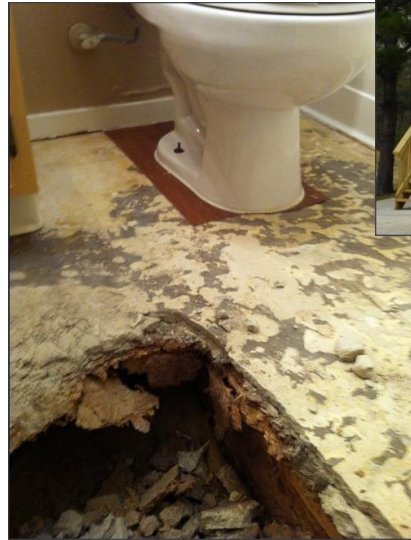
When is a cost contribution used?

- Non essential fixtures or fittings
- Use of own builder
- MOH contribution is less than 50% as per Income and Asset results



When is a cost contribution used....

- When **access modifications** into and between levels of the home exceed \$15334 including GST
- **Rectification work** is required
- **Petronic locks** in Kainga Ora homes



The Ministry will only meet **essential disability related (EDRN) costs**

When is a cost contribution used....

- **New Builds/Renovations**

Cost Contribution is based on the cost difference between standard materials or design and what is required to meet essential disability related need.

Often there is minimal cost difference.

e.g. standard vinyl vs non slip floor or rails in shower/toilet



Cost contribution process

1. Assessment
2. Advice request
3. Agree solution
4. Cost contribution information
5. Quotes and plans (private)
6. Service request
7. Funding amount
8. Cost Contribution agreement
9. Building works (private)
10. Sign off
11. Payment

Advice Stage

Service Request Stage



1. Assessment

“Information gathering approach”

- what does the person need to live safely at home
- cost effective ways to meet those needs (from a Ministry perspective)
- photos
- measurements
- sketches
- discuss family preferences
- make no promises about funding or funding amounts.



2. Advice

Assessor submits an Advice Request, including:

- clear assessment findings
- recommendations related to EMS guidelines (Equipment and Modification Services)
- description of family preferences or issues
- photos, measurements, sketches

3. Agree solution

Accessible agrees that funding can be considered towards the identified works

4. Cost contribution

Cost contribution information is provided

5. Quotes and plans (private)

Person or family get their own quotes and plans from a licensed builder of their choice



6. Service request

Submit a Complex Housing Service Request

7. Funding amount

Funding amount is calculated (if needed, income and cash asset testing is done)

8. Cost contribution agreement

Cost Contribution agreement completed and signed



9. Building works

The person/family organises and pays their builder to complete all the works, including any council requirements.

10. Sign off

Once the works are complete the assessor checks that the modifications meet the person's needs.

11. Payment

The person/family send all required documentation to Accessable, and Accessable pay the agreed amount into the person's bank account.



Resources

Information Sheet for EMS Assessors and the Person:

Cost Contribution Process



What is a Cost Contribution?

A Cost Contribution is a process used to manage the Ministry of Health's funding contribution towards a housing modification which the person completes themselves because they;

- ➔ wish to use their own builder who is not an Accessable approved Building Contractor to complete the modifications recommended by the EMS Assessor
- ➔ wish to have housing modifications or other works that are over and above those recommended by the EMS Assessor
- ➔ wish to include housing modifications recommended by the EMS Assessor into their own works such as renovations, rectification works or a new build
- ➔ need to contribute towards the cost of an access modification into and between levels of the home that exceeds the maximum funding threshold of \$15,334 inc GST.

How does the Cost Contribution Process work?

- ➔ The EMS Assessor completes an assessment and identifies the person is eligible and meets the criteria for Ministry of Health funding and identifies the modifications required to meet the person's disability related needs long term, for at least the next 2 – 3 years, known as the **assessed need**
- ➔ The EMS Assessor completes an **EMS Advice Request** for funding consideration for the modifications required to meet the 'assessed need' and advises the person wishes to use a Cost Contribution process.
- ➔ The EMS Assessor notes if the person wants to proceed with an Income and Cash Asset test to establish how much funding the person is eligible for towards the modification over and above \$8076.00 inc GST, this can be completed at Advice stage if required.
- ➔ The EMS Assessor includes drawings/ plans for both, the 'assessed need' modification recommended by them, and the works the person is planning.
- ➔ The EMS Assessor must confirm that the proposed modifications including the person's own works will meet the disability related needs long term.
- ➔ If the person wishes to, they may choose to use the Contractor to do their modifications in a private capacity under a private contract.
- ➔ The person is responsible for all processes and costs of the total housing modification works, including contracting the builder and trades people and being responsible for obtaining a building consent where relevant as part of their building works process. The person will also need to manage any disputes, problems or complaints.

Accessible Information – EMS Housing Cost Contribution Process



New Zealand Government

Modifying your Home: Cost Contribution

December 2015

Is it difficult for you to get in and out of or around your home because of your disability? Maybe your home needs modifications to help you remain in it, or return to it. The Ministry of Health might be able to help fund these modifications.

The type of modifications the Ministry of Health can help fund for your home will depend on your disability related needs and situation.

An occupational therapist who is a qualified housing assessor can meet with you, and your family or whānau, and look at your home. Together you can discuss how things can be changed to best meet your needs. This might include building modifications to your home.

The assessor can help you work out if you can get funding from the Ministry of Health towards the costs of those modifications. Sometimes the Ministry of Health can fund the full cost of the modifications to your home, but sometimes you may be asked to pay part of the costs.

What is a cost contribution?

The Ministry of Health may pay the full cost of modifying your home to meet your disability related needs or they may contribute an agreed amount of money towards the cost of the modifications.

They will make a cost contribution rather than pay the full cost if the modifications cost more than \$1,000 (excluding GST) and at least one of the following situations applies:

- You are building a new home to meet your disability related needs.
- You are doing more or different modifications to your home than the Ministry of Health's housing assessor recommends.
- The builder who is doing your modifications does not have a contract with the Ministry of Health's housing modifications funding manager Accessable or Enable New Zealand.
- The total cost of access modifications into or between levels of your home (for example, a ramp or platform lift) is more than the Ministry of Health's funding limit (**more than \$15,334** including GST).



Equipment and Modification Services

Housing Modifications Manual

September 2014

Housing Modifications Manual



- o the outcome of an Income and Cash Asset Test indicates that the level of funding they can receive is less than the estimated total cost of the housing modifications, or
- o the person chooses not to have an Income and Cash Asset Test and the cost of the housing modifications, including the cost of any previous modifications, is greater than \$8,076 (GST incl.).

Where a Part Payment is required, the person must agree, in writing, to cover this cost before the modifications can proceed. The person will be responsible for paying the balance directly to the contractor. This will be done as an agreed contractual arrangement with the contractor.

The Ministry and EMS Provider are not responsible for the resolution of any disputes between the person and their contractor related to the balance of the Part Payment owed by the person.

8.5. Cost Contribution by the Ministry


A Cost Contribution is an amount the Ministry has agreed to pay towards part of the total cost of a housing modification when the property owner wishes to do one of the following:


- o Undertake additional work on their property over and above the extent of the modifications which have been recommended by the EMS Assessor as being essential to meet the person's disability related needs.
- o Use their own building contractor, who is not contracted by an EMS Provider, to complete the modifications. In some circumstances the property owner may be a qualified tradesperson who wishes to undertake the work themselves.
- o Renovate or build a new home incorporating certain features to meet the person's disability related needs.

The level of the Cost Contribution from the Ministry is based on the costs associated with the approved solution to meet the person's disability related needs, as recommended by the EMS Assessor. The Cost Contribution amount is based on standard industry rates for materials and labour.

8.5.1. Conditions for a Cost Contribution

- o The total value of the modification must be greater than \$1,000 (excl. GST).
- o The agreed Cost Contribution can only be used for the housing modifications which have been recommended by an EMS Assessor.
- o Where the property owner wishes to use their own design and specifications, the plans and information on what the property owner intends to use the Cost

 Additional work may be remedial or cosmetic work or installation of new fixtures or fittings which are not essential to meet the person's disability related needs (eg, a bath in a bathroom where a level access shower is proposed and there is space for a bath without compromising the design and use of the shower).

 When the Cost Contribution is being used towards a newly built home, the amount of the Cost Contribution is based on the cost difference between standard materials or design and what is required to meet the person's disability related need (eg, standard vinyl vs non slip vinyl). There is often minimal cost difference.

September 2014

Housing Modifications Manual

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Cost Contribution steps for EMS housing modifications

Section 8.5 of the EMS Housing Manual:

“A Cost Contribution is an amount that the Whaikaha/Ministry of Disabled People has agreed to pay towards part of the total cost of a housing modification.”

1. Assessment and an Advice request is submitted to Accessable

Includes assessor discussion around Whaikaha/Ministry of Disabled People essential disability related need and recommended funded solution; and the person's/family or whānau preferred solution/s.

Includes discussion regarding the sustainability of the preferred solution to support the person's long term disability related needs.

Measurements, Sketch plans and photographs

2. Agree solution post EMS Advice process

(If needed) Accessable will submit an EMS Panel to Whaikaha/Ministry of Disabled People for funding approval

Accessable will provide a fact sheet and process information to the assessor to share with the person/family or whānau, if the person/family or whānau agrees to the process, Accessable will then advise they can proceed to getting quote and plans.

3. Quotes and plans review

The person/family or whānau arranges all quotes and plans for the whole project from a licensed builder of their choice.

The EMS Assessor checks the plans to ensure all disability related needs are met and there is a sustainable plan/solution overall.

The quotes and plans are sent back to the Professional Advisor for review and support to calculate the cost contribution amount.

A cost contribution letter is sent to the family with a provisional offer of funding subject to Income and Cash Asset testing via Work and Income WINZ.

4. Outcome Summary

An Outcome Summary is sent to the assessor confirm completion of the advice process.



If the outcome and cost contribution amount is not supported by the assessor, person/family or whānau there will need to be further dialogue within the Advice.

5. Service request is submitted

The assessor submits the relevant funding information and the property ownership form signed via the EMS portal and aSAP portal.

6. Funding amount

Accessable will review and add the agreed cost contribution amount at the service request review stage.

If needed, Income and Cash Asset test is requested from Work and Income.

Cost Contribution Agreement includes finalised cost contribution amount post Income and Asset testing is sent to the person/family or whānau for review with a copy to the Assessor.

If in agreement, the person/family sign and return the Cost Contribution Agreement to Accessable.

Accessable will review and if complete will advise that the person/family or whānau can now proceed with the project and that they have 12 months to complete the work.

7. Building works

The person/family organises, project manage and pays their builder to complete all the works, including any Council requirements.

8. Sign off

Once the works are completed the assessor checks that the modifications meet the person's disability related needs and signs off on the Whaikaha/Ministry of Disabled People funded solution.

9. Payment

The person/family then sends all the required documents (including a bank statement or deposit slip) and Code Compliance certificate if required to Accessable, and Accessable pay the agreed cost contribution amount into the person's bank accounts.

The Service Request status is changed to fulfilled and closed.

This document has been developed by Accessable as an additional resource to support EMS Assessors with EMS cost contribution processes for Housing. Presented at Cost Contribution – when and how is it calculated webinar June 2022.

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How are costs calculated?

Accessible Technical Housing Advisor (THA) uses:

- the Accessible Schedule of Rates and quote forms, and
- the assessors, photos, sketches, Google street view, sometimes the Property file

to calculate the cost of the 'essential' modifications.

Work and Income determine whether the person/family can afford to pay for modifications costing more than \$8,076 incl GST:

- Income and cash asset testing (ICAT)



Example – preferred solution

4c = Concrete Path/Landing 1.0m ²		290.00
4d = Fence – 1.0 L/m		180.00
4e = Lockable Gate to Fenced Area		1,570.00
5a = Sloping Transition Plinth	1400mm long x1200mm	865.00
5b = Timber Ramp – 1.0 x 1.2		950.00
5c = Timber Landing <1m AGL – 1.44m ² (1.2 x 1.2)		1,525.00
5d = Additional Timber Rail -1.0 L/m		275.00
5e = Ramp/Landing >1m AGL– 1.44m ² (1.2 x 1.2)	Add this to 5b and or 5c if over 1m high	665.00
5f = Timber Platform Overlay – 1.44m ²		800.00
5h = Standard External Stairs and rail 1 side	(per tread)	280.00
5h (i) = Easy Steps – (per tread)	90mmH x 600mmD x 900mmW	280.00
6a = 1m Low Rise Lift Installation		3,800.00
6b = 1.5m Lift Installation		5,600.00

Cost to install a lift: **\$5,957** incl GST (\$5,180 excl GST)

Person's quote for preferred ramp: **\$12,000** incl GST

Agreed contribution towards person's preferred ramp solution: **\$5,957 incl GST** (no ICAT required)



Example – over \$15,334 access



Maximum amount of EMS funding for access: **\$15,334** incl GST

Person's quote for external lift: **\$29,000** incl GST

Agreed contribution towards multistorey lift: **\$15,334** incl GST, subject to ICAT if needed.



Other examples

- Remedial works/asbestos removal
- New build or major renovations
- Income and Cash Asset outcome
- Pertronic locks



Roles and Responsibilities

Gaining quotes and plans

Homeowner/client/family or whānau

Gaining Council consent

Homeowner/client/family or whānau

Determining the funding amount contributed

Professional Advisory Team

Confirming plans meet essential disability related need

Assessor



Roles and Responsibilities

Meeting costs of the entire housing modification

Homeowner/client/family or whānau

Choosing a contractor

Homeowner/client/family or whānau

Sending Cost Contribution letters

Professional Advisory Team



Recommendations

- ✓ Submit advice request early in the process
- ✓ Consider previous MOH funding costs
- ✓ Give advice regarding specifications
- ✓ Use the resources available on the Accessable website
- ✓ Assess to establish essential disability related need
- ✓ Client/homeowner must use a Licensed Building Practitioner
- ✓ Client/homeowner must gain consent where needed
- ✓ Consider whether the client has the financial capacity – charitable funding?

What not to do.....

- ✗ Get quotes/plans on client's behalf
- ✗ Numerous visits to discuss plans/chose fixtures etc
- ✗ Over promise funding offered
- ✗ Recommend a contractor
- ✗ Cost contribution under \$1000 excludes GST



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