Delivering a High Performing Health System for Queenslanders

Performance Framework

July 2018
Delivering a High Performing Health System for Queenslanders: Performance Framework

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1. Overview

‘Delivering a High Performing Health System for Queenslanders - Performance Framework’ (the Performance Framework) sets out the framework in which the Department of Health (the Department) monitors and assesses the performance of public sector health services in Queensland.

The Performance Framework has been developed in accordance with the governance arrangements set out within the National Health Reform Agreement 2012, the Hospital and Health Boards Act 2011 and the Mater Public Health Services Act 2008.

Since implementation of the Hospital and Health Boards Act 2011 in July 2012 there has been a significant shift within both the relationship between the Department and Hospital and Health Services (HHS) and in their respective roles and responsibilities.

The Hospital and Health Boards Act 2011 has introduced an integrated health system in which HHSs are established as statutory bodies with direct responsibility for the provision of public health services and are accountable for their own performance through a Board to the Minister for Health. The Hunter Review acknowledged that this devolution of health service delivery has ‘increased responsiveness within the health system, created improved financial efficiency and allowed for more localised decision-making which has empowered clinicians to better meet the needs of their patients, healthcare consumers and communities.’

At the same time, the Department has become the manager of the State’s health system with statutory responsibility for a range of functions including system wide direction setting, planning, purchasing, regulatory and other responsibilities.

The significant devolution of responsibility to HHSs and the changing relationship between the Department and HHSs is particularly apparent in the area of performance management where the structural changes created through the Hospital and Health Boards Act 2011 have deliberately created ‘cooperative tension’ between the Department and HHSs. In view of this, the Hunter Review recommended that the Performance Framework be reviewed to refocus attention on how the Department can support HHSs to continue to deliver effective and efficient care whilst retaining a strong focus around the delivery of government and community expectations and ensuring that appropriate and timely action is taken should performance fall below expectations.

At the same time a ‘Charter of Responsibility’ has been developed that reflects the redefined roles and responsibilities of both the Department and HHSs consistent with the Hospital and Health Boards Act 2011. The Charter of Responsibility sets out roles and responsibilities and provides a framework to guide the relationship, culture and behaviours between the Department and HHSs.

The Performance Framework works across a spectrum from sharing learnings from high performing services, monitoring, education and support through to obligatory compliance. This continuum of responses is based in the concept of responsive regulation. Towards one end of the spectrum, the Department undertakes intensive

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monitoring to address serious performance issues. At the other end of the spectrum, the focus on performance improvement emphasises a supportive approach that assists HHSs to maintain and improve performance and share lessons and approaches. It represents a focus on collaboration within an environment that supports and encourages HHSs to become high performing healthcare providers. It also involves a more rounded approach to performance management, which draws on a wide range of information from a variety of sources and uses Key Performance Indicators (KPIs) and other measures of performance as indicators which provide assurance the HHS is delivering, or identify potential performance issues before they become performance failures.

2. Strategic Context

The Performance Framework operates under the legislative framework of the Hospital and Health Boards Act 2011 and the Mater Public Health Services Act 2008 and within a number of important contexts including:

- requirements associated with inter-governmental agreements between the Commonwealth and State Governments, including the National Health Reform Agreement;
- the Queensland Government’s objectives for the community;
- articulation of key and emerging Government and Ministerial priorities;
- the strategic vision for Queensland Health, as articulated within My health, Queensland’s future: Advancing health 2026, the Department of Health and HHS Strategic Plans and statewide planning and investment priorities;
- a framework of broader legislative requirements, including Health Service Directives;
- the Charter of Responsibility which sets the tone for the relationship between the Department and HHSs and articulates their respective roles and responsibilities;
- the Department of Health’s Purchasing approach, which aims to purchase the best value services to achieve maximum health gain for those most in health need;
- development of a funding framework which supports the long-term sustainability of the health system; and
- the Service Agreement which is the binding, contractual framework between the Department and individual HHSs and the Department and Mater Misericordiae Limited (referred to within this Performance Framework as Mater Health Services).

This broader framework is set out in Figure 1.

The Performance Framework forms part of the HHS Operating Framework, alongside the HHS funding model and the HHS Service Agreement. The HHS Operating Framework provides the supporting and overarching framework through which a number of key health reform initiatives will be taken forward, including:

- effectively managing the projected growth in health expenditure driven by increasing demand, new treatment costs, technological changes, the increasing impact of chronic disease, community expectations and the assurance of safe, high quality services;
- improving productivity by delivering more outputs within existing resources;
• improving allocative efficiency through resourcing that targets desired health outcomes; and
• delivering services that are sustainable and responsive to local healthcare needs.

The success of the Department in its role as system manager will be measured by the success of the Performance Framework and the successful delivery of the objectives identified within the Service Agreements. Accordingly, the Department is critically invested in the success of the Performance Framework.

Figure 1  The Service Agreement Framework and Related Components

2.1 Strategic Directions

Performance priorities since the establishment of HHSs in 2012 have largely focused on providing improved access to services and financial efficiency (delivering the required services within the allocated funding). This approach has delivered significant improvements in the timeliness in which patients are able to access services and a largely sound financial position across the state.

Whilst continuing to deliver on these priorities remains key to providing effective and responsive health services for the people of Queensland, a broader approach is required to make continued improvements, maximise outcomes and experience for patients and facilitate the development of new integrated models of care that will
enable the system to respond to the challenges of the 21st century including an ageing population with an increasing burden of chronic disease.

With this in mind, the focus of the Performance Framework has broadened to more formally acknowledge safety and quality as a key driver of improvement across the system. The role that effective leadership, an engaged trained workforce and organisational culture play in service delivery and the ability to respond successfully to service and organisational challenges is also acknowledged.

To continually develop a health system that works effectively across organisational boundaries and is well positioned to create a sustainable health system for the future the Department will seek to identify measures of performance that support delivery of the identified strategic directions, improve outcomes and derive the best value from the health budget through a focus on:

- promoting wellbeing;
- delivering healthcare;
- connecting healthcare; and
- pursuing innovation.

The current strategic directions and priorities for the health system are outlined in Appendix 1. It is acknowledged that the Queensland Government, Premier, Minister for Health and/or the Director-General will articulate key priorities, themes and issues from time to time. Both the Department and HHSs have a responsibility to ensure that the delivery of healthcare services in Queensland is consistent with these strategic directions and priorities.
3. Purpose and Scope

The Performance Framework applies to all HHSs in Queensland and to public health services provided by Mater Health Services.

The differing legislative basis underpinning the relationship between Mater Health Services and the Department will be taken into account with regard to the application of the Performance Framework.

Throughout this document, the term ‘HHS’ is taken to include and apply to the public health services provided by Mater Health Services, unless otherwise specified.

The Performance Framework provides an integrated process for performance review and assessment, within the over-arching objectives of driving sustained improvement, keeping people healthy and improving access to timely, quality, patient focused health care. It forms an integral part of the service agreement framework that underpins the relationship between the Department and HHSs and the Department and Mater Health Services.

The Performance Framework outlines a transparent process for performance monitoring and for response in cases of both superior and poor performance. In responding to the challenges of unsatisfactory performance, the objective is to build capacity and support improvement and sustainability. Equally, the identification of sustained high performance is recognised and also reviewed for leading practice to be shared across the Queensland health system.

Further, the Performance Framework provides HHSs with a clear understanding of the responses to performance concerns, including setting out the process of escalation that may be invoked when performance concerns arise. At all times the Department aims to work with HHSs to restore and maintain effective performance across facilities, services and other functions. The Performance Framework acknowledges that some influences outside the control of each HHS may affect performance, and considers these factors when assigning performance levels and determining the requirement for assistance or performance interventions.

The Performance Framework comprises:

- clearly stated performance requirements comprising:
  - maintenance of accreditation for all facilities, services, programs and centres;
  - KPIs;
  - delivery of the requirements as outlined in Service Agreements;
  - expectations regarding compliance with health service directives; and
  - sound fiscal management.
- the roles and responsibilities of HHSs, Mater Health Services and the Department in the operation of the framework;
- transparent monitoring and reporting processes both internally to Boards and externally to Government and national bodies;
- clear levels of response to address performance issues; and
- governance processes through which the escalation/de-escalation of responses is determined.
4. **Principles of the Framework**

The Framework is guided by seven overarching principles:

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Performance Management Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transparency</strong></td>
<td>The Performance Framework is based around clear predetermined measures of performance which are easy to understand.</td>
</tr>
<tr>
<td><strong>Consistency</strong></td>
<td>The Performance Framework is applied consistently.</td>
</tr>
<tr>
<td><strong>Collaboration</strong></td>
<td>The Department of Health, HHSs and Mater Health Service each have a role to play in identifying potential performance issues early and working collaboratively to address performance issues in a timely manner.</td>
</tr>
<tr>
<td><strong>Responsibility</strong></td>
<td>The Department of Health, HHSs and Mater Health Service each have a role to play in ensuring that performance expectations are met and that services meet the needs of the population. Accountability for performance needs to be understood and agreed at all levels.</td>
</tr>
<tr>
<td><strong>Balanced</strong></td>
<td>A view of performance across a number of key components of performance is considered when determining performance assessments.</td>
</tr>
<tr>
<td><strong>Proportionate</strong></td>
<td>Assistance and intervention is based on the level of risk and a rounded view of performance which takes into account local circumstances and the trajectory of performance.</td>
</tr>
<tr>
<td><strong>Recognition</strong></td>
<td>Superior performance is appropriately recognised and lessons from good practice are shared.</td>
</tr>
</tbody>
</table>

5. **The Performance Framework**

5.1 **The Performance Management Cycle**

The Performance Framework is a dialogue aimed at improving health service and system performance. It is a collaborative partnership but one where under performance is acted upon. This dialogue follows an annual cycle, as shown in Figure 2. Particular components of the Performance Framework are more relevant at different stages in the cycle.
5.2 Performance Requirements

Performance is evaluated against a number of components that together allow a comprehensive and holistic assessment of performance to be made:

- accreditation status;
- Service Agreement delivery;
- health service directive compliance;
- fiscal management; and
- KPI performance

The evaluation for each HHS will also take into account performance against the HHS’s Annual Healthcare Delivery Plan.

5.2.1 Accreditation

HHSs are to maintain accreditation under the Australian Health Service Safety and Quality Accreditation (AHSSQA) Scheme for all facilities, services, programs and centres for which the HHS has responsibility.
5.2.2 Service Agreements

Service Agreements are signed by the Director-General and the Hospital and Health Board Chair and are binding on both the Department and HHSs.

The Service Agreement includes but is not limited to:

- the hospital services, other health services, teaching, research and other services to be provided;
- the funding to be provided to the HHS for the provision of the services;
- the performance measures for the provision of services;
- the performance and other data to be provided by the HHS to the Department; and
- HHS expected contribution towards achieving Queensland and Commonwealth Government priorities, services, outputs and outcomes.

HHSs are to meet the requirements as set out in the Service Agreement within their allocated funding, including but not limited to:

- delivery of activity targets within set tolerances;
- delivery of funded programs and initiatives;
- delivery of any agreed specific funding commitments; and
- provision of data requirements.

5.2.3 Health Service Directives

HHSs are required to comply with all health service directives issued under section 47 of the Hospital and Health Boards Act 2011. The Hospital and Health Boards Act 2011 authorises the Director-General to issue health service directives to HHSs for the purpose of:

- promoting service coordination and integration;
- optimising effective and efficient use of resources;
- setting standards and policies for safe and high-quality service delivery;
- ensuring consistent approaches to service delivery;
- supporting the application of State policies, legislation and agreements entered into by the State.

Each health service directive is released following consultation and the approval of the Director-General.

Each HHS will provide an annual self-assessment of compliance with health service directives, scheduled to align with end-of-year Performance Review Meetings.

5.2.4 Fiscal Management

HHSs are to demonstrate sound fiscal management, including but not limited to compliance with the requirements for Queensland statutory bodies as set out in the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2009.
5.2.5 Performance Domains and Measures of Performance

HHS Performance is assessed across six domains, as set out in Figure 3 and described in Table 2. A range of performance measures are aligned with each domain.

**Figure 3  Performance Domains**

**Table 2  Performance Domains**

<table>
<thead>
<tr>
<th>Domain</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe</td>
<td>The health and welfare of service users is paramount</td>
</tr>
<tr>
<td>Effective</td>
<td>Healthcare delivers the best achievable outcomes through evidence based practice</td>
</tr>
<tr>
<td>Patient-centred</td>
<td>Healthcare is respectful of and responsive to individual patient preferences, needs, and values</td>
</tr>
<tr>
<td>Timely</td>
<td>Healthcare is provided within an appropriate timeframe</td>
</tr>
<tr>
<td>Efficient</td>
<td>Available resources are maximised to deliver sustainable, high quality health care</td>
</tr>
<tr>
<td>Equitable</td>
<td>Consumers have access to healthcare that is responsive to need and addresses health inequalities</td>
</tr>
</tbody>
</table>
In order to provide context to the performance domains, there will also be a focus on people and culture in recognition of the key role that workforce and organisational culture play in driving performance across the domains. In part this will be achieved through the implementation of a Health System Development Framework, that will help to inform the capacity to provide effective governance and oversight within each HHS.

5.3 Measures of Performance

The Performance Framework identifies 4 categories of performance measures:

1. Safety and Quality Markers;
2. Key Performance Indicators;
3. Outcome Indicators; and
4. Supporting Indicators.

5.3.1 Safety and Quality Markers

Safety and Quality Markers are measures which aim to identify variation between healthcare facilities and within a healthcare facility over time. This enables shared learning to be derived from the examination of reasons for variation over time and with like for like facilities, and potential actions for improvement to be identified.

Safety and Quality Markers are listed in schedule 3 of the Service Agreement.

5.3.2 Key Performance Indicators

Key Performance Indicators (KPIs) provide specific measures of health service and system performance and are widely used by health systems as the basis for performance monitoring and assessment. The Performance Framework uses KPIs to monitor the extent to which the high-level objectives set out in the Service Agreement are being delivered. Performance targets and performance thresholds are determined for each KPI. Performance against the KPIs is reported in the monthly performance reports produced by the Department.

For each KPI, performance is assessed to identify whether the HHS is meeting the target for the KPI and a rating is allocated using the performance thresholds set out in Figure 4.

**Figure 4 KPI Performance Thresholds**

- **Performing**
  - Performance is currently on target

- **Performance Flag**
  - Performance is unfavourable to target but is within the agreed tolerance range

- **Not performing**
  - Performance is unfavourable to target and is outside the agreed tolerance range
KPIs are focused on the delivery of key strategic objectives and statewide targets with a focus on efficiency and productivity, and on providing timely access to services. As such KPIs are aligned with the Timely and Efficient domains.

Performance against the KPIs is taken into account when assessing HHS performance.

In order to support delivery of the Closing the Gap agenda, wherever possible performance data for KPIs will be collated for the population as a whole, for Aboriginal and Torres Strait Islander peoples and for those that do not identify as being of Aboriginal or Torres Strait Islander descent.

KPIs focus on both performance improvement and minimisation of strategic risk. As such they operate as intervention triggers. In the event of underperformance in a KPI, analysis of the cause of the deviation, the scale and the time period involved is undertaken and consideration of the need for assistance or intervention is triggered. This provides an early warning system to enable appropriate intervention when a performance issue arises within critical performance areas.

In the event of underperformance, the level of performance concern in each case is determined by 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.

KPIs are listed in schedule 3 of the Service Agreement.

### 5.3.3 Outcome Indicators

Outcome indicators provide insight into the impact and effectiveness of healthcare services, and are designed to encourage a focus on the value of health services being provided, not just their volume. The outcome indicators which are utilised in the context of the Performance Framework fall broadly into the following categories:

- Health outcome measures, which measure a change in the health of an individual, group of people or population, which is wholly or partly attributable to a healthcare intervention or series of interventions; and
- Process measures, which measure conformance with care processes that lead (positively or negatively) to a particular health outcome.

Outcome indicators are listed in schedule 3 of the Service Agreement.

### 5.3.4 Supporting Indicators

Additionally, the Department of Health will continue to report a broad range of other indicators for a number of reasons including:

- Improved understanding of performance - supporting indicators provide context 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’.
- Benchmarking – supporting indicators also assist the HHS to continuously improve through the provision of contextual information against which to assess performance.
• Compliance – supporting indicators provide a mechanism for monitoring and ensuring compliance with any mandatory requirements. This includes legislative and regulatory requirements; Service Agreement requirements; reporting obligations to the Queensland and Commonwealth Governments; participation in nationally agreed data collections and delivery of requirements set out in health service directives.

• Ongoing development – supporting indicators provide intelligence on potential future areas of focus by starting to build understanding in relation to areas of future strategic importance which may not have been subject to the collection of high quality and timely information.

Supporting indicators will be reported through similar processes to Safety and Quality Markers, KPIs and Outcome Indicators, when data is made available.

HHSSs are encouraged to nominate local priorities, including those that will be delivered through collaboration with key partners such as Primary Health Networks, as supporting indicators.

Figure 5 Performance Measures Structure
5.4 Performance Reporting

Performance is reported at a number of levels. Hospital performance is published nationally by the Australian Institute of Health and Welfare (AIHW) through the MyHospitals website.

In Queensland, information on the performance of each hospital is made available to the public through the Department’s Hospital Performance website.

Information on performance is also available through public documents such as budget papers and annual reports.

Performance against State and Commonwealth government priorities is monitored by the relevant program area in the Department.

The Department also prepares performance reports to support the Performance Framework. These reports are updated on an ongoing basis and are available through the System Performance Reporting platform (SPR). A whole of system performance report is provided to the Departmental Leadership Team on a monthly basis and to the Director-General weekly. These reports will also be used to meet reporting requirements to Queensland Government Central Agencies. The Department will also present performance information to the Hospital and Health Board Chairs and to the HHS Chief Executives Forum on a quarterly basis.

The Minister for Health or Director-General may also specify additional requirements for reporting on HHS performance. HHSs will be notified of any additional requirements.

A summary of the performance reporting process is provided at Figure 6.
5.5 Operation of the Performance Framework

5.5.1 Overview

The Performance Framework is not designed to measure all aspects of performance. Rather, it sets out how a cross section of performance across key priority areas is measured in order to form a holistic assessment of performance. The performance discussions between the Department and HHSs focus on delivery against the key components identified in section 5.2 of the Performance Framework and draw on a wide range of information to form a comprehensive picture of HHS performance. While the department is committed to working with HHSs 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 monitoring and review of performance with each HHS;
- determining the performance level for each HHS;
- identifying performance issues and determining the appropriate response;
- determining when a performance improvement plan is required;
- determining when the performance response needs to be escalated or can be de-escalated;
- determining when a performance response is no longer needed; and
- acknowledging sustained high performance and attempting to disseminate learnings from success

5.5.2 Performance Review Process

The core elements of the performance review process are:

- production of a monthly performance report by the Department detailing performance against the performance measures for each HHS and the system as a whole;
- pro-active conversations between the Department and HHSs on an ongoing basis;
- Performance Review Meetings between each HHS and the Department where performance will be formally reviewed. Performance Review Meetings will take place four times a year, including a mid-year and end-of-year review, but more frequent meetings may be scheduled if performance concerns require this;
- analysis and confirmation of a performance issue when identified, including determination of the appropriate action to be taken to address the issue;
- a regular performance summary, including identified key issues, for all HHSs provided to the Director-General and Minister for Health through the Department Leadership Team (DLT); and
- regular presentations to Hospital and Health Board Chairs and HHS Chief Executives.

5.5.3 Performance Assessment Criteria

Performance assessments are made principally through consideration of overall HHS performance, taking into account performance reports prepared by the Department along with information provided by the HHS. In addition to performance against the HHS’s Annual Healthcare Delivery Plan, the components that are considered in the assessment of performance are outlined in Table 3.
Table 3  Performance Assessment Components

<table>
<thead>
<tr>
<th>Performance Requirement</th>
<th>Decision Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accreditation Status</td>
<td>Accreditation not in place for all facilities, services, programs or centres or Not all accreditation requirements met</td>
</tr>
<tr>
<td>Service Agreement Delivery</td>
<td>Failure to comply with service agreement requirements, including but not limited to: delivery of activity targets delivery of funded programs and initiatives delivery of specific funding commitments provision of data requirements</td>
</tr>
<tr>
<td>Health Service Directive Compliance</td>
<td>Significant issue/s with Health Service Directive compliance</td>
</tr>
<tr>
<td>Fiscal Management</td>
<td>Issues in relation to fiscal management</td>
</tr>
<tr>
<td>KPIs</td>
<td>Performance is outside the tolerance threshold</td>
</tr>
</tbody>
</table>

Where a performance concern is identified, the level of concern is determined on a case by case basis through consideration of the particular component/s of performance that has raised the concern, the seriousness and duration of the issues, the speed with which the situation could deteriorate further and the time it would take to achieve turnaround. Whether or not the HHS is on a trajectory to meet the target within a reasonable and agreed time frame also influences the level of performance concern.

The assessment of KPI performance includes a review of performance against all applicable KPIs. Whilst a numerical scoring system is not utilised for the review of KPI performance, the number, duration and significance of any issues in relation to KPIs both in respect to the KPI targets and any trajectories contained within performance improvement plans is taken into account when determining the most appropriate performance level.

5.5.4 Determining Performance Levels

An ongoing assessment of HHS performance takes place on a regular basis, usually aligned with each Performance Review Meeting. The performance assessment is undertaken by:

- Deputy Director-General, Healthcare Purchasing and System Performance Division
- Deputy Director-General, Clinical Excellence Division
- Chief Finance Officer, Department of Health
- Executive Director, Contracting and Performance Management Branch
- DH-SA Contact Person

This assessment determines if a change to the HHS’s performance level is warranted and is guided and informed by the following key components of performance:

- accreditation status for the facilities, services, programs and centres for which the HHS has responsibility;
- delivery of service agreement requirements;
- compliance with health service directives;
• fiscal management; and
• KPI performance.

There are four performance levels ranging from 1 to 4, with Level 1 reflecting the highest performance.

Performance levels are determined by the Department, although ongoing discussions with HHSSs inform the decision regarding which level will be applied.

Whilst performance levels are usually reviewed following Performance Review Meetings when data for the applicable period is available, a review may occur outside of this schedule if the Department or HHS determines that this is warranted.

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 issues are resolved.

5.5.5 Performance Response

Each HHS’s performance is assessed in terms of whether it is meeting the key performance components set out in Table 3, including targets for individual KPIs and, where applicable, is on track against agreed trajectories and any improvement plans agreed between the parties.

Where a performance concern is identified:

• For HHSs with no existing performance concerns the Department:
  1. discusses the issue with the Chief Executive of the HHS;
  2. if appropriate to the issue, formally requests the HHS to respond; and
  3. based on the response from the HHS, determines whether there is a need to initiate a meeting with the HHS to consider the proposed performance improvement plan and then continue to meet with the HHS to monitor the implementation of the improvement plan. Performance improvement plans are written plans prepared by the HHS, signed off by the Hospital and Health Board and submitted to the Department for agreement. The Department has the discretion to initiate a higher-level response, based on an assessment of progress against the improvement plan and/or the significance of the issue.

• For HHSs with an existing performance concern, an assessment is made regarding whether sufficient progress has been made or whether a higher level of response is required.

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 HHS’s overall performance, including:

• accreditation outcomes where core action items are assessed as not met or significant risk of patient harm is identified;
• relative and risk adjusted performance against any identified safety and quality markers;
- progress against agreed turnaround and/or performance improvement plans\(^2\);
- persistent and emerging financial risk;
- performance against outcome indicators and supporting indicators;
- whether there is a systemic issue for a particular aspect of performance, e.g. the HHS may not have breached a critical performance threshold for any one indicator but has not met the target for multiple KPIs;
- the level of support required from the Department to sustain operations or manage risks;
- demonstrated performance deficits in other critical areas including:
  - significant unexplained variation in patient outcomes
  - indications of pervasive failure in leadership or culture
  - unacceptable outcomes in the quality of patient care, occupational health and safety or human resources
- whether there is a systemic performance issue for a facility and/or clinical service; and
- whether there is an emerging systemic performance issue for the HHS as a whole.

Confidence in, and evidence of, the HHS’s ability to achieve a turnaround in performance also impacts on the determination of the most appropriate response to the performance concern.

A range of responses to a performance concern may be implemented as outlined in Table 4.

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\(^2\) A turnaround plan is generally a financial and operational strategy to align expenditure to budget within an agreed timeframe. A performance improvement plan is generally an agreed strategy and timeline to address a specific non-financial performance concern.
## Table 4  Performance Responses

<table>
<thead>
<tr>
<th>Level</th>
<th>Performance Responses</th>
</tr>
</thead>
</table>
| Level 1 | Standard monitoring with Performance Reviews four times each year  
Recognition of achievement and sharing of good practice |
| Level 2 | Standard monitoring with Performance Reviews four times each year |
| Level 3 | The Department formally notifies the HHS Chief Executive of the performance level. HHS Chief Executive to provide a formal response on the reasons that led to the performance issue.  
The HHS is required to:  
• undertake a detailed in-depth assessment of the performance issue and to identify options to address the problem  
• provide a detailed performance improvement plan and a timetable for resolution which has been signed off by the Board; and  
• meet with the Department to formally monitor the performance improvement plan.  
A range of additional interventions may then be employed. The timing and scope of any action will be determined by the nature of the performance issue and the HHS's ability to respond.  
Whilst responsibility for performance lies with individual HHSs, the Department, as system manager, will provide ongoing support and assistance in relation to the identification and monitoring of performance issues and in corrective action taken as a result of any identified issues. As part of this the Department may assign staff to work collaboratively with the HHS to develop and implement the performance improvement plan. |
| Level 4 | The Department formally notifies the Hospital and Health Board Chair of the performance level.  
The HHS is required to:  
• undertake a detailed in-depth assessment of the performance issue and to identify options to address the problem  
• provide a detailed performance improvement plan and a timetable for resolution which has been signed off by the Board; and  
• meet with the Department to formally monitor the performance improvement plan, with frequency and departmental representation to be confirmed by the Department.  
Whilst responsibility for performance lies with individual HHSs, the Department, as system manager, will provide ongoing support and assistance in relation to the identification and monitoring of performance issues and in corrective action taken as a result of any identified issues.  
A range of interventions may then be employed. The timing and scope of any action will be determined by the nature of the performance issue and the HHS’s ability to respond.  
Interventions may include the following:  
The Department may:  
• assign staff to work collaboratively with the HHS to develop and implement the performance improvement plan; and/or  
• assign staff to have a more direct involvement in the operation of the HHS  
The Director-General may commission an independent review of HHS governance and management capability  
The Minister for Health may determine to change the membership of the Board and/or appoint an Advisor |

**Note:** nothing in this document is to be taken as affecting or limiting the discretion to exercise the powers provided for under sections 9, 27, 28 and 44 of the *Hospital and Health Boards Act 2011*. 

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5.5.6 Movement between Performance Levels

Following completion of the performance assessment, the Department determines if a change in the HHS’s assigned performance level is warranted.

A range of considerations are taken into account when assessing whether escalation or de-escalation to a different performance level is warranted. A performance concern does not always trigger an escalation.

The Department will advise the HHS Chief Executive of the proposed performance level. Chief Executives should inform their Boards of this advice. Where assignment of Level 4 is proposed, the Department will advise the Hospital and Health Board Chair directly as well as the HHS Chief Executive.

The Healthcare Purchasing and Performance Executive Committee (HPPEC) is also advised on the performance level to be assigned to each HHS.

When it is proposed to change a performance level the reasons for the change will be clearly explained in writing. In the case of an escalation, a clear summary of actions required to improve performance will also be provided.

The decision to escalate or de-escalate and the nature of the performance response will be guided by the components and decision points outlined in Table 3.

Escalation and de-escalation may not be sequential. The level of escalation and response is based on the seriousness and duration 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.

5.5.7 Superior Performance

A consistently high performing health system is a key goal for the Department. The Performance Framework aims to contribute to an overarching objective of continuous and sustainable performance improvement. As such the Performance Framework supports the identification of examples of consistently high performance through the application of performance Level 1 and will facilitate recognition of achievements and support the sharing of good practice and innovation.

Consistency of performance across the performance domains, along with strong delivery of the other identified performance components and evidence of a commitment to sharing best practice with other HHSs, will need to be demonstrated for a HHS to be considered for identification as a superior performer.

5.6 Governance Arrangements

This section outlines the arrangements that govern the activities, roles and responsibilities of the Department and HHSs to operationalise the Performance Framework. Central to the operation of the Performance Framework is a continuous discussion based on collaboration and open sharing of information.

Further detail in relation to the respective roles and responsibilities of the Department and HHSs is set out in the Charter of Responsibility.
A diagrammatic representation of the governance arrangements for HHS performance management is shown in Figure 7.

**Figure 7  Governance Arrangements to Support Performance Management**

- **Minister for Health**
  - Review the reports from the Healthcare Purchasing and System Performance Division
  - Discuss the performance of individual HHS and the delivery of public health services from a statewide perspective with the Department’s Senior Executives and central agencies.

- **Hospital and Health Boards**

- **Director General Department of Health**
  - Review Performance Framework requirements and oversees its’ application
  - Assess performance related risks and determines remedial strategies
  - Oversees development of performance reporting systems
  - Ensure collaborative approach to performance management across the Department

- **Healthcare Purchasing and Performance Executive Committee**
  - Review the reports from the Healthcare Purchasing and System Performance Division

- **HHS Funding Committee**

- **System Leadership Team/Departmental Leadership Team**

- **Performance Review Meetings**
  - Executives from the Department of Health and HHS meet regularly to discuss performance against targets and any actions or interventions required.

- **System Leadership Team/Departmental Leadership Team**

- **Service Agreements**
  - As set out in the Hospital and Health Boards Act 2011, the Service Agreement governs the relationship between the HHS and the Department of Health.

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### 5.6.1 Roles and Responsibilities

**The Department of Health**

All Deputy Directors-General and their Divisions are to work closely to ensure a coordinated and constructive approach is taken by the Department under the Performance Framework. Healthcare Purchasing and System Performance Division (HPSP) is responsible for the overall co-ordination of the Department’s activities under the Performance Framework.

The Department will establish and maintain a culture of performance improvement by:

- promoting the Performance Framework across the Department;
- identifying shortfalls in relation to performance and devising and implementing appropriate support and development arrangements to facilitate long-term and sustainable delivery;
- providing relevant staff with training and mentoring in performance management and improvement and the tools to enable them to have an effective performance improvement role;
- ensuring that key staff understand their responsibilities and the consequences of not effectively executing these responsibilities; and
- working collaboratively with HHSs to resolve performance issues.
Hospital and Health Services

Each HHS is to engage constructively in the Performance Framework and give consideration to their own requirements to enable them to discharge their obligations under the Service Agreement and Performance Framework. Specifically, each HHS is to:

1. Report promptly to the Department any emerging or potential performance issue and/or performance risks including immediate actions taken and/or an early assessment of action that may be required to prevent the issue from deteriorating.

2. Establish and maintain a culture of performance improvement within the HHS by:
   - promoting the Performance Framework at all levels within the HHS;
   - identifying shortfalls in relation to performance and devising and implementing appropriate support and development arrangements to facilitate long-term and sustainable delivery;
   - providing relevant staff with training and mentoring in performance management and improvement and the tools to enable them to have an effective performance improvement role;
   - ensuring that key staff understand their performance responsibilities and the consequences of not effectively executing these responsibilities; and
   - working collaboratively with the Department to resolve performance issues and adhere to all responses to performance concerns as determined by the Department.

Hospital and Health Boards

Each Hospital and Health Board is required to ensure effective clinical and corporate governance frameworks are established for the HHS under section 19 of the Hospital and Health Boards Act 2011, and to provide strategic oversight of and monitor the HHS’s financial and operational performance in accordance with the Performance Framework. The Department recommends that this includes:

1. Effective implementation of a Performance Framework for the HHS; and
2. Appropriate reporting and advice to the Board on:
   - the Health Service’s performance against the Service Agreement;
   - the performance status of the HHS under the Performance Framework; and
   - the response to, and progress of turnaround/performance improvement plans

5.6.2 Co-ordination and Communication

Effective performance management requires clear and consistent messages which clarify requirements and expectations for organisations and the individuals working within them.

In particular, it is important that HHSs have clarity regarding the assessment of performance and that any requirements placed upon them are not subject to inconsistent or contradictory communication from the Department.
Healthcare Purchasing and System Performance Division (HPSP) works with other Divisions and Branches within the Department to ensure clarity, efficiency and effectiveness of performance management processes.

All performance issues that require a response are channeled through a single and integrated process within the Department, co-ordinated by the Deputy Director-General, HPSP. Other Divisions within the Department continue to have dialogue with individual HHSs on a range of policy and program matters including discussions on potentially emerging performance issues.

The co-ordination by HPSP includes:

- liaison with other Divisions and Branches to prepare consolidated performance reports for HHSs, the Director-General and Deputy Directors-General;
- maintaining records of performance assessment outcomes, turnaround and performance improvement plans;
- issuing formal action plans agreed during Performance Review Meetings;
- liaison with HHSs, and other Divisions in the Department where they have an active role in any improvement plan, to ensure that there is a coordinated approach to working with a HHS during the recovery period;
- identification of initiatives which need to be undertaken by the Department, or other entities, that will contribute to addressing performance turnaround; and
- knowledge management and sharing of performance lessons.

5.6.3 Monitoring and Reporting

Standard performance reporting requires periodic submission of information from HHSs to the Department, as identified in Schedule 4 of the Service Agreement.

Data required for the performance measures are accessed from a range of standard data collections, whereas information in relation to accreditation status, health service directive compliance, service agreement delivery and fiscal management is provided from a range of quantitative and qualitative sources.

The Director-General may require HHSs to provide additional data or information in relation to new or emerging priorities, to facilitate reporting to Government or in response to performance concerns.

5.6.4 Conduct of Performance Review Meetings

Performance Review Meetings are usually undertaken four times per year and include a mid and end of year review. Additional meetings can be facilitated at the request of the HHS, or by the Department where a performance issue has been identified and/or escalated.

In addition to analysing current performance, the meeting:

- reviews previously agreed action items;
- discusses local HHS priorities and initiatives;
- flags any potential or emerging performance issues; and
- identifies potential or emerging risks or trends that may affect future performance.
The process is underpinned by:

- agendas that identify performance status, note actions due and performance concerns for discussion;
- interactive, two-way discussion that enables the HHS to raise additional items of potential concern; and
- clear recording of actions and requirements of the HHS and the Department.

The Performance Review Meeting aims to assist the HHS to proactively manage issues, with appropriate support from the Department, to maintain high levels of performance and avoid the need for escalation of performance responses.

Further information on the conduct of Performance Review Meetings is provided at Appendix 2.
Appendix 1: Strategic Directions and Priorities

My Health, Queensland’s Future: Advancing Health 2026

Table 1.1 Strategic Directions for the Health System in Queensland

Vision >> By 2026 Queenslanders will be among the healthiest people in the world

<table>
<thead>
<tr>
<th>Principles</th>
<th>Sustainability</th>
<th>Compassion</th>
<th>Inclusion</th>
<th>Excellence</th>
<th>Empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Promoting wellbeing</td>
<td>Improving the health of Queenslanders, through concerted action to promote healthy behaviours, prevent illness and injury and address the social determinants of health</td>
<td>The core business of the health system, improving access to quality and safe healthcare in its different forms and settings</td>
<td>Making the health system work better for consumers, their families and communities by tackling the funding, policy and delivery barriers</td>
<td>Developing and capitalising on evidence and models that work, promoting research and translating it into better practice and care</td>
<td>“Health is everyone’s business.” - Barry Ph</td>
</tr>
<tr>
<td>2 Delivering healthcare</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health as everyone’s business</td>
<td>Healthy communities</td>
<td>Healthy choices</td>
<td>Consumer voice</td>
<td>Empowering our workforce</td>
<td>Simplifying and connecting</td>
</tr>
<tr>
<td>Headline measures of success</td>
<td>By 2026 we will:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Reduce childhood obesity by 30%</td>
<td>2 Reduce rate of suicide deaths in Queensland by 50%</td>
<td>3 Increase life expectancy for Indigenous males by 2.8 years and females by 5.3 years</td>
<td>4 Increase levels of physical activity for health benefit by 20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Connecting healthcare</td>
<td>Making the health system work better for consumers, their families and communities by tackling the funding, policy and delivery barriers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Pursuing Innovation</td>
<td>Developing and capitalising on evidence and models that work, promoting research and translating it into better practice and care</td>
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</tbody>
</table>

Delivering a High Performing Health System for Queenslanders
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The Queensland Government’s Priorities - Our Future State: Advancing Queensland’s Priorities

Keep Queenslanders healthy
- Increase the proportion of adults and children with a healthy body weight by 10% by 2026
- Reduce the suicide rate by 50% by 2026

Minister for Health and Ambulance Services’ Priorities
1. Reducing low-value interventions;
2. Effective procurement arrangements;
3. Scaling innovation, reducing variation in costs and clinical outcomes;
4. Expanded scope of practice for the nurse and health practitioner workforce;
5. Using capital investment to achieve productivity improvements;
6. Hospital avoidance and hospital substitution models;
7. Alternative models of care for frail older patients;
8. Regional, rural and remote telehealth services;
9. Managing project costs through better business case development for capital projects;
10. Reducing obesity-related health costs; and
11. Immunisation.

Director-General’s Priorities
- patients come first;
- clarity regarding the respective roles and responsibilities of the organisations that make up Queensland Health;
- performance;
- workforce capability; and
- a culture of respect.
Appendix 2: Conduct of Performance Review Meetings

Purpose

The Performance Review Meeting aims to assist the HHS to proactively manage issues, with appropriate support from the Department, to acknowledge and maintain high levels of performance and minimise the need for escalation of performance responses.

Objectives and Conduct

Performance Review Meetings will:
• review and analyse current performance;
• provide a formal opportunity to acknowledge high performance and performance improvement;
• identify and agree specific initiatives to provide support to the HHS, where indicated;
• discuss and identify the need for specific performance interventions;
• monitor progress in relation to agreed performance interventions including performance improvement and/or turnaround plans, and specific trajectories;
• facilitate discussion regarding local HHS priorities and initiatives; and
• provide an opportunity for strategic discussion between the Department and HHS.

Performance Review Meetings will also:
• review previously agreed action items;
• flag any potential or emerging performance issues; and
• identify risks affecting future performance.

A standard meeting agenda and format will be used to ensure a comprehensive and consistent application of the Performance Framework.

The process is underpinned by:
• agendas that identify performance status, note actions due and performance concerns for discussion;
• interactive, two-way discussion that enables the HHS to raise additional items of potential concern; and
• clear recording of actions and requirements of the HHS and the Department.

Routine issues will be dealt with prior to formally scheduled meetings where possible, in order to improve efficiency and responsiveness and to allow time to be reserved for more focused discussion.

Attendees

The required representation from the Department and HHS will depend on the level of performance concern and the scope of performance issues.
Core attendance will be kept to a minimum to facilitate smooth and efficient conduct of business with a core group ensuring coverage of each aspect of performance.

Additional attendees may be included where attention to specific areas of performance necessitates the involvement of staff with specialist expertise and knowledge.

Performance Review Meetings have the following core attendees:

**Department of Health**
- Deputy Director-General, Healthcare Purchasing and System Performance (HPSP) Division
- Deputy Director-General, Clinical Excellence Division, or nominated representative
- Executive Director, Contracting and Performance Management Branch
- Chief Finance Officer, Corporate Services Division
- DH-SA contact person

Where indicated, the attendance of the Director-General will also require consideration.

**HHS**
- Chief Executive
- Chief Finance Officer
- Chief Operating Officer
- HHS-SA contact person

Other members of the HHS senior executive may attend at the discretion of the Chief Executive. Where indicated, the attendance of the Hospital and Health Board Chair and/or other Board members will also require consideration.

**Secretariat**
The meeting secretariat will be provided by HPSP Division.
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>DH-SA Contact Person</td>
<td>Department of Health-Service Agreement Contact Person</td>
</tr>
<tr>
<td>DLT</td>
<td>Department Leadership Team</td>
</tr>
<tr>
<td>HHS</td>
<td>Hospital and Health Service</td>
</tr>
<tr>
<td>HHS-SA Contact Person</td>
<td>Hospital and Health Service-Service Agreement Contact Person</td>
</tr>
<tr>
<td>HPPEC</td>
<td>Healthcare Purchasing and Performance Executive Committee</td>
</tr>
<tr>
<td>HPSP</td>
<td>Healthcare Purchasing and System Performance Division</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
</tr>
</tbody>
</table>
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National Health Reform Agreement 2012

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