A health care system to meet our needs

Health Reform:

Improving Patient Care

Performance Framework

2013 – 2014

NSW Government Health
NSW Health

Performance Framework

The NSW Health Performance Framework, encompassing Service Agreements, Service Compacts, Performance Review meetings and associated processes, is now well accepted across the NSW Health system.

The Framework applied initially to the following Health Services: the 15 NSW geographical Local Health Districts (LHDs); the Ambulance Service NSW; Sydney Children’s Hospitals Network; the St Vincent’s Health Network and; the Justice Health and Forensic Mental Health Network. In 2013/14, it will also apply to NSW Health Support Organisations: Agency for Clinical Innovation (ACI); the Bureau of Health Information (BHI); the Cancer Institute (CI); the Clinical Excellence Commission (CEC); the Health Education and Training Institute (HETI); HealthShare NSW; NSW Kids & Families (NSWKF) and; NSW Health Pathology. The Framework also provides a context for the Service Agreements between Local Health Districts and Affiliated Health Organisations (AHOs), while recognising the different legal status and governance of AHOs.

This 2013/14 revision retains the previous format and content, continuing to provide a clear and transparent outline of how the performance of Health Services and Support Organisations is assessed and how responses to performance concerns are structured. The role of the Boards of Local Health Districts, Health Services and Support Organisations in performance management has been recognised and is reinforced within the Framework.

Application of the Framework is relevant to clinical networks, units and health service teams within each service or organisation.

The active engagement of Local Health Districts, Health Services and Support Organisations with the Performance Framework has been a highlight of NSW Health’s performance arrangements. It continues to be a powerful demonstration of NSW Health’s CORE values - Collaboration, Openness, Respect and Empowerment.

I look forward to continuing to engage with you in keeping the people of New South Wales healthy and improving access to timely, quality, patient-focused health care.

Ken Whelan
A/Director General
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1. Overview

The Framework applied initially to the following Health Services: the 15 NSW geographical Local Health Districts (LHDs); the Ambulance Service NSW; Sydney Children’s Hospitals Network; the St Vincent’s Health Network and; the Justice Health and Forensic Mental Health Network. In 2013/14, it will also apply to NSW Health Support Organisations: Agency for Clinical Innovation (ACI); the Bureau of Health Information (BHI); the Cancer Institute (CI); the Clinical Excellence Commission (CEC); the Health Education and Training Institute (HETI); HealthShare NSW; NSW Kids & Families (NSWKF) and; NSW Health Pathology.

Application of the Framework to St Vincent’s Health Network is adapted to reflect the different legal status of that Network as recognised services of affiliated health organisations under the Health Services Act 1997. The Framework also provides a context for the Service Agreements between Local Health Districts and Affiliated Health Organisations (AHOs), while recognising the different legal status and governance of AHOs.

This document sets out the framework within which the Ministry of Health monitors and assesses the performance of public sector health services in New South Wales.

It includes the performance expected of Health Services and Support Organisations to achieve the levels of health improvement, service delivery and financial performance as set out in their Service Agreements or Service Compacts. The Framework, and the associated Key Performance Indicators (KPIs) listed in each organisation’s Service Agreement or Compact, apply at both whole of Health Service or Support Organisation level and at facility/service levels, promoting and supporting a high performance culture.

The Framework also sets out the performance improvement approaches, responses to performance concerns and management processes that support the achievement of these outcomes in accordance with Government policy.

In 2013/14, the Framework operates within a number of important contexts:

- Integration of governance and strategic frameworks, business planning, budget setting and performance assessment is undertaken within the context of NSW 2021: A Plan to Make NSW Number One.

- The National Health Reform Agreement requires NSW to establish Service Agreements with each Health Service and implement a Performance Management and Accountability System, including processes for remediation of poor performance. Also, the National Health Performance Authority will be reporting to Ministers and the public on the performance of Health Services. These requirements are being met through the Service Agreements and this Performance Framework.

- Service Agreements, Service Compacts and Performance Reviews are central elements of the Performance Framework in practice.
The Performance Framework operates alongside NSW Health Funding Reform, Purchasing and Commissioning Frameworks and Activity Based Funding Guidelines, which are of particular importance in 2013/14.

1.1. Purpose and Scope of the Framework

The Performance Framework provides an integrated process for performance review and assessment, with the over-arching objectives of keeping people healthy and improving access to timely, quality, patient focused health care across NSW Health Services. It forms an integral part of the business planning cycle that establishes the annual Service Agreements and Service Compacts between the NSW Ministry of Health and each Health Service and Support Organisation respectively.

It outlines a transparent monitoring process and response in cases of sustained poor performance. In responding to such challenges, the objective is to build capacity and sustainability. Equally, the identification of sustained high performance is recognized and also reviewed for lessons to be shared across NSW Health.

Further, the Framework provides Health Services and Support Organisations with a clear understanding of the responses to unsatisfactory performance, setting out KPIs and where performance concerns arise, the process of escalation, working with Health Services and Support Organisations to restore and maintain effective performance across facilities, services and other functions. The Performance Framework acknowledges that some influences outside the control of each Health Service or Support Organisation may affect performance, and considers such factors in assigning performance levels.

The NSW Health Performance Framework comprises:

- Service Agreements with Health Services, and Service Compacts with Support Organisations.
- Clearly stated performance requirements including Strategic Priorities and Governance Requirements as outlined in Service Agreements and Service Compacts.
- The roles and responsibilities of Health Services, the NSW Ministry of Health, the Clinical Excellence Commission (in relation to safety and quality) and the Agency for Clinical Innovation (in relation to models of care and innovation) in the operation of the framework.
- KPIs and their performance thresholds that, if not met, may raise a performance concern.
- Transparent monitoring and reporting processes both internally to Boards and externally to Government.
- Clear levels of response to address performance issues.
- Robust governance processes through which escalation/de-escalation of responses is determined.
1.2. Attributes of the Framework

- **Transparency** – clear agreed performance targets and responses to performance issues.

- **Accountability** – clear roles and responsibilities of the Ministry, Health Services and Support Organisations.

- **Responsiveness** – performance issues are identified early and responses are timely.

- **Predictability** – Health Services and Support Organisations know what constitutes good performance and when a performance concern arises, the response that is required.

- **Recovery** – the focus is on having a clear and practical path of recovery.

- **Integrated** – the Framework incorporates NSW 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.

- **Recognition** – sustained and/or superior performance is appropriately recognised.

- **Informed Purchasing** – the Framework provides the basis for clear communication and dialogue on policy and resources to support State and local planning and decision making.
2. Performance Requirements

The operation of the Performance Framework and Service Agreements in the remainder of this document describes their application to NSW Health Services. When applied to NSW Health Support Organisations, and Service Compacts, the Framework’s principles and processes are adapted in accordance with each organisation’s individual mode of operation.

Health Services are to meet the performance requirements as set out in the Service Agreements, within the allocated budget, and specifically:

- Successfully implement agreed plans that address the Strategic Priorities and Governance requirements;
- Meet activity targets within the set tolerance bands; and
- Achieve Key Performance Indicator targets. The KPIs and their contextual Service Measures are grouped under the headings:
  - Safety and Quality
  - Service Access and Patient Flow
  - Finance and Activity
  - Population Health.
  - People and Culture

2.1. Strategic Priorities

Application of the Framework incorporates the strategic priorities for the NSW public sector health system. These priorities flow from NSW 2021: A Plan to Make NSW Number One, Commonwealth/State agreements, policies and emerging issues, including implementation of NSW Health Funding Reform. Priorities for 2013/14 reflect the strategic themes informing the development of the NSW State Health Plan 2023, focusing on providing patients with the right care in the right place at the right time in a rapidly changing environment.

The Strategic Priorities for each Health Service include both system-wide priorities and the Health Service’s additional local priorities detailed in their Strategic Plans.

Each Health Service reports progress on their Strategic Priorities six-monthly. Where substantial delays or other issues arise, the Health Service prepares a plan to address these issues. Progress against that plan then forms part of the Performance Framework.
2.2. Key Performance Indicators

Key Performance Indicators (KPIs) have been established for which performance targets and performance thresholds have been determined. Performance against these indicators is reported in the monthly Health System Performance Report prepared by the NSW Ministry of Health.

The performance of a Health Service is assessed in terms of whether it is meeting the performance targets for individual KPIs.

Each KPI has been designated into one of two categories:

**Tier One:** Generates a performance concern when the Health Service performance is outside the tolerance threshold for the applicable reporting period.

**Tier Two:** Generates a performance concern when the Health Service performance is outside the tolerance threshold for more than one reporting period.

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.

2.3. Service Measures

In addition to KPIs, a range of Service Measures are included in the Health System Performance Report. They have been included to assist the Health Service or to improve the safety and efficiency of patient care through the provision of contextual information against which to assess performance.
2.4. **Other Measures**

In addition to the KPIs and Service Measures, the NSW Ministry of Health continues to monitor a broad range of measures for a number of reasons including strategic priorities, emerging health issues, implementation of new service models, reporting requirements to NSW Government central agencies, to the Commonwealth and participation in nationally agreed data collections with which the Health Service needs to comply.

Should a performance issue emerge with one or more of the monitoring measures, the issue is discussed with the Health Service. If the performance issue continues, the NSW Ministry of Health may determine to notify the Health Service of a transfer of the Measure(s) to become a KPI(s) until the performance issue is resolved.

2.5. **Governance Requirements**

Governance requirements for NSW Health Services are established within relevant legislation, NSW Health Policy Directives and Policy and Procedure Manuals and articulated within the Corporate Governance and Accountability Compendium for NSW Health.¹

Effective implementation of governance requirements is a requirement of the Service Agreements. Overseeing compliance with governance requirements is a key role of Boards culminating in the annual governance statement processes. Identified concerns about effective governance conformance or performance will be raised by the Ministry directly with Board Chairs, and progress in addressing concerns will be subject to quarterly review by the Ministry in conjunction with the Chair and Chief Executive.

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¹ St Vincent’s Health Network, comprising recognised establishments of affiliated health organisations, operates under a separate governance framework.
3. **Operation of the Performance Framework**

3.1. **Overview**

The operation of the Framework involves:

- ongoing review of the performance with each Health Service
- identifying performance issues and determining the appropriate responses;
- determining when a performance recovery plan is required;
- determining when the performance response needs to be escalated or can be de-escalated; and
- determining when a Health Service no longer needs a performance response

There are four key components of the process:

1. **Performance Assessment** applies to both the Strategic Priorities and the Key Performance Indicators.

2. **Response Framework** determines what action is required to resolve the performance issue.

3. **Escalation/De-escalation process** determines when a performance issue is be escalated or de-escalated.

4. **Operational Processes** that support the performance assessment and response cycle

3.2. **Performance Review Process**

The core elements of the performance review process are:

- Distribution to Health Services of a monthly Health System Performance Report prepared by the NSW Ministry of Health, detailing performance against the KPIs and Service Measures.

- Performance Review meetings between the Health Service and the NSW Ministry of Health, usually quarterly but more frequently if performance concerns require this.

- Where a performance issue is identified, confirmation of the issue with the Health Service and determination of appropriate action to address the issue in accordance with the Performance Framework.

- A monthly performance status summary for all Health Services provided to the Director General and Minister.
The NSW Ministry of Health meets quarterly with the Chief Executive and senior management team for each Health Service. Where a performance issue is identified, the frequency of meetings may be increased until the issue is resolved. Depending on the issues under review attendance by the Chair or other Board members may also be indicated.

Performance Review meetings are co-ordinated by the System Purchasing and Performance Division and chaired by the Division’s Deputy Director General. The meetings are held in person or by videoconference.

3.3. Performance Review

A range of performance considerations are made to assess whether escalation/de-escalation is required, and a performance concern does not always triggers an escalation.

The performance of a Health Service is assessed in terms of whether it is meeting the performance targets for individual KPIs and, where applicable, is on track against agreed turnaround and/or recovery plans.

Response to performance concerns within the Performance Framework are not escalated or de-escalated solely on the basis of KPI results. Rather, KPI performance concerns act as signals that are viewed in the context of the Health Service’s overall performance, including:

1. Implementation of Strategic Priorities and Governance compliance.
2. Progress against agreed turnaround and/or recovery plans.
3. Whether there is a systemic issue for a particular aspect of performance—e.g.: the Health Service may not have breached a critical performance threshold for any one indicator but has not met the target for multiple KPIs.
4. Whether there is a systemic performance issue for a facility and/or clinical service.
5. Whether there is an emerging systemic performance issue for the Health Service as a whole.

Confidence in, and evidence of, the Health Service’s ability to achieve a turnaround in performance also impacts on the decision to escalate or de-escalate the response to the performance concern.

Any disputes concerning the assignment of performance levels are to be resolved through the operation of the Performance Framework.
3.4. Performance Assessment Criteria and Performance Triggers

Assessments are made principally through consideration of Performance Reports prepared by the NSW Ministry of Health along with information provided by the Health Service.

The following table sets out the formal Performance Framework decision logic for identification of performance issues through the use of KPI results.

Table 1: Formal assessment criteria and performance triggers

<table>
<thead>
<tr>
<th>Performance requirement</th>
<th>Performance trigger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Priorities</td>
<td>Failure to make satisfactory progress</td>
</tr>
<tr>
<td>Tier 1 KPIs</td>
<td>Generate a performance concern when the Health Service performance is outside the tolerance threshold for the applicable reporting period</td>
</tr>
<tr>
<td>Tier 2 KPIs</td>
<td>Generate a performance concern when the Health Service performance is outside the tolerance threshold for more than one reporting period</td>
</tr>
<tr>
<td>Agreed turnaround and/or recovery plans²</td>
<td>Failure to meet designated critical milestones (as per the agreed turnaround and/or recovery plan)</td>
</tr>
</tbody>
</table>

The level of performance concern in each case is determined by the particular indicator(s), the seriousness of the issues, the speed with which the situation could deteriorate further and the time it would take to achieve turnaround. Whether or not an indicator is on trajectory to meet target within a reasonable and agreed time frame will also influences the level of performance concern.

² A turnaround plan is generally a financial and operational strategy to align expenditure to budget over an agreed timeframe. A recovery plan is generally an agreed strategy and timeline to address a specific performance concern.
3.5. Process for Escalation and De-escalation

The following processes are undertaken to determine whether the performance of the Health Service warrants escalation/de-escalation.

The NSW Ministry of Health monitors performance and:

- For Health Services with no existing performance concerns, if a performance concern arises the Ministry:
  1. Discusses the issue with the Chief Executive of the Health Service
  2. If appropriate to the issue, formally requests the Health Service to respond (Level 1 response).
  3. Based on the response from the Health Service, determines whether there is a need to escalate the performance review (to Level 2 or 3) and initiate a meeting with the Health Service to consider the proposed recovery plan and then continue to meet with the Health Service to monitor the implementation of the recovery plan. Recovery plans are written plans prepared by the Local Health District, other Health Service or Support Organisation, signed off by the respective Board and submitted to the Ministry for agreement. The Ministry has the discretion to escalate the response to higher levels, based on assessment of progress with the recovery plan.

- For Health Services with an existing performance concern, assess whether sufficient progress has been made or whether performance escalation is required to a higher level of response.

The Ministry also assesses overall performance at quarterly meetings with all Health Services and progress with addressing Strategic Priorities six-monthly.

Following a Performance Review meeting, the Ministry advises the Health Service Chief Executive of the proposed performance rating. Chief Executives advise their Boards of this advice. Where escalation to Level 3 or 4 is proposed, the Ministry advises the Board Chair directly as well as the Chief Executive.

If there is a differing assessment of performance status by the Health Service to that proposed by the Ministry, the issue is discussed by the Deputy Director General, System Purchasing and Performance and the Health Service Chief Executive.

If the matter is not resolved at that level, the issue is referred to the Director General for resolution. The Director General will consult with the Board Chair in determining the matter.

The performance rating of a Health Service and/or the level of response can be escalated or de-escalated at any time. When it is proposed to change a performance rating 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 following table summarises the steps that guide a decision to escalate or de-escalate.

### Table 2: Performance escalation levels

<table>
<thead>
<tr>
<th>Level of Response</th>
<th>Point of Escalation</th>
<th>Point of De-escalation</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level 1</strong></td>
<td>“Under review”</td>
<td>Performance issue identified</td>
<td>The issue is satisfactorily resolved.</td>
</tr>
<tr>
<td></td>
<td>Assessment and advice</td>
<td></td>
<td>The Ministry notifies the Health Service Chief Executive of escalation to Level 1.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The Health Service Chief Executive advises the Board of performance rating.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>The Health Service Chief Executive will be required to provide formal advice on:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• The reasons that led to the performance issue.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Whether any action is required and if so the intended action and timeframe.</td>
</tr>
<tr>
<td><strong>Level 2</strong></td>
<td>“Under-performing”</td>
<td>The Ministry considers that the original performance issue that triggered a Level 1 response warrants a formal recovery plan and/or other performance issue(s) emerge warranting Level 2.</td>
<td>The Ministry notifies the Health Service Chief Executive of escalation to Level 2.</td>
</tr>
<tr>
<td></td>
<td>Recovery Plan required</td>
<td></td>
<td>The Health Service Chief Executive advises the Board of performance rating.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The performance issue is resolved and does not re-emerge for at least one more reporting period (month/quarter as appropriate).</td>
<td>The Health Service will be required to:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Undertake an in-depth assessment of the problem and identify options to address the problem</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Provide a detailed recovery plan and a timetable for resolution. The plan is signed off by the Board.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• Meet with the Ministry to formally monitor the recovery plan.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The time frame for recovery will be as agreed with the Ministry.</td>
</tr>
<tr>
<td>Level of Response</td>
<td>Point of Escalation</td>
<td>Point of De-escalation</td>
<td>Response</td>
</tr>
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</tbody>
</table>
| **Level 3**       | The recovery plan is not progressing well and is unlikely to succeed without additional support and input from the Ministry. A revised recovery strategy has been developed. | The revised recovery strategy has succeeded and the performance issue shows no indication of re-emerging in the ensuing three months. | The Ministry will meet with the Health Service Chief Executive and Board Chair to formally advise of escalation to Level 3. The Health Service is to develop a recovery strategy satisfactory to the Ministry of Health. The Ministry may require the strategy to include:  
  - Assigning staff identified by the Ministry to work collaboratively with the Health Service to develop and implement the Strategy; and/or  
  - Assigning staff identified by the Ministry to have a more direct involvement in the operation of the Health Service.  
Progress will be formally monitored over a time frame agreed with the Ministry.  
The Minister may appoint a representative for the specific purpose of assisting the Board to effectively oversee necessary performance improvements including attending Board meetings for that purpose.  
The timing and scope of any action will be determined by the nature of the performance issues. |

**“Serious under-performance risk”**  
Additional support and involvement of the Ministry
<table>
<thead>
<tr>
<th>Level of Response</th>
<th>Point of Escalation</th>
<th>Point of De-escalation</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level 4</strong></td>
<td></td>
<td></td>
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</tbody>
</table>
| “Health Service challenged and failing” | The recovery strategy has failed and changes to the governance of the Health Service may be required. | The performance issue has improved and there is demonstrable evidence that the Health Service now has the capability to have full responsibility for the operation of the service. | The Director General will meet with the Health Service Chief Executive and Board Chair to formally advise of escalation to Level 4. The timing and scope of any action will be determined by the nature of the performance issues.* These may include:  
  - the Director General commissioning an independent review of Health Service governance and management capability; and/or  
  - the Minister:  
    - requiring the Board Chair to demonstrate that the CE is able to achieve turnaround within a reasonable time frame; *  
    - determining to change the membership of the Board and/or appointing an Administrator. *  

NOTE * Nothing in this document is to be taken as affecting or limiting the discretion to exercise powers under sections 29, 52 or 121N of the Health Services Act. |

Escalation and de-escalation may not be sequential. The initial level of escalation and 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.

In assessing recovery plans and monitoring progress, the Ministry is assisted by the Clinical Excellence Commission and/or the Agency for Clinical Innovation, where relevant, to consider the performance issues of concern.
4. Governing Arrangements

This section outlines the arrangements that govern the activities, roles and responsibilities of both the NSW Ministry of Health and Health Services to operationalise this Framework.

4.1. Roles and Responsibilities

4.1.1. The NSW Ministry of Health

All Deputy Directors General and their Divisions are to work closely to ensure a co-ordinated approach is taken by the Ministry under the Framework. The System Purchasing and Performance Division (SPPD) will be responsible for the overall co-ordination of the Ministry’s activities under the Framework (including the involvement of the Clinical Excellence Commission and the Agency for Clinical Innovation, where appropriate).

4.1.2. Health Service

Each Health Service is to have in place an effective internal performance framework.

Specifically, each Health Service is to:

1. Demonstrate that they have in place comparable frameworks/processes (which map as far as possible to measures included in their Service Agreement with the Ministry) down to facility and clinical network/stream levels for monitoring performance and identifying and managing emerging performance issues. The Health Service level framework should include as a minimum:
   - Processes to actively monitor the KPIs and progress with Strategic Priorities.
   - 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.

2. Report promptly to the NSW Ministry of Health any emerging or potential performance issue and/or performance risk including immediate actions taken and/or an early assessment of action that may be required to prevent the issue from deteriorating.

3. Establish and maintain a culture of performance improvement within the Health Service by:
   - Promoting the Performance Framework at all levels within the Health Service.
   - Identifying shortfalls in relation to performance and devising and implementing appropriate support and development arrangements to facilitate long-term and sustainable delivery.
   - Providing relevant managerial staff (administrative and clinical) 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.

4. Work collaboratively with the NSW Ministry of Health to resolve performance issues and adhere to all responses to performance concerns as determined by the Ministry.

4.1.3. Role of Boards

The Board is required to ensure effective clinical and corporate governance frameworks are established for the Health Service, and to provide strategic oversight of and monitor the Health Service's financial and operational performance in accordance with the state-wide performance framework. This is to include:

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

4.1.4. Clinical Excellence Commission (CEC)

The Clinical Excellence Commission supports Health Services in improving the safety and quality of health services and advises the Ministry on appropriate safety and quality KPIs.

The CEC attend Performance Review meetings for discussion of safety and quality and advise the Ministry and Health Services on the strategies to address safety and quality concerns and progress with implementation of these strategies.

4.1.5. Agency for Clinical Innovation (ACI)

The Agency advises the Ministry and Health Services on strategies related to models of care and innovation in health service delivery. Where appropriate, the Agency assists Health Services with implementation of these strategies, including clinical service redesign and chronic disease management.

The Agency also plays an important role in advising the Ministry on appropriate KPIs relating to improving outcomes of care, clinical service effectiveness, patient flow, equity of access and clinical and community engagement.
4.2. Co-ordination and Communication with the NSW Ministry of Health, the CEC and ACI

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 Health Services have clarity on assessment of performance and that any requirements placed upon them are not subject to inconsistent or contradictory communication from the NSW Ministry of Health, the CEC or ACI.

System Purchasing and Performance Division (SPPD) works with other Divisions and Branches within the Ministry, and with the CEC and ACI, to ensure clarity, efficiency and effectiveness of performance management processes.

All performance issues that require a response and/or escalation are channelled through a single and integrated process within the Ministry - coordinated by the DD-G SPPD. Other Divisions within the Ministry, and the CEC and ACI, continue to have dialogue with individual Health Services on a range of policy and program matters including discussions on potentially emerging performance issues.

The co-ordination by the SPPD includes:

- Liaison with other Branches and Divisions, the CEC and ACI to prepare consolidated performance reports for the Health Service, the Director General and Deputy Directors-General;
- Maintaining records of performance assessment outcomes, turnaround and recovery plans;
- Issuing formal action plans agreed during Performance Review meetings within 5 business days;
- Liaison with Health Services, other Divisions in the Ministry, the CEC and ACI, where they have an active role in any recovery plan, to ensure that there is a coordinated approach to working with a Health Service during the recovery period.
- Identification of initiatives which need to be undertaken by the Ministry, Pillars, or other entities within NSW Health, that will contribute to addressing performance turnaround (eg a Statewide procurement initiative or a new model of care).

4.3. Monitoring and Reporting

4.3.1. Monitoring and reporting processes

Standard performance reporting requires periodic submission of information from the Health Service to the NSW Ministry of Health relating to the KPIs and Strategic Priorities activities.

Data required for the KPIs are accessed from a range of standard data collections, whereas information on the Health Service’s progress with Strategic Priorities is in accordance with the implementation plan for that priority.
The SPP Division is responsible for coordinating the collection of this information and undertaking performance analysis in conjunction with the relevant Divisions within the Ministry, the CEC and the ACI that have responsibility for one or more aspects of the performance requirements.

The monitoring and reporting activities and those responsible are shown in the following table:

**Table 3: Monitoring and Reporting Activities and Timing**

<table>
<thead>
<tr>
<th>Monitoring and Reporting Activity</th>
<th>Timing</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of information for KPIs.</td>
<td>Variable, depending on the individual frequency of collection of individual data collections already in place.</td>
<td>Health Services to ensure information is submitted in accordance with the requirements of each data collection, ensuring data quality and timeliness.</td>
</tr>
<tr>
<td>Provision of information on implementation of Strategic Priorities.</td>
<td>Six-monthly.</td>
<td>Health Services to ensure that the information is submitted in accordance with the requirement of the NSW Ministry of Health Branch or other agency responsible for each strategic priority.</td>
</tr>
<tr>
<td>Analysis and interpretation of KPI data.</td>
<td>Monthly, quarterly or annually (as applies to the individual KPI).</td>
<td>SPPD in liaison with the Branch or other Agencies responsible for the performance area to which the KPI relates.</td>
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<td>Health Service to undertake its own analysis and interpretation in preparation prior to each meeting.</td>
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<td>Performance Review meetings</td>
<td>Quarterly, or more frequently if a Health Service’s performance is subject to a formal performance response.</td>
<td>SPPD is responsible for scheduling and organising meetings and documenting agreed outcomes.</td>
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<td>The Health Service is responsible for implementing agreed actions and ensuring that there is active monitoring of implementation of agreed actions.</td>
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<td>Performance response meetings.</td>
<td>As dictated by the performance response timeframe.</td>
<td>The Health Service to provide a report on progress with implementation of agreed performance recovery actions; an update of risk in achieving successful outcomes and options to mitigate any identified risks. This report will be submitted 5 business days prior to the scheduled meeting.</td>
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<td>The NSW Ministry of Health to document agreed actions arising from the meeting and arrange for the appropriate level of support when further escalation is required.</td>
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4.3.2. **Reporting to Government**

The Director General provides the Minister, central agencies of Government and relevant committees of Cabinet with regular reports on the performance of Health Services.

4.4. **Conduct of Performance Review meetings**

Performance meetings are undertaken quarterly, when there is no identified performance issue, or more frequently if a performance issue has been identified and escalated.

The required representation from the NSW Ministry of Health, each Health Service and other agencies will depend on the level of performance concern and the scope of performance issues.

Core attendance is 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 are included where attention to specific areas of performance necessitates the involvement of staff with specialist expertise and knowledge. The Senior Executive of the Health Service will be required to take the lead to ensure their personal focus and attention on the performance assessment process.

Performance Review meetings have the following core attendees:

- **NSW Ministry of Health attendees:** All Deputy Directors General, or their representatives, and the Chief Financial Officer attend all meetings. The meeting is chaired by the DD-G SPPD. A representative of the Clinical Excellence Commission attends meetings to discuss issues relating to safety and quality. SPPD provides the secretariat for the meetings.

- **Health Service attendees:** the attendance of the Chief Executive and the Health Service Director of Finance is required. Attendance by other members of the Health Service Senior Executive is at the discretion of the Chief Executive, unless attendance of a specified executive is requested by the Ministry. Where indicated the attendance of the Chair and/or other Board members will also require consideration.

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

In addition to analysing current performance, the meeting:

- Reviews previously agreed action items.
- Flags any potential or emerging performance issues.
- Identifies risks affecting 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 Health Service to raise additional items of potential concern.
- Clear recording of actions and requirements of the Health Service, the Ministry and other agencies.

The Performance Review meeting aims to assist the Health Service to proactively manage issues, with appropriate support from the Ministry and other agencies, to maintain high levels of performance and avoid the need for escalation of performance responses.