

TOWARDS A QUALITY SYSTEM FOR DADHC SERVICES

Synopsis

Department of Ageing, Disability and Home Care

10 August 2007

Contents

1	DADHC Quality System project	1
2	Where does a quality system fit	2
3	What does a quality system offer DADHC as a funder	3
4	What does a quality system offer to service provider	5
5	What does a quality system offer clients - examples	6
6	Principles underpinning a DADHC quality system	7
7	How would DADHC's quality requirements be defined	8
8	Components of a DADHC quality system and leading practices	9
9	Interface with DADHC's compliance and performance management	10

1 DADHC Quality System project

The DADHC Quality System project aims to develop a single set of requirements for quality processes encompassing the full range of DADHC programs and delivery arrangements, and well as appropriately linking to other government and industry quality requirements.

The key drivers for the project are the focus in the NSW State Plan on improving client services, DADHC's corporate priority of ensuring consistent quality across the full range of DADHC services, and accountability to the NSW government and broader commitments under Commonwealth-State agreements.

Currently, providers of human services, particularly non-government organisations, are subject to multiple quality processes - in part because of overlapping requirements associated with different jurisdictional requirements for different activities and in part because of a lack of clear scope and objectives for the quality systems that operate in the human services sector.

In fact the term "quality system" is often used somewhat loosely to describe a range of processes related to quality - covering quality assurance, quality control and continuous quality improvement. Further, many "quality systems" overlap with monitoring and reporting requirements related to performance against program guidelines and compliance with contractual obligations.

As part of this project, an evidence review has been undertaken that identifies the key concepts and leading practices in quality systems. The evidence review included:

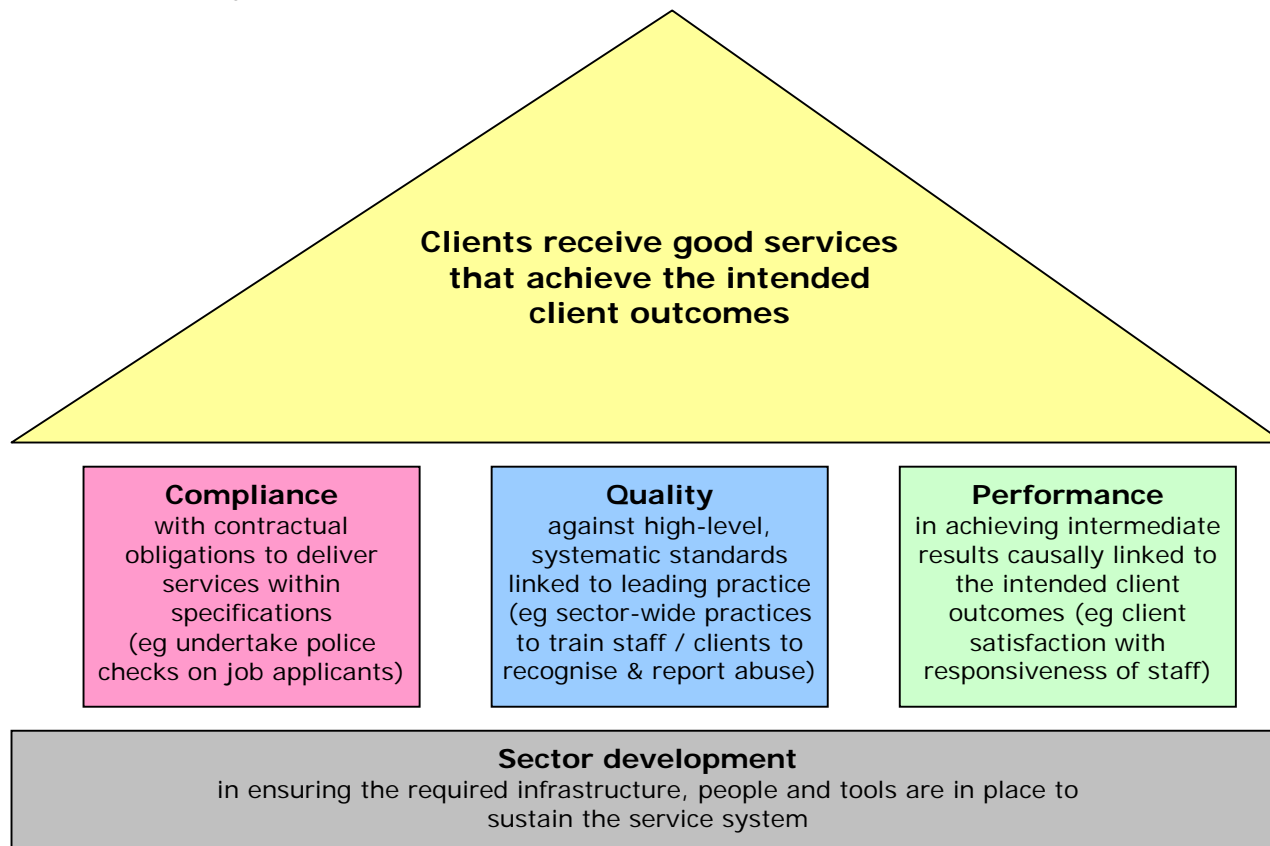
- a classification of quality systems in terms of their objectives, standards and recognition arrangements
- a comparative analysis of 15 different quality systems currently operating in the human service sector
- interviews with 18 NGOs to investigate their experiences of meeting multiple quality system requirements

This synopsis draws out the main implications of the evidence review for the development of a DADHC integrated quality system.

2 Where does a quality system fit

There are three broad approaches used by service funders to manage risks - monitoring and enforcement of service provider contractual obligations (compliance management), monitoring and interventions to ensure the achievement of intended outcome specified in program guidelines (performance management), and promoting and validating conformity to high-level service standards linked to leading practices (quality management).

A quality system refers to the management processes used by an organisation to ensure and recognise that certain agreed elements or characteristics of the service meet specified standards. In a quality system, these standards are typically defined in terms of high-level, systemic approaches that are accepted as leading practices - while allowing flexibility for service providers to select which policies and procedures they want to use to implement these practices in different service contexts.



In contrast to quality systems, compliance systems refer to the management processes used to monitor and enforce specific legal obligations specified in a contract between the funder and provider for a specific service - and as such have a focus of intervention that relates solely to a specific service for a defined contract period. Often, a service provider will have multiple contracts with multiple funders.

Performance systems refer to the management processes used to monitor and intervene to ensure the achieve of specific outcomes defined in program guidelines - and as such have a focus of intervention that relates solely to a specific program. Often, a service provider will deliver a range of services under multiple programs operated by multiple agencies.

3 Threshold questions for a DADHC quality system

At present, DADHC has an established system for contract management and program performance management, but no formal systems related to quality.

In theory, it is possible to manage all risks associated with the achievement of the full range of intended client outcomes by using either a compliance, performance or quality system in isolation - that is, by putting the full range of service requirements into all contracts, or by putting the full range of service requirements into all program guidelines, or by putting full range of service requirements into quality standards.

In practice, the threshold questions revolve around determining the most cost-effective mix of resources to be applied to compliance, performance and quality management system, in order to best manage risks and achieve the intended outcomes.

In relation to quality systems, the key questions are:

- For what service elements will an investment in a quality system provide a more cost-effective mechanism for implementing risk mitigation strategies and service improvements (compared to provider or program specific improvements that can be driven through contracts and program guidelines)
- For what risks will a quality system allow contract and program managers to better utilise their existing resources by focussing on the most critical compliance and performance risks - rather than trying to cover all potential risks
- To what extent will a quality system provide greater flexibility for providers to demonstrate that they meet DADHC's core service requirements - rather than needing to separately demonstrate these requirements are met across a range of DADHC contracts and programs as well as a range of non-DADHC programs
- To what extent will a quality system reduce the regulatory burden on service providers by explicitly separating the assessment of risks that can be appropriately managed through formal quality processes, and streamlining the remaining compliance and performance risks that are best managed on a contract-by-contract or program-by-program basis

There is currently not a strong evidence base to provide definitive answers to these questions. Rather, it can be observed that a wide range of human service funders are increasingly making strategic decisions to invest in quality systems as a tool to drive cultural change - both for the funder and for service providers. For the funder, the change is about putting a greater emphasis on their role in setting service standards based on leading practice, rather than micro-managing all service risks. For the service provider, the change is about increased innovation and continuous improvement, rather than an over-reliance on guidance from the funder.

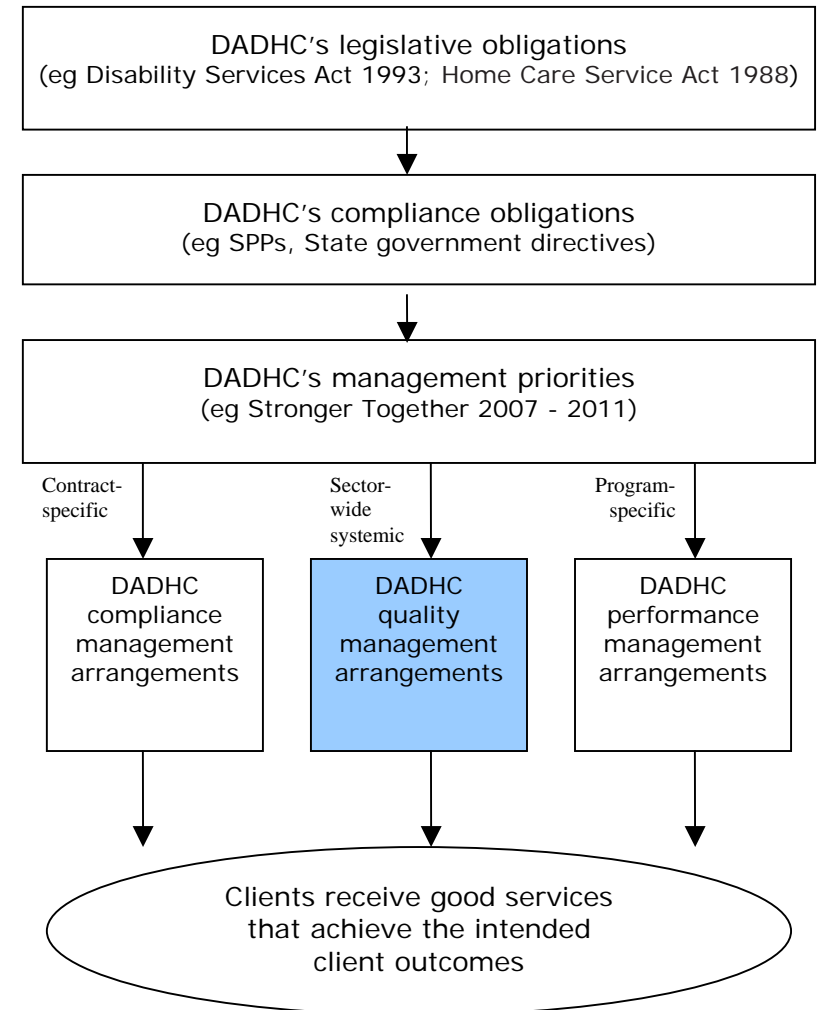
4 What does a quality system offer DADHC as a funder

From the funder perspective, a quality system offers DADHC a mechanism by which it can:

- ensure all DADHC providers have appropriate quality processes in place aligned to meeting high-level, systematic requirements linked to agreed leading practices
- reduce duplication and streamline management arrangements by ensuring a consistent approach to quality processes across all DADHC services (including a clear separation from contract-specific compliance management and program-specific performance management functions)
- improve decision-making about DADHC services through better systemic information about good practice and gaps in service quality
- improve the targeting of support to programs and organisations where service quality does not meet the agreed requirements
- provide assurance to clients and government that the quality processes used by DADHC services are focussed on delivering better value for money services and improving client outcomes

Specifically, the quality system is intended to address gaps in DADHC's:

- capacity to influence sector-wide systemic changes in line with legislative obligations and government directives (in addition to the individual provider and program-specific changes that can be achieved through compliance and performance management systems)
- ability to improve value-for-money in purchasing services by setting sector-wide benchmarks for service quality (in addition to setting contract-specific compliance obligations and program-specific performance requirements)
- ability to meet SPP quality reporting obligations



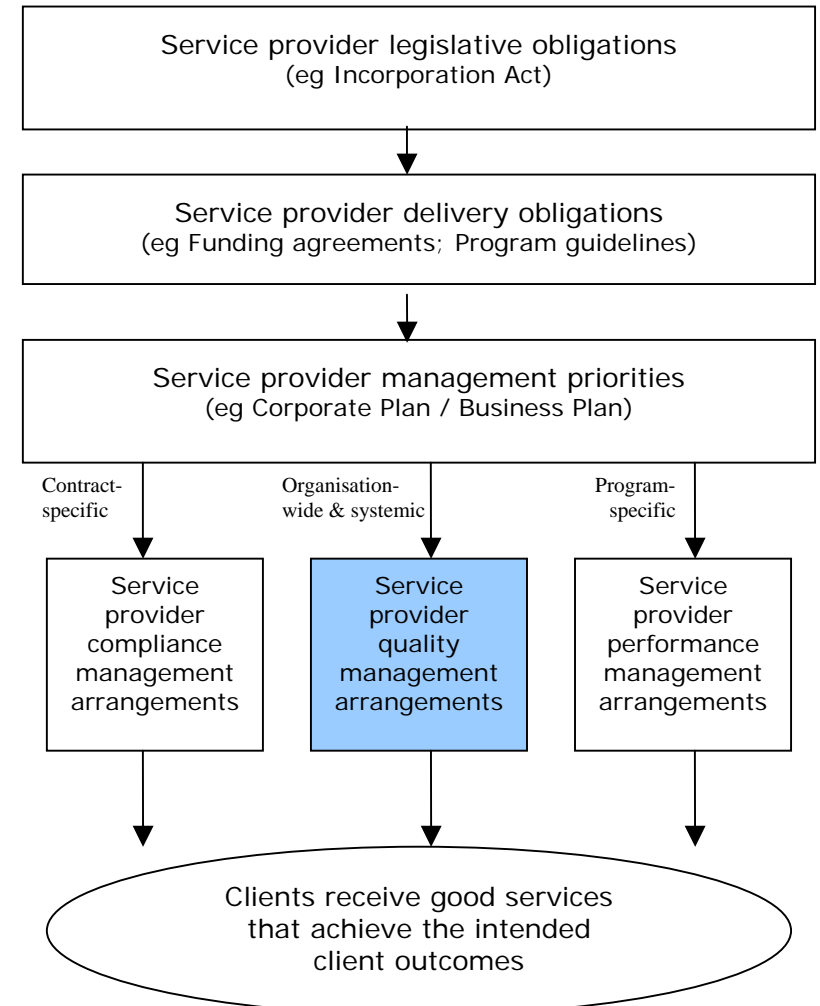
5 What does a quality system offer to service provider

From the service provider perspective, a quality system offers a mechanism by which they can:

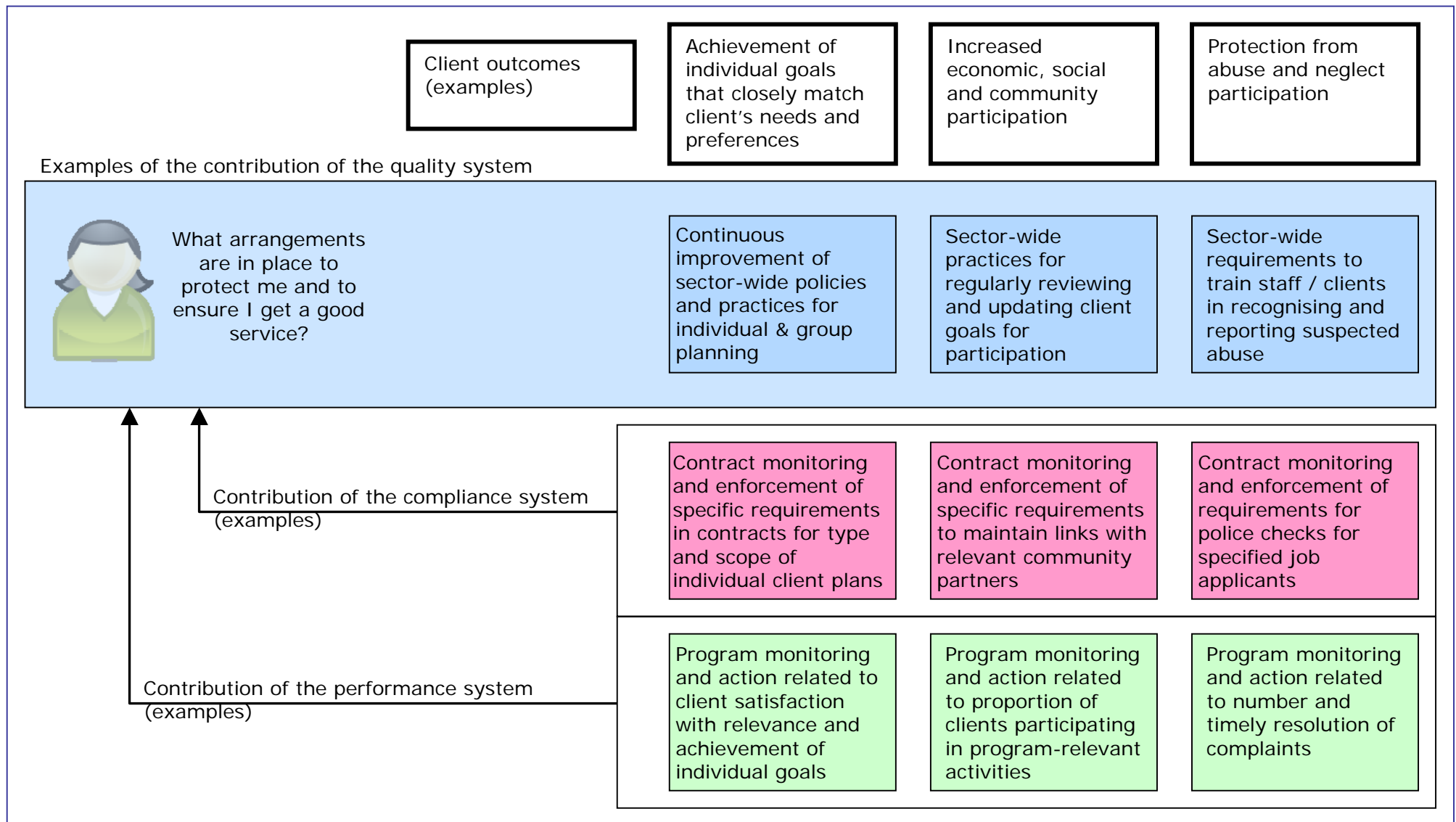
- systematically plan for service improvements linked to clear and transparent sector-wide benchmarks for service quality
- reduce duplication and streamline management arrangements by ensuring a consistent approach to quality processes across all services, rather than approaching quality on a program-by-program or outlet-by-outlet basis
- provide assurance to clients and government that the service has appropriate quality processes in place - and is thereby well-placed to meet compliance and performance requirements across the range of services it delivers.

Specifically, the quality system is intended to address:

- variability in the capacity of different service providers to meet sector-wide benchmarks for service quality
- gaps in service provider's capacity to continuously improve in line with sector-wide benchmarks for service quality
- the needs of service providers to participate in a range of program and function-specific external quality systems



6 What does a quality system offer clients - examples



7 Principles underpinning a DADHC quality system

Key principles that could underpin the development and roll-out of a quality system are:

- **Specific scope** - A DADHC integrated quality system refers to the overarching requirements for quality processes that apply to DADHC services. Quality processes are specifically limited to those management arrangements focused on ensuring and recognising that key attributes of services meet agreed requirements. It is not intended that the functionality of the quality system extend to the broader processes for maintaining and reporting performance against program guidelines and compliance with contractual obligations.
- **Flexibility** - A DADHC integrated quality system should specify overarching, high-level requirements that can be flexibly applied to the full range of DADHC programs and delivery arrangements.
- **Consistency across service arrangements** - a DADHC integrated quality system should be applied consistently across both DADHC provided and DADHC funded services - reflecting the common focus on good quality services for clients. This contrasts with the processes for performance management and compliance which would continue to be tailored to specific accountability and governance arrangements
- **Building on established quality management programs** - DADHC recognises that many providers have established quality processes in place and, in some cases, participate in a range of existing quality management programs (eg Disability Employment Quality Strategy, ISO 9001). Rather than 'reinventing the wheel', DADHC would map its quality requirements against these external systems so that assessments under other quality systems could be fully recognised.
- **Recognition of systemic challenges** - Regardless of size and governance arrangements for service provision, there are a range of systemic quality issues that are beyond the control of individual providers. DADHC recognises that there are significant resource constraints on implementing quality improvements and many quality issues require sector-wide responses.
- **Consumer involvement** - Service consumers should be involved in all elements of the DADHC quality system, including assessments of the extent to which quality requirements are met and the development of quality improvement plans.
- **Phased implementation** - The implementation of an integrated quality system could occur in a number of planned phases reflecting the importance of building a genuine commitment to quality improvement that realistically recognises resource constraints

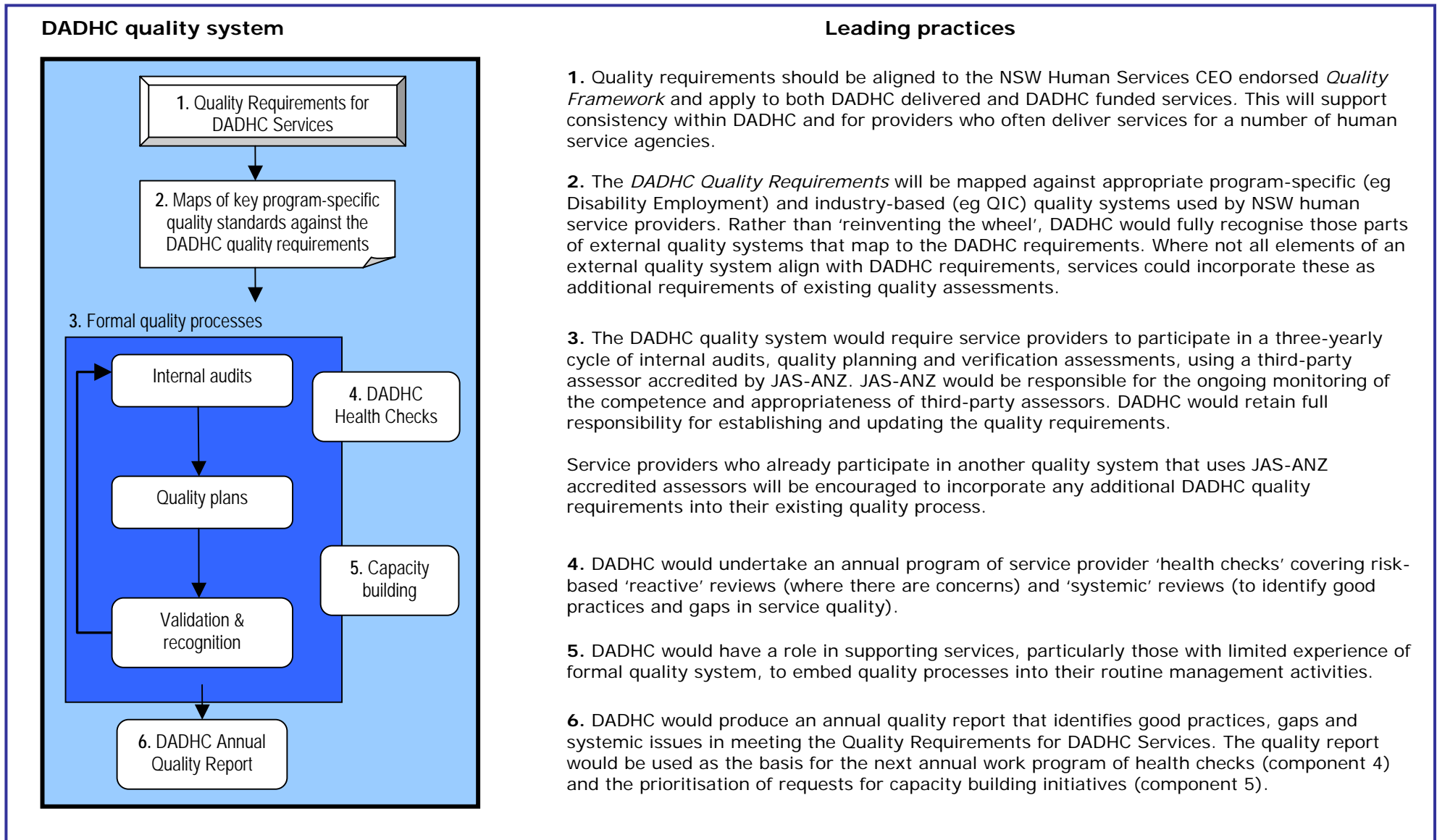
8 How would DADHC's quality requirements be defined

The DADHC quality system would be underpinned by a common set of quality requirements aligned with the core service elements defined in the *NSW Human Services Quality Framework*. In specifying the attributes of service quality across these core service elements, DADHC will build on the work undertaken by DoCS in defining quality requirements for funded services and the NSW Health NGO Quality Improvement Program, to ensure consistency of quality requirements across NSW human services agencies.

For each service element in the NSW Human Services Quality Framework, DADHC will define its quality requirements and sector-wide signposts of service quality. An example format is presented below.

Core service elements	Quality requirements	Sector-wide signposts of service quality
Access & Equity		
Non-discriminatory service access	The service provider adopts and applies non-discriminatory entry rules, consistent with their contractual obligations and purpose of the service	<ul style="list-style-type: none"> • Documented eligibility criteria which do not contain any restrictions other than those defined by the service's target group and contractual obligations • Worker and referral agency awareness of the rules for entry to the service • Forms/interviews only collect information relevant to service delivery • Regular review of the take up rate of CALD and Indigenous clients in comparison to the demographic data of the catchment area
Fair entry & exit procedures	The service provider's entry, exit and re-entry procedures are fair and consistently applied	
Rights & responsibilities	The service provider ensures information is readily available about the services and the rights & responsibilities of service users	
Responding to individual needs		
Client focus		
Need assessment & review		
Referral & Brokerage		

9 Components of a DADHC quality system and leading practices



10 Interface with DADHC's compliance and performance management

