



## STANDARD FAMILY CONTRIBUTION POLICY

DEPARTMENT OF FAMILY AND COMMUNITY SERVICES

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Date approved

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## Department of Family and Community Services Standard Family Contribution Policy

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### 1. Background

New Brunswick families provide many long-term care services required by their loved ones. For many years, the Department of Family and Community Services has helped support families caring for family members who need help in providing long-term care services.

The Standard Family Contribution Policy was introduced in April 1997 and is designed to ensure that those who are able to contribute their fair share will do so by contributing at least a nominal amount to the cost of their services, unless their income is at or below income assistance levels.

Services under the Long-Term Care and Disability Support Programs are not covered by Medicare. The Department subsidizes the cost of these services for families in financial need. In doing so, the government tries to ensure it provides assistance to those most in need in order to sustain the long-term care services they require.

### 2. Purpose of the Policy

To provide a fair and consistent approach in determining the amount contributed by clients, ensuring that those most financially at risk are assisted.

### 3. Principles of the Policy

The Standard Family Contribution Policy is based on the following principles:

- The family, as opposed to the individual, is responsible in the first instance, for the full cost of non-insured services.
- The government is payer of last resort.

### 4. Authority

The provision of long term care services and the ability to subsidize such services are set out in the *Nursing Homes Act* and the *Family Services Act*. The eligibility for these services is established based on criteria set out in policy. These policies are subject to change at any time.

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**5. Definitions**

**Client** - for the purposes of this policy, refers to the person in receipt of the services, but is inclusive of the family when referring to responsibility to pay.

**Dependent** - for the purposes of this policy, refers to a child of, or a person under the guardianship of, the client or the client's spouse, who depends financially on either and who is either under 19, under 25 and enrolled full time in an educational institution, or over 18 and disabled.

**Family** - for the purposes of this policy, refers to a single person, a single person with dependents, or a husband and wife with or without dependents.

**In-home services** - refers to services provided to clients in their home (e.g. personal care services, homemaker services, meals on wheels, etc.).

**Insured services** - refers to hospital and physician services that are subject to provisions of the *Canada Health Act*.

**Investment income** – refers to interests, dividends, capital gains, etc. earned on investments. This does not refer to withdrawals or monthly payments.

**Net family income** - refers to total income from all sources, of all family members, whether taxable or non-taxable, net of all statutory and other employer deductions including CPP, EI, and Income Tax), net of any health insurance premiums, and excluding income exempted under this policy.

**Non-insured services** - refers to all services delivered by the Department, or purchased on behalf of a client, except for insured services. Non-insured services are not subject to the provisions of the *Canada Health Act*.

**Residential services** - refers to services, including room and board, provided to clients in nursing homes, special care homes or community residences.

**Spouse** - refers to a person to whom you are legally married.

**Common-law partner** – refers to a person of the opposite or same sex who is not your spouse (see above), with whom you live and have a relationship, and to whom at least one of the following situations applies:

- he or she is the natural or adoptive parent (legal or in fact) of your child,
- he or she has been living and having a relationship with you for at least 12 continuous months, or
- he or she lived with you previously for at least 12 continuous months as your spouse or common-law partner.

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**6. Policy**

New Brunswickers are responsible for the cost and provision of long-term care services to their family members.

Under the Long Term Care and the Disability Support Programs, government assists families by assessing the need for services and accessing such services. In some instances, government assists with the cost of these services when the client requiring long-term care services is financially unable to pay the full cost.

The Standard Family Contribution Policy sets out the terms for determining whether a client is eligible for government subsidization of their government approved, non-insured long-term care services.

Elements considered are:

- Clients with the ability to pay from their family income for their non-insured long-term care services must make a contribution towards or, in some instances, pay the full amount of services provided.
- Clients with incomes at or below basic income assistance levels are exempt from the contribution for non-insured long-term care services.
- The amount of the client's contribution is based on the net family income (Appendix A) and family composite.

**6.1. Eligibility for Subsidy**

An authorized employee of the Department of Family and Community Services and/or the Department of Health must determine that a person is eligible for long-term care services in order for that person to apply for a government subsidy. The person must also be a New Brunswick resident and a Canadian citizen.

**6.2. Purchased Services**

Purchased services include in-home support and services provided by special care homes, community residences and nursing homes approved by the Department of Family and Community Services.

The cost of each service provided will be used to calculate the total case plan cost for a family.

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A financial subsidy is applied against the approved government rate for services such as hourly rates, daily rates, service cost ceilings, etc. It is not available for services that are not approved by the Department of Family and Community Services, but which a family may choose to purchase.

### **6.3. Amount of Standard Family Contribution**

The amount of standard family contribution is based on:

- the client's net income when the person is single, widowed, separated or divorced,
- the couple's net income when the person is married or in a common law relationship,
- the type of service required (in-home or residential), and
- whether there is a spouse and/or dependents living at home.

### **6.4. Financial Responsibility**

The family is responsible for the full costs of services. It is only when a financial assessment has been completed and a family contribution level assessed that subsidy may be authorized.

The family's assessed monthly contribution towards the approved services is always applied first against the service provider's monthly service costs before the government subsidy is applied. If the client does not use all of the services approved for a particular month and their monthly contribution level is more than the cost of the services used, then the client pays the total cost of services for that month.

Approved services are those services that have been approved by an authorized employee of the Department of Family and Community Services as required to meet the client's service needs and which are within the approved government rate for that service.

The client shall obtain all benefits they may be entitled to from private insurance programs or other government (provincial/federal) programs such as Federal Income Security programs.

The Veterans Affairs Canada disability pension, including the additional sum paid to the disability pensioner on behalf of a spouse/common-law partner, is not included when calculating the client contribution for his/her spouse in a residential facility.

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**6.5. Financial Assessment**

Clients who can afford to pay the full cost of their services do not require a financial assessment. They can apply for a subsidy when they are no longer able to pay for their services.

Applicants or their representatives applying for a subsidy are required to complete a Financial Declaration Form stating the income of the client and spouse, if applicable. The information on the form is reviewed, verified and an assessment of net family incomes is determined based on the process outlined in the Standard Family Contribution Procedures Manual.

Applicants are required to provide written authorization to allow verification of the financial information.

Failure to comply with a request for further information or clarification of information provided results in the termination of the application for financial subsidy.

As the request for a financial subsidy is a voluntary action by the applicant and the granting of a subsidy by government is discretionary, what is considered as income is determined by the Standard Family Contribution Policy of the Department of Family and Community Services.

**6.6. Financial Assessment Process Timelines**

Financial assessments must be completed within 21 working days from the date the client requests a financial subsidy. It is the responsibility of the client or their representative to provide the information required. If the financial assessment cannot be completed in this timeframe, the client and the service provider are informed in writing that the client is responsible for the cost of services until such time as sufficient information is provided to complete an assessment.

**6.7. Financial Reassessment**

If a client is receiving a government subsidy, it is their responsibility to inform the Department of Family and Community Services of changes in their financial situation that will affect their level of subsidy (an increase or decrease). Such changes include:

- any change in the family composition (i.e. birth of a child, child becomes independent, death in the family),

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- an increase or decrease of the family's financial resources, or
- a client and/or spouse turns 65 years old and is eligible for OAS/GIS or a non-pension spouse receives benefits from the Federal Income Security programs.

All clients who are receiving a government subsidy and are moving from one service type to another require a financial reassessment (e.g. in-home services to residential services, between special care home and nursing home, between special care home and in-home services).

Government can request a financial reassessment at any time for clients receiving a subsidy. Failure to provide updated financial information during a financial reassessment can result in termination of the government subsidy.

### **6.8. Client's request for a review of their assessed contribution**

Everyone is required to contribute to the cost of their services based on their ability to pay.

When the contribution amount is questioned, the client can request an administrative review from the Department of Family and Community Services.

A request for a temporary client contribution adjustment may be submitted if a client is in serious financial hardship and where payment of the client contribution would result in the inability of self, spouse or dependant to pay for:

- adequate food
- monthly mortgage/rent
- sufficient home heat
- prescribed medication
- other required prescribed health care



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**Appendix A – Standard Family Contribution from Income**

**Net Income Scale for In-home Services:** This is family income (minus income taxes, statutory employment deductions, private health insurance premiums and LTC insurance premiums).

The net income contribution is based on the following gradual income scale:

| These ranges in effect from October 1- September 30 each year | Family income range, single |                            | Family income range, couple |                            | Family income range (spouse and one dependent at home) |                               | For each additional dependent        |
|---|-----------------------------|----------------------------|-----------------------------|----------------------------|--|-------------------------------|--------------------------------------|
|   | \$0                         | HRD for single             | \$0                         | HRD for 2 people           | \$0  | HRD for 2 people + \$588      |                                      |
| 0% of income between  |                             |                            |                             |                            |  |                               | Add \$588 to upper limit threshold   |
| plus, 5% of income between                                    | HRD for single              | OAS/GIS maximum for single | HRD for 2 people            | OAS/GIS maximum for couple | HRD for 2 people + \$588                               | OAS/GIS for couple + \$12,000 | Add \$588 to lower limit threshold   |
| plus 30% of income between                                    | OAS/GIS maximum for single  | \$25,000                   | OAS/GIS max. for couple     | \$35,000                   | OAS/GIS for couple + \$12,000                          | \$50,000                      | Add \$1,800 to upper limit threshold |
| plus, 100% of income over                                     | \$25,000                    |                            | \$35,000                    |                            | \$50,000   |                               | Add \$1,800 to lower limit threshold |

NOTE: If the net income contribution based on the gradual income scale is less than \$3,900/year and the cost of approved services is also less than \$3,900/year, the net income contribution will be based on the following formula: amount based on gradual income scale divided by \$3,900 times the cost of approved services.

**Net Income Scale for Residential Services when there is a spouse or dependent at home:** The VAC disability pension is not assessed when calculating the client contribution for his/her spouse in a residential facility.

The net income contribution is based on the following gradual income scale:

| These ranges in effect from October 1- September 30 each year | Family income range (spouse at home) |                               | Family income range (spouse and one dependent at home) |  | For each additional dependent        |
|---|--------------------------------------|-------------------------------|--|--|--------------------------------------|
|   | \$0                                  | OAS/GIS for single            | \$0  | OAS/GIS for couple + \$12,000                      |                                      |
| 0% of income between  |                                      |                               |  |  | Add \$588 to upper limit threshold   |
| plus, 80% of income between                                   | OAS/GIS for single                   | Twice the OAS/GIS for single  | OAS/GIS for couple + \$12,000                          | OAS/GIS for couple + \$12,000 + OAS GIS for single | Add \$588 to lower limit threshold   |
| plus, 30% of income between                                   | Twice the OAS/GIS for single         | OAS/GIS for single + \$25,000 | OAS/GIS for couple + \$12,000 + OAS GIS for single     | \$50,000   | Add \$1,800 to upper limit threshold |
| plus, 100% of income over                                     | OAS/GIS for single + \$25,000        |                               | \$50,000   |  | Add \$1,800 to lower limit threshold |

NOTE: A subsidized client in a residential facility retains or receives a monthly comfort and clothing allowance.

**Clients without a spouse or dependent at home, entering a residential placement, are assessed on 100% of their net income**