

**Withdrawing benefit from  
sick people:  
how not to aid the recovery of  
disabled people in hospital**

**February 2003**

**Disability  
alliance**

*Breaking the link between poverty and disability*

# **Withdrawing benefit from sick people: how not to aid the recovery of disabled people in hospital**

**A report about the effects on disabled people of the loss of their disability benefits while in hospital.**

## **Background**

When a disabled adult is in hospital their disability living allowance (DLA) or attendance allowance (AA) stops completely after 4 weeks. At the same time their carer loses their carer's allowance. Household income can fall by as much as £138 per week. And it is not just block periods of 4 weeks that result in loss of benefit. Short spells of a few days in hospital also count towards the 4 weeks.

We get many calls from people who tell us of the problems which they face as a result of these rules. For example, Mr Dart told us about the situation his wife was in after she had a major operation:

*Mr Dart and his wife are both disabled and in receipt of DLA which they include in their monthly calculation for payment of bills. Mrs Dart received a letter requesting the return of her DLA book as she had been in hospital for more than 28 days. The Darts were confused as Mrs Dart had only been in hospital for ten days. However a phone call revealed that she had become a victim of the cumulative rules which govern benefits such as DLA because she had been in hospital before and it was less than 28 days before her most recent spell as an in-patient.*

*When Mr Dart asked how he was expected to know about these rules he received the response "I don't*

*know, you could try a library they might have a book". As a result of the loss of money his wife is thinking about refusing treatment until the end of the cumulative period - 28 days. Mr Dart says "this could amount to suicide....on the other hand if I persuade her to continue with the treatment then we will commit financial suicide".*

This example and other cases which we have received corresponded with evidence which Age Concern had obtained in relation to pension reductions as a result of hospitalisation. At present pensions (and some other benefits) are reduced after 6 weeks in hospital.

However, in response to an Age Concern report on the hardship caused to pensioners by the current rules '*Penalised for being ill*'<sup>1</sup> the Government have that from October 2003 there will be an extension from 6 to 13 weeks in the period allowed before retirement pension, incapacity benefit and income support are downrated when someone goes into hospital.

Disappointingly, there were no changes announced in relation to DLA and AA which continue to stop altogether after just 4 weeks.

## **Gathering evidence**

In January 2002 Disability Alliance began the process of gathering evidence of the level of hardship that the current rules cause disabled people and their carers. We undertook this research with particular reference to claimants in receipt of DLA/AA and Invalid Care Allowance (ICA)<sup>2</sup>. We drew up a short questionnaire which we sent out with our quarterly Disability Rights Bulletin. We were assisted by DIAL UK, the National Schizophrenia Fellowship (now Rethink), Arthritis Care and Disability Wales who all circulated further copies of the questionnaire in their magazines and newsletters.

---

<sup>1</sup> Penalised for being ill – Age Concern England 2001

<sup>2</sup> Invalid Care Allowance will be renamed Carers Allowance in April 2003.

This wide circulation provided us with representative and credible results. We had replies from individuals, organisations of disabled people and citizen advice bureaux, throughout the country.

## **The current rules**

**For disabled adults: Disability living allowance (DLA) and attendance allowance (AA)** stop after 4 weeks in hospital. This can happen either because someone has been in for a continuous 4 week spell or because they have had a number of short spells in hospital which together add up 28 days. Once someone has hit the 4 week limit their benefit is stopped every time they go into hospital – even if it is only for a few days. This only ends if they spend a period of 28 days without going into hospital. When this happens the counter starts again.

**For disabled children:** DLA stops after 12 weeks and the linked spells in hospital rule also applies. Periods of time a child has spent in special accommodation count as if they were in hospital and will therefore count towards the 12 weeks.

**For carers:** receipt of carers allowance (CA<sup>3</sup>) is dependent on the person being cared for getting DLA/AA. Once DLA or AA stop, carers allowance also stops. Carers therefore lose their allowance after 4 (12) weeks if the adult (child) being cared for loses their DLA/AA.

## **What the evidence shows**

Disability, older people's and carers' organisations have long argued that these rules cause hardship because expenses don't stop just because someone is in hospital. Caring responsibilities do not terminate when the person cared for is taken into hospital and we believe it is unrealistic to expect carers to join the labour market every time this happens. In fact we have been told of cases where medical staff have insisted that the carer remain in hospital to attend to the disabled person while they are an in-patient. Hospitals argue that they do not have the staffing resources to provide personal, as distinct from, medical care.

---

<sup>3</sup> Carers allowance is the new name for invalid care allowance – from April 2003

The evidence from our survey showed the following problems.

### **The problem of administrative delay**

We were told of the hardship caused by the current rules, hardship which very often continues after a person leaves hospital. Many responses to our questionnaire provided evidence to show that, all too often, months elapse between the time a person leaves hospital and benefits are restored. For example:

***Mrs Thomas** from Chorley has arthritis, she receives DLA and in November 2001 had to go into hospital for tests. After she was discharged she sought to get her DLA reinstated but this did not happen until the following June. Although she finally got all her money she had to struggle for six months with her income reduced by over £200 per month.*

***Mr Jones** left hospital in February and when he submitted his questionnaire response in late May had still not had his DLA reinstated.*

The impact upon the people concerned can often cause their condition to be worsened. Another example reported to us concerned a person with a history of mental health problems who had to go through months of waiting for all her benefits to be restored. During which she had to contend with the trauma of receiving letters threatening court action over rent arrears. As a consequence of this situation she has stated that she would be most unwilling to go into hospital again if this is to be the outcome – the agency helping her told us *'there is no doubt that downrating has had a negative impact upon her mental health'*.

Our evidence suggests that people who have been discharged from psychiatric hospital are especially vulnerable.

***Mr K** from Wyre Forest left hospital but failed to reclaim his benefit for many months. He thus lost a considerable amount of money and would not have survived had his parents not filled the financial void.*

It is clear that when a person becomes hospitalised their domestic expenses do not cease. Many responses have pointed to on-going costs such as the need to heat the property, and utility standing charges obviously continue. Furthermore the disabled person may have a cleaner and they would want the property to be maintained during their stay in hospital.

*Mr Singh from Bradford used his DLA to pay off a loan which he had taken out to purchase a stairlift. After the termination of his DLA he began to fall behind with his payments and would have been in great difficulties had he not contacted the local CAB for their assistance.*

Many cases show that there is a lack of knowledge about whom to inform upon entering and leaving hospital, as a consequence we feel that there is a need for a publication setting out clearly the responsibilities of the benefit recipient. It is also important that there is closer co-operation between the various departments and agencies.

### **The position after October 2003**

Currently some benefits (retirement pension, incapacity benefit, income support) are reduced, rather than withdrawn, when someone is in hospital for a period of 6 weeks or more. From October the period before the reduction commences will be extended to 13 weeks. The evidence we have received shows that there is a considerable level of confusion about what happens to benefits during a stay in hospital. It is therefore reasonable to assume that this confused situation will be heightened when these changes are introduced in October. As a consequence, a situation which is already stressful for individuals, is likely to be made worse.

People will no longer be expecting a reduction in their income support. Yet, this is exactly what will happen when they lose entitlement to the disability premium as a consequence of the loss of their DLA or AA after 4 weeks in hospital.

People are also likely to be confused by the existence of different time periods for different benefits. Many may not realise that they need to report a stay in hospital of 4 weeks or more and could find themselves pursued for overpayments – or worse, investigated for potential fraud.

## **The impact upon carers**

We would be concerned that similar confusion is likely to occur amongst carers when the new rules come into effect in October 2003. Carers are unlikely to understand why their carers allowance is being stopped after 4 weeks.

The current rules result in difficulties for many carers. Again, we cannot see any reason not to allow a longer period. Carers will experience financial loss after the person for whom they are providing care has lost their benefit as their own allowance will cease - as it is linked to the disabled person being in receipt of DLA. This is an especially acute problem where the carer is a family member because the whole household's income is substantially reduced - with disability benefits stopping along with the carers allowance. Carers within the family will continue to be made financially worse off as they will need to provide money to the person cared for to enable them to purchase clothes, toiletries and any small treats such as sweets. *"I am in a position to provide this as a carer but feel that I should not have to"*.

## **Impact upon the disabled person in receipt of care**

It is extremely difficult for a disabled person to maintain a working relationship with a carer if they lose benefit after just 4 weeks in hospital and their carer has no income. It is clear from our evidence that care costs do continue while a disabled person is in hospital. Examples include: travel costs for a carer to visit the hospital and costs for extra washing, on top of the usual costs around the home.

We also have evidence which indicates very clearly that many people calculate either rent or mortgage costs on the basis of benefits such as DLA. An example provided by Newcastle CAB showed this situation most starkly.

*Mr and Mrs A had got so far behind with payments due to loss of benefit that the CAB believed that they would very likely lose their home.*

*Mr Wilson is in his 60s and is cared for full-time by his wife who receives ICA. Mr Wilson receives DLA along with his retirement and occupational pensions. Mr Wilson entered hospital in January for a major operation which required staying in for two weeks. Shortly after release complications occurred and he was re-admitted. After a week his DLA was terminated which meant that Mrs Wilson was no longer entitled to ICA. **Consequently the income of the couple fell by £138 per week***

*Mr Wilson was discharged after a week and they applied to have benefits restored. However, he was taken in again for further tests and stayed for two nights which required further contact with DWP for recalculation of benefit. Mr Wilson was then told by the hospital that he would have to attend for fortnightly tests and would need to spend two days in hospital each time. The Wilson's therefore have to face the loss of two days benefit every two weeks and the adjustment of their books every other week.*

Not surprisingly the Wilsons despair of ever getting the level of benefit to which they are entitled and have found the whole process stressful and upsetting. They are being expected to survive on a reduced income while facing the same level of household expenditure.

The current bed blocking crisis in the NHS is bound to be exacerbated by disabled people being unable to leave hospital as no caring arrangements are in place. This is the result of the loss of DLA and the resulting loss of Carers Allowance and hence the loss of the ability to pay a carer. Furthermore even if this does not happen caring arrangements will obviously be disrupted as the carer will not be able to wait for a long period for the person to leave hospital

particularly as for some of the time they will not be getting any income.

A number of responses have highlighted the unfairness of removing benefit for hospital stays. People feel strongly that they contribute to the NHS through taxes and object to 'paying twice' through loss of benefit.

## **The solution**

We believe that the period before DLA and AA are withdrawn should be extended to 13 weeks to bring these benefits into line with other benefits (such as retirement pension and income support). We also believe that the rule under which odd days in hospital are added together should be scrapped and only substantial periods of 4 weeks or more should be taken into account.

## **Parliamentary response**

We presented our preliminary findings to the All Party Disability Group who were concerned and offered to write to the Minister, Maria Eagle, for a meeting.

An Early Day Motion was put down in the House of Commons during the 2002 session which collected 81 signatures.

***NB. All case examples are based on evidence which we have received but some of the information has been altered to preserve anonymity.***

For further information including a copy of the questionnaire please contact Richard Holmes, Policy and Campaign Officer on:

Telephone: 020 7247 8776

Email: [campaigns.da@dial.pipex.com](mailto:campaigns.da@dial.pipex.com)

Or visit our website: [www.disabilityalliance.org](http://www.disabilityalliance.org)

**Disability Alliance** believes it is unacceptable that thousands of disabled people in the UK live in poverty. We are committed to breaking the link between poverty and disability.

We do this by providing disabled people, and those who live and work with them, with information about their rights. We undertake research into the income needs of disabled people and campaign for improvements in disability benefits so that they reflect the real costs of disability.

We run a benefits advice line and training service, publish the Disability Rights Handbook annually and update it with a regular magazine, (*Disability Rights Bulletin*) produced three times a year.

We also publish other guides, briefings and policy papers on the income needs of disabled people.

We aim to provide our information in alternative formats, such as audiocassette, large print or Braille wherever possible. The Handbook is available on CD-ROM.

We encourage all organisations, statutory and voluntary, to support our work by becoming members or by taking out a Rights subscription.

**Contact us for further information on:**

- Membership
- Rights subscriptions
- Publications
- Training

**For advice on social security benefits:**

Disabled people and their advisers can call our Rights Advice Line on 020 7247 8763.

We are a small organisation so our service is only available at certain times each week. You can also try the DWP Benefit Enquiry Line on 0800 882200 (textphone 0800 243355) or a local advice centre for help.

**Disability Alliance**

Universal House  
88–94 Wentworth Street  
London E1 7SA

Tel: 020 7247 8776 (textphone available)

Fax: 020 7247 8765

e-mail: office.da@dial.pipex.com  
www.disabilityalliance.org

Rights Advice Line

Tel: 020 7247 8763 (textphone available)

‘Withdrawing benefit from sick people’  
Published by Disability Alliance © 2003  
Registered Charity no.1063115