



Performance Framework 2018 - 19

SA Health



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1. Overview

This Framework applies to the Local Health Networks (LHNs), SA Ambulance Service (SAAS) and Statewide Clinical Support Services (SCSS) and sets out the framework within which the Department for Health and Wellbeing (DHW) monitors and assesses the performance of public sector health services in South Australia.

It includes the performance expected of health services to achieve levels of health improvements, service delivery and financial performance as set out in their Service Level Agreements (SLAs) and responses to unsatisfactory performance and performance concerns and management processes that support achievement of the outcomes in accordance with government policy. This Framework aligns to the revised governance arrangements and structures within SA Health.

A broad range of strategic and performance expectations for the SA Health system are articulated in the SLAs, including performance expectations agreed through a range of national agreements and the National Health Performance Authority Performance Framework and associated indicators.

2. Purpose and Scope of the Performance Framework

This Framework provides an integrated process for performance review and assessment and forms an integral component of the service agreement framework that underpins the relationship between the DHW and each LHN, SAAS and SCSS.

It outlines a transparent monitoring process through which performance will be assessed, responses in cases of unsatisfactory performance and where performance concerns arise, the process of escalation and collaboration to restore and maintain effective performance. The identification of high performance will also be recognised and lessons will be shared across SA Health. At all times, the DHW aims to work with LHNs, SAAS and SCSS to restore and maintain effective performance. The Framework acknowledges that some influences outside the control of each LHN/SAAS and SCSS may affect performance, and considers these factors when assigning performance levels and determining the requirement for assistance or performance interventions.

The SA Health Performance Framework comprises:

- > Annual SLAs
- > Clearly stated performance requirements including strategic priorities and governance requirements as outlined in the SLAs
- > The roles and responsibilities of LHNs, SAAS, SCSS and the DHW in the operation of the Framework
- > Key Performance Indicators (KPIs) and performance thresholds that if not met may raise a performance concern and the process through which these concerns are identified and raised
- > Transparent monitoring and reporting processes
- > Clear expectations of responses to unsatisfactory performance, performance concerns or significant clinical issues; and robust governance processes through which escalation/de-escalation of performance concerns are determined.

2.1 Attributes of the Performance Framework

Transparency	Clear agreed performance targets with clear pre-determined measures of performance which are easy to understand.
Accountability	Clear roles and responsibilities of the DHW, LHNs, SAAS and SCSS who all have a role to play in ensuring that performance expectations are met.
Responsiveness	Unsatisfactory performance and performance risks are identified early and responses are timely.
Predictability	It is clear what constitutes good performance and when performance concerns arise what responses are required.
Recovery	Ensure recovery plans are clear and practical.
Integrated	The Performance Framework incorporates SA Health Strategic Priorities and links the objectives of safe, effective, patient centred and efficient health service delivery.
Consistency	Responses to poor performance are proportionate to the issue being addressed and based on the level of risk.
Recognition	Sustained and/or superior performance is appropriately recognised and lessons from good practice are shared.
Informed Purchasing	The Performance Framework provides a process for pre-emptive and pro-active decision making to support current and future service needs.

3. Performance Requirements

LHNs, SAAS and SCSS are to meet the performance requirements as set out in the SLAs, within the allocated budget and specifically:

- > Managing activity volumes within agreed parameters
- > Achieving KPI targets within the set tolerance bands
- > Successfully implement agreed plans that address strategic priorities and governance requirements
- > Achieving the required productivity improvements and implementation of agreed service transfers.

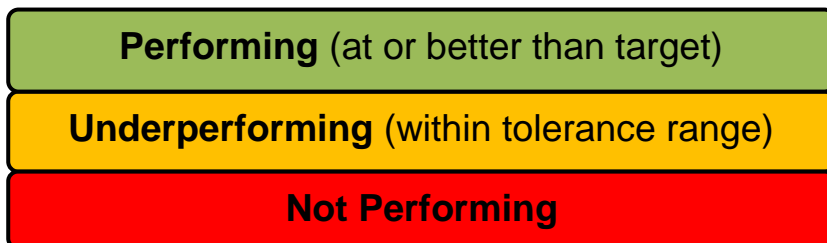
3.1 Key Performance Indicators

Performance is assessed across four domains as set out in table one below. KPIs have been established and prioritised as Tier 1 or Tier 2 under each domain for which performance targets have been determined. Performance against these indicators is published monthly by DHW. The performance of an LHN or SAAS is assessed in terms of whether it is meeting the performance targets for individual KPIs.

Table 1: Performance Domains

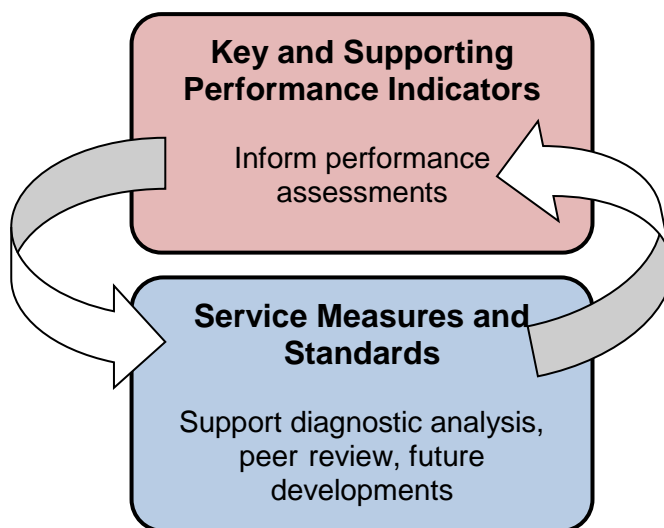
Access and Flow	Healthcare provision is timely, responsive to need and addresses health inequalities
Productivity and Efficiency	Available resources are maximised to deliver sustainable, high quality healthcare
Safe and Effective Care	The health and welfare of service users is paramount and healthcare delivers the best achievable outcomes through evidence based practice
People and Culture	Ensuring a positive culture, highly engaged and productive workforce and healthcare that is patient centred.

KPIs are focussed on the delivery of critical strategic objectives and statewide targets and are arranged under the performance domains. A differentiation is made between Tier 1 KPIs which set clear expectations within critical performance areas and Tier 2 (supporting KPIs) which provide a broader assessment of performance within each performance domain. A tolerance band for each indicator has been set. Actual performance for each indicator will be assessed to determine whether the indicator is outside the tolerance band.



3.2 Service Measures and Standards

In addition to KPIs, the DHW will continue to monitor a range of other indicators and service standards which provide context to KPI performance and allow for more detailed analysis and interrogation of a broad range of factors that may impact on performance in order to gain a more comprehensive understanding and 'tell the story'.



The technical specifications and tolerance bands for each KPI can be obtained at <http://metadata.health.sa.gov.au>.

LHNs are required to flow their activity caps by month and provide them to the DHW (a template will be provided). Performance during the year will be monitored against the monthly caps.

LHNs and SAAS may also be required to flow their targets by month to reflect the level of anticipated progress towards the annual target, aligned to agreed strategies and operational plans.

3.3 Other Measures

In addition to the above, DHW will continue to monitor a broad range of measures, including strategic priorities, emerging health issues, reporting requirements to the Commonwealth and participation in nationally agreed data collections with which health services need to comply. These measures may assist with benchmarking, ensuring compliance with any mandatory standards and ongoing development, providing insight on potential future areas of focus.

Service measures and other measures will be reported through similar processes to the KPIs, when data is made available. Unsatisfactory performance related to these monitoring measures will be discussed with the LHN/SAAS/SCSS and may become a KPI(s) until the performance concern is resolved.

4. Operation of the Performance Framework

4.1 Overview

The performance discussions will focus on delivery against the KPIs identified in the SLA and may draw on a wide range of information to form a comprehensive picture of performance. While the DHW is committed to working with LHNs, SAAS and SCSS to drive high performance, it also has a responsibility to provide assurance that performance levels are acceptable and to ensure that problems are detected and acted upon in a timely manner.

The operation of the Performance Framework involves:

- > Ongoing review of the performance with each LHN/SAAS/SCSS
- > Determining the performance level for each LHN/SAAS/SCSS
- > Identifying unsatisfactory performance and determining appropriate responses
- > Determining when a performance recovery or turnaround plan is required
- > Determining when a performance concern needs to be escalated or can be de-escalated
- > Determining when an LHN/SAAS/SCSS no longer needs a performance response
- > Acknowledging sustained high performance and attempting to disseminate learnings from success.

4.2 Performance Review Process

The following are the key steps in the performance review process:

- > Distribution of detailed monthly performance reporting against the KPIs and service/other measures where applicable/available for the system as a whole. A performance assessment outcome will be assigned to each LHN/SAAS/SCSS based on the escalation levels detailed in table 2. LHNs, SAAS and SCSS may be required to provide input in the production of monthly reporting and/or response to the assessment.
- > Pro-active conversations between the Department and LHNs/SAAS and SCSS on an ongoing basis.
- > Monthly Contract Performance Meetings between DHW and the LHN/SAAS/SCSS coordinated by Performance Framework and Monitoring (PFM), where performance will be formally reviewed and to monitor delivery of recovery plans and mitigation strategies where applicable.
- > Where a performance concern is identified, confirmation of the issue with the LHN/SAAS/SCSS and determination of appropriate action to address the issue in accordance with the Performance Framework.

- > Bi-annual performance review to identify key priorities for resolution in year, to inform any mid-year budget allocation/changes and variations to the SLA and to support negotiations in relation to the development of the SLA for the following year.

Where a performance concern or significant risk is identified, the frequency of meetings may be increased until the issue is resolved. Depending on the issues under review, attendance by the Chief Executive may be indicated.

Contract meetings are coordinated by Performance Framework and Monitoring (PFM) and chaired by the Deputy Chief Executive, Quality, Information and Performance. The meetings are held in a centrally convenient location and video conference facilities will be available to enable participation.

4.3 Determining Performance Levels

An ongoing assessment of performance takes place on a regular basis, usually aligned with each Contract Performance meeting. Assessments will be made primarily through consideration of the Monthly Performance Reports prepared by DHW along with information provided by the LHN/SAAS/SCSS. The performance assessment is undertaken by the Purchasing and System Performance Committee. This assessment determines if a change to the performance level is warranted and is guided by the following key components:

Table 2: Performance Assessment Components

Performance Requirement	Performance Trigger
Tier 1 and 2 KPIs	Key Performance Indicators will generate an unsatisfactory performance flag, where performance is outside the tolerance threshold for the reporting period. Resulting action may differ depending on the particular indicator, the seriousness of the issue, the speed with which the situation could deteriorate further and the time it would take to achieve turnaround.
Service Agreement Delivery	Failure to comply with service agreement requirements, including but not limited to: Delivery of strategic priorities and governance compliance Delivery of specific funding commitments Provision of data requirements Fiscal management Accreditation Status
Progress against agreed turnaround and/or recovery plans	Failure to meet designated critical milestones as per the agreed turnaround and/or recovery plan.

Unsatisfactory performance may be raised with the LHN/SAAS/SCSS, but will not necessarily trigger the performance escalation process. Performance concerns will be escalated where the levels indicated in table 3 are reached. The response to performance concerns is not determined solely on the basis of KPI results. Rather, KPI performance concerns act as signals that are viewed in the context of the LHN/SAAS/SCSS overall performance.

A turnaround plan relates to a financial and operational strategy to align expenditure to budget over an agreed timeframe. A recovery plan is an agreed strategy and timeline to address a specific performance concern.

At each Contract Performance Meeting, the LHN/SAAS/SCSS will report on performance against KPIs and the progress of recovery plans to address performance outside tolerance bands.

4.4 Process for Escalation and De-escalation

Movement between performance levels can be either up (escalation) in the case of deterioration in performance or failing to make adequate progress, or down (de-escalation) as performance concerns are resolved.

Where a performance concern is identified, the following processes are undertaken to determine whether the performance of the LHN/SAAS/SCSS warrants escalation/de-escalation:

- > Where there are no existing performance concerns and unsatisfactory performance arises, it will be discussed directly with the LHN/SAAS/SCSS or at the next Contract Performance Meeting depending on the nature of the concern. The LHN/SAAS/SCSS will be asked to report on underlying factors and if appropriate, may be asked to develop mitigation strategies or a recovery plan.
- > Where there is an existing performance concern, progress will be assessed to determine whether sufficient improvement has been made or whether performance escalation is required.
- > Through discussions, and depending on the nature of a performance concern, there may be opportunity for support from other LHNs, SAAS or other Health Services and/or DHW to assist in performance improvement, such as tools, techniques and staffing resource.
- > Implementation of the recovery plan (if applicable) and subsequent performance will continue to be monitored through the Contract Performance Meetings. Where performance does not improve, the performance concern may be escalated to the Chief Executive. Further actions may be agreed where performance does not improve, including financial implications, and targets may be adjusted to reflect the agreed recovery plan.
- > Following a Contract Performance Meeting, the Quality, Information and Performance Branch will distribute the agreed actions from the meeting within five working days.
- > Where the performance issue is sustained, despite mitigation strategies in place, or performance deteriorates further, the matter is referred to the SA Health Chief Executive and Minister for Health and Wellbeing for resolution.

The following table summarises the steps that guide a decision to escalate or de-escalate. Escalation and de-escalation may not be sequential. The initial level of the escalation response is based on the seriousness of the performance issue, the likelihood of rapid deterioration and the magnitude of the issue. For example, there may be circumstances where the seriousness of the situation calls for an escalation from Level 2 directly to Level 4.

Confidence in, and evidence of LHN/SAAS/SCSS ability to achieve a turnaround in performance is considered in the decision to escalate or de-escalate the response to the performance concern.

Table 3: Performance Escalation Levels

Level of Response	Point of Escalation	Point of De-escalation	Response
<p>Assessment from Level 0 to Level 1</p> <p>“Under Review”</p> <p>Assessment and advice</p>	<p>Two Performance domains with at least two KPIs below performing, at least one of which is a tier 1 KPI with a trend that would indicate at the end of the next quarter the LHN will remain below target for these KPIs.</p> <p>OR</p> <p>Financial Sustainability is below performing.</p>	<p>The issue is satisfactorily resolved</p>	<p>DHW (DCE) notifies LHN /SAAS/SCSS CEO/Group Executive Director of escalation to Level 1.</p> <p>The LHN/SAAS/SCSS CEO/Group Executive Director to provide formal advice on:</p> <ul style="list-style-type: none"> Reasons that led to the performance concern, whether any action is required and if so, intended action and timeframe. There may be opportunity for support such as tools, techniques and staffing resource as appropriate.
<p>Assessment from Level 1 to Level 2</p> <p>“Under-performing”</p> <p>Recovery plan required</p>	<p>Two Performance Domains with half or more of the KPIs below performing with a trend that would indicate at the end of the next quarter the LHN performance will not improve. A Recovery Plan is required.</p> <p>OR</p> <p>If there is a deterioration in performance in another domain with at least two KPIs below performing, at least one of which is a tier 1 KPI.</p> <p>OR</p> <p>Financial Sustainability is below performing with a trend that would indicate at the end of the next quarter the LHN will remain below performing.</p>	<p>The issue is resolved and does not re-emerge for at least one more reporting period (month/quarter as appropriate)</p>	<p>DHW (DCE) notifies LHN/SAAS/SCSS CEO/Group Executive Director of escalation to Level 2.</p> <p>The LHN/SAAS/SCSS CEO/Group Executive Director is required to:</p> <ul style="list-style-type: none"> undertake an in-depth assessment of the problem and identify mitigation provide a detailed recovery plan for approval at Contract Meeting (timeframe for recovery will be agreed) report progress against recovery plan milestones <p>Support may be provided to work collaboratively to develop and implement appropriate strategies.</p>
<p>Assessment from Level 2 to Level 3</p> <p>“Serious under-performance risk”</p> <p>Additional support and involvement</p>	<p>Implementation of recovery plan has not resulted in improvement in LHN performance. After one quarter two performance domains have a trend which would result in the KPIs not returning to performing status. The recovery plan is not progressing well and is unlikely to succeed without additional support/input. A revised recovery strategy is required.</p> <p>OR</p> <p>If there is a deterioration in performance in another domain with half or more KPIs below performing.</p> <p>OR</p> <p>The LHN is not meeting Financial Sustainability within the Internal Recovery Plan and a trend of not improving continues.</p>	<p>The revised recovery strategy has succeeded and the performance issue is improving (shows no indication of re-emergence in the ensuing three months)</p>	<p>SA Health Chief Executive will meet with LHN/SAAS/SCSS CEO/Group Executive Director to formally advise of escalation to Level three and to agree recovery strategy.</p> <p>This may require assigning support from DHW to work collaboratively with LHN/SAAS/SCSS to develop and implement the strategy or to have more direct involvement in the operation of the service and/or other measures such as commissioning an independent/external review of governance, management, and capability.</p> <p>LHN/SAAS/SCSS CEO/Group Executive Director is required to demonstrate that turnaround is achievable within a reasonable timeframe</p> <p>Progress will be formally monitored for an agreed timeframe. The timing and scope of any action/s will be determined by the nature of the performance concern/s.</p>

Level of Response	Point of Escalation	Point of De-escalation	Response
<p>Assessment from Level 3 to Level 4</p> <p>“LHN/SAAS/SCSS challenged and failing”</p> <p>Changes to the governance of the LHN/SAAS/SCSS may be required</p>	<p>After one quarter of not meeting the Recovery Plan and no trend that performance is improving on critical KPIs impacting on patient safety, patient flow and finance & management</p> <p>OR</p> <p>The LHN is not meeting Financial Sustainability within the Recovery Plan and a trend of not improving at a suitable rate continues.</p>	<p>The performance issue has improved and there is demonstrable evidence that the LHN/SAAS/SCSS now has the issue under control/capability to address the issue</p>	<p>The SA Health Chief Executive/ Minister for Health and Wellbeing will meet with LHN/SAAS/SCSS to formally advise of escalation to level 4.</p> <p>The timing and scope of any action will be determined by the nature of the performance concern/s and is likely to involve formal turnaround measures.</p>

4.5 Superior Performance

A consistently high performing health system is a key goal for the DHW. The Performance Framework aims to contribute to an overarching objective of continuous and sustainable performance improvement. Consistently high performance or significant improvement will facilitate recognition of achievements and sharing of good practice and innovation.

4.6 Annual review

A formal annual review of performance under the SLA will be undertaken between the SA Health Chief Executive and the Chief Executive Officer of each LHN/SAAS and Group Executive Director, SCSS. The annual review will consider performance against all KPIs and broader performance components and assess capability to achieve the outcomes identified for the following year. A target will be considered met if the annual target value lies within the tolerance limit of the target.

A review will also be undertaken on an annual basis to assess LHN, SAAS and SCSS capability to achieve the outcomes identified in the SLAs.

5. Governance Arrangements

This section outlines the arrangements that govern the activities, roles and responsibilities of both the DHW and LHNs/SAAS/SCSS to operationalise this Performance Framework.

5.1 DHW Roles and Responsibilities

The DHW is responsible for monitoring and reviewing the overall performance of the publicly funded health system.

Quality, Information and Performance Branch (QIP) will be responsible for the overall coordination of the DHW activities under the Performance Framework to enable a collaborative approach to performance improvement. All performance concerns that require a response and/or escalation will be channelled through a single, integrated process.

The coordination by QIP includes:

- > Liaison with other Branches and Divisions to prepare consolidated performance reports and undertake performance analysis.
- > Preparation of Monthly Performance data for Contract Meeting discussions with LHNs, SAAS and SCSS.
- > Scheduling and coordination of monthly Contract Performance Meetings and escalation processes.
- > Maintaining records of performance assessment outcomes, turnaround and recovery plans.
- > Issuing formal actions agreed during Contract Meetings within 5 business days.
- > Arranging the appropriate level of support when further escalation is required, including liaison with other LHNs and Health Services where required to support recovery plans in order to ensure there is a coordinated approach.
- > Identification of initiatives, evidence, policies or processes that will or may contribute to addressing performance turnaround (e.g. new model of care).

All Divisions will work closely to ensure a coordinated and consistent approach. The DHW Purchasing and System Performance Committee will provide advice and support to SA Health Chief Executive to assist in managing performance and to ensure clear and consistent messages and processes. In particular, the Committee will determine funding and activity methodologies, policies, protocols and appropriate performance measures to enable the health system to perform effectively.

Other Divisions will continue to have dialogue with LHNs, SAAS and SCSS on a range of policy and program matters as required.

5.2 LHN/SAAS/SCSS Roles and Responsibilities

Each LHN, SAAS and SCSS is to have in place an effective internal performance framework which supports delivery of the SLA, including:

- > Processes to actively monitor the KPIs and other measures.
- > Appropriate governance arrangements in place for performance management and improvement that include clearly identified accountabilities and responsibilities.
- > Identification of delegated responsibility at service level for delivery against KPIs.

Each LHN/SAAS/SCSS will:

- > Report promptly to DHW any emerging or potential performance concerns and/or performance risks including immediate actions taken and/or early assessment of actions that may be required to prevent the issue from deteriorating.
- > Ensure information is submitted in accordance with requirements of each data collection, ensuring data quality and timeliness.
- > Ensure the provision of information and/or analysis to support performance monitoring and improvement processes, including preparation and submission of progress reports and risk assessments for achieving successful outcomes and options to mitigate any risks to the monthly Contract Performance meetings, as required.
- > Work collaboratively with DHW to resolve unsatisfactory performance and performance concerns and adhere to all responses to performance concerns as determined by DHW.
- > Establish and maintain a culture of performance improvement by:
 - Promoting the Performance Framework at all levels within the LHN/SAAS/SCSS.
 - Identifying shortfalls in relation to performance and devising and implementing appropriate support and development arrangements to facilitate long-term and sustainable delivery.
 - Providing relevant tools and resources to enable effective performance improvement and ensuring that key staff have a clear understanding of their performance responsibilities and the consequences of not effectively executing these.
 - Ensuring active monitoring of implementation of agreed actions.

