



# Performance Management Policy

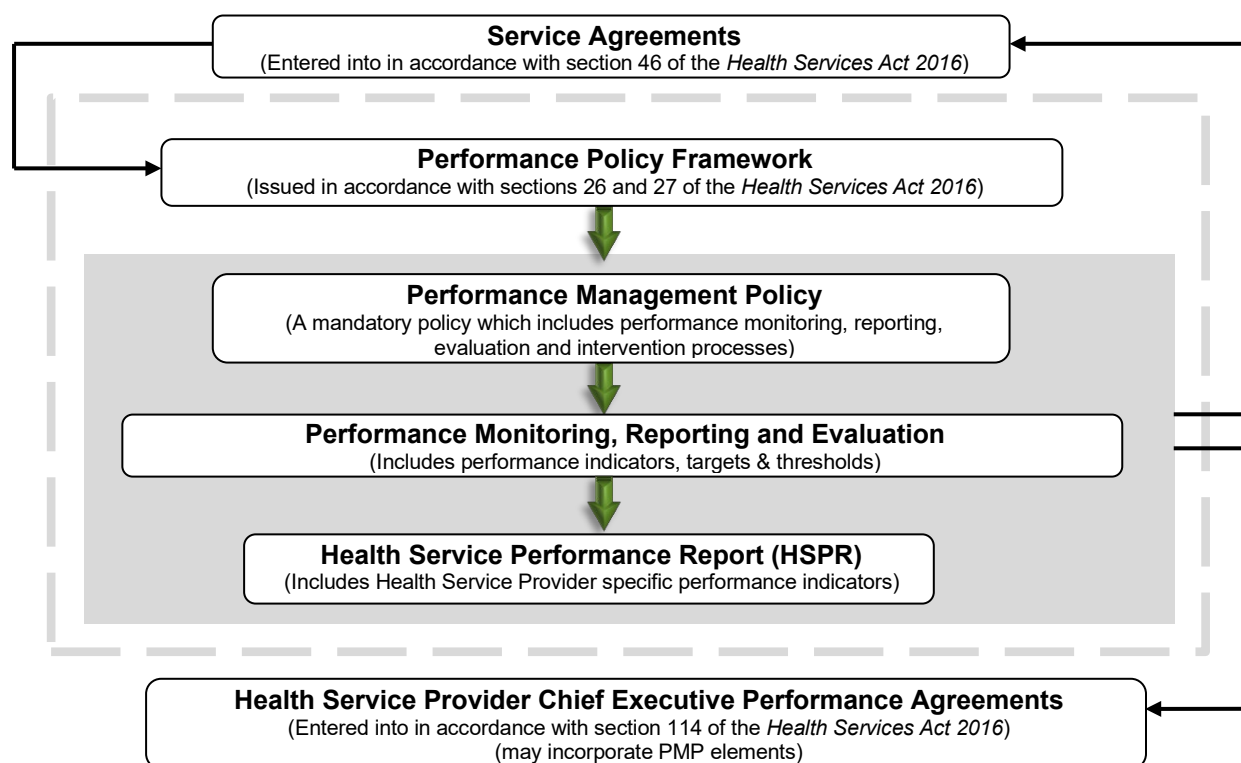
## 1. Purpose

Under the *Health Services Act 2016*, the Department of Health, led by the Director General as the System Manager, is responsible for monitoring the performance of Health Service Providers and taking remedial action when performance does not meet expected standards of performance.

The *Performance Management Policy* (PMP) prescribes the performance management component of the Service Agreements. The PMP provides a transparent and integrated reporting, monitoring, evaluation and intervention process to support the achievement of expected standards of performance. The performance indicators in the PMP, included in the Addendums, are aligned to the four priorities and seven enablers detailed in the *WA Health Strategic Intent 2015-20*.

Figure 1 illustrates the strategic linkages of the Service Agreements and the Chief Executive Performance Agreements to key elements of the *Performance Policy Framework* and the *Performance Management Policy*.

Figure 1: Performance Policy Framework Strategic Linkages



This Policy is a mandatory requirement under the *Performance Policy Framework* pursuant to section 26(2)(d) of the *Health Services Act 2016*.

## 2. Applicability

This Policy is applicable to all Health Service Providers.

## 3. Policy Requirements

### 3.1 Performance reporting

The performance reporting component of PMP is the *Health Service Performance Report* (HSPR). The HSPR is available to all staff in the WA health system via the [HSPR Application](#).

Health Service Providers are required to provide data and/or related information when requested by the System Manager for the production of the monthly HSPR.

### 3.2 Performance indicators, targets and thresholds

The performance indicators, targets and thresholds which support the delivery of the Service Agreement operational targets are listed in the Health Service Provider-specific PMP Addendums for each financial year and are reported in the HSPR. Ongoing reviews are conducted to ensure performance indicators and targets remain robust, relevant and aligned to the current WA health system priorities and objectives.

Health Service Providers are required to achieve the performance indicator targets for relevant indicators, as defined in their respective PMP Addendum and indicator definitions specified in the HSPR Application.

The System Manager has the discretion to include additional performance indicators to address emerging priorities or performance concerns as required.

Supporting performance indicators or other performance concerns may be monitored and evaluated at the discretion of the System Manager to aid system performance management.

### 3.3 Performance management

The System Manager will undertake performance management of Health Service Providers that will involve:

- on-going review of performance
- identifying performance concerns and determining the appropriate response and agreed timeframes
- determining the level of intervention when required and when the performance intervention needs to be escalated or de-escalated
- determining when a performance recovery plan is required and the appropriate timeframe it is required.

Each Health Service Provider must:

1. ensure accurate responses to requested performance information in timeframes required by the System Manager
2. demonstrate comparable frameworks/processes/delegations for monitoring performance and identifying and managing emerging performance issues
3. establish processes and procedures to identify performance risks and issues including a process to report these risks or issues to the System Manager in accordance with the Risk Management Policy in the Risk, Compliance and Audit

## Policy Framework

4. establish appropriate partnerships to achieve performance targets
5. establish and maintain a culture of performance improvement by:
  - promoting the PMP at all levels within the Health Service Provider
  - 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, mentoring and learning and development opportunities in performance management and improvement. This includes providing relevant managerial staff with 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.
6. manage contracted health entities to ensure the delivery of services at the expected standards of performance listed in the respective Health Service Provider Addendum in the PMP.

### 3.4 Performance review meetings

Health Service Providers are required to attend formal performance review meetings as requested by the System Manager. The frequency of the performance review meetings is contingent on individual Health Service Provider performance and is at the discretion of the System Manager.

In assessing a Health Service Provider's performance against the performance indicator targets and thresholds, consideration may be given by the System Manager where it is recognised that the Health Service Provider does not have sole responsibility for the delivery of the performance indicator.

### 3.5 Interventions

Responsive regulation is the intervention model that has been adopted by the PMP. The model is a collaborative approach that enables accountability through agreed mechanisms that are responsive when performance issues have been identified. Responsive regulation is a supportive approach to assist Health Service Providers to maintain and improve performance.

Health Service Providers must comply with all intervention requirements issued by the System Manager.

The System Manager may commission an investigation, inspection, audit or inquiry into a Health Service Provider's governance and operations, to determine the appropriate intervention level, in accordance with parts 13 and 14 of the *Health Services Act 2016*.

The intervention levels and recovery plans are directly related to an individual performance indicator or a performance concern.

The System Manager has the discretion to escalate or de-escalate concerns to higher or lower levels of intervention based on an assessment of performance.

Escalation and de-escalation through the levels outlined below may not be sequential.

### **Level 1 Intervention: Under Review**

The System Manager will advise the Health Service Provider that a performance issue has been identified. Within a timeframe determined by the System Manager, the Health Service Provider is required to provide formal advice on the reasons that have led to the identified performance issue, and the proposed action(s).

### **Level 2 Intervention: Performance Concern**

The System Manager will issue a request for a formal recovery plan, stipulating the timeframe in which the recovery plan is required and any other required actions.

The Health Service Provider will be required to undertake an in-depth assessment and develop a detailed recovery plan that is endorsed by the Health Service Provider Board for board governed Health Service Providers, or the Chief Executive for chief executive governed Health Service Providers. The recovery plan requires the System Manager's approval.

### **Level 3 Intervention: Sustained Performance Concern**

The System Manager will determine the appropriate timeframe and course of action to redress a sustained performance concern.

The timeframe and course of action will be at the System Manager's discretion, tailored to the specific circumstances, and may involve one or more of the following actions:

1. Assign appropriate personnel from the Department to provide additional support if the recovery plan is not achieving improved performance.
2. Assign an expert adviser appointed by the System Manager to review the root cause(s) of the sustained performance concern and provide a series of recommendations for implementation by the Health Service Provider.
3. Require the Health Service Provider Board Chair (where applicable) or a delegate to attend performance review meetings.
4. Issue a direction in accordance with section 28 of the *Health Services Act 2016*.
5. Advise the Minister of the sustained performance concern.
6. Determine other interventions as deemed appropriate.

Additionally, in the case of board governed health service providers, a representative to assist the Health Service Provider Board may be appointed by the Minister to oversee the necessary performance improvements. This could include the Minister-appointed representative attending Health Service Provider Board meetings.

### **Level 4 Intervention: Performance Failure**

The System Manager will determine if the Health Service Provider is capable of delivering the required provision of services. This level of intervention may involve one or more of the following actions:

The System Manager may:

1. in monitoring the performance of Health Service Providers and taking remedial action when performance does not meet the expected standard, do anything necessary or convenient for the performance of that function in accordance with section 21 of the *Health Services Act 2016*.

The Minister may:

1. require a show cause letter from the governing body of the Health Service Provider

2. require the governing body of the Health Service Provider to demonstrate the ability to achieve performance and capability improvement within a reasonable timeframe
3. issue a direction in accordance with section 60 of the *Health Services Act 2016*
4. appoint an adviser to the Health Service Provider Board in accordance with section 95 of the *Health Services Act 2016*
5. remove a single Board member of the Health Service Provider Board in accordance with section 77(4) of the *Health Services Act 2016*.

#### **Level 5 Intervention: Sustained Performance Failure**

For sustained performance failure, the intervention may involve one or more of the following actions:

The System Manager may:

1. remove the Chief Executive of a Health Service Provider from the office of Chief Executive in accordance with section 115 of the *Health Services Act 2016*.

The Minister may:

1. remove all members of the Health Service Provider Board in accordance with section 102 of the *Health Services Act 2016*
2. appoint an Administrator in accordance with section 99 of the *Health Services Act 2016*.

## **4. Compliance Monitoring**

Health Service Providers are responsible for ensuring compliance with this Policy. The System Manager will monitor and assess Health Service Providers' compliance with this Policy as part of the performance review meetings. This includes the compliance to intervention requirements to address performance concerns or the remediation of performance to the expected standards of performance stipulated in the Addendums of this Policy and reported in the HSPR. Non-compliance may lead to an escalation in intervention levels. The System Manager will evaluate the effectiveness of all aspects of this Policy.

## **5. Related Documents**

The following documents are mandatory pursuant to this Policy:

### **2022-23**

- [Addendum 1: Health Service Performance Report \(HSPR\) 2022-23 - Child and Adolescent Health Service \(CAHS\); East Metropolitan Health Service \(EMHS\); North Metropolitan Health Service \(NMHS\); South Metropolitan Health Service \(SMHS\) and WA Country Health Service \(WACHS\) - Performance Indicator Targets, Target Source, and Thresholds](#)
- [Addendum 2: Health Service Performance Report \(HSPR\) 2022-23 - Health Support Services - Performance Indicator Targets, Target Source, and Thresholds](#)
- [Addendum 3: Health Service Performance Report \(HSPR\) 2022-23 - Quadriplegic Centre - Performance Indicator Targets, Target Source, and Thresholds](#)
- [Addendum 4: Health Service Performance Report \(HSPR\) 2022-23 - PathWest - Performance Indicator Targets, Target Source, and Thresholds](#)

## 2021-22

- [Addendum 1: Health Service Performance Report \(HSPR\) 2021-22 - Child and Adolescent Health Service \(CAHS\); East Metropolitan Health Service \(EMHS\); North Metropolitan Health Service \(NMHS\); South Metropolitan Health Service \(SMHS\) and WA Country Health Service \(WACHS\) - Performance Indicator Targets, Target Source, and Thresholds](#)
- [Addendum 2: Health Service Performance Report \(HSPR\) 2021-22 - Health Support Services - Performance Indicator Targets, Target Source, and Thresholds](#)
- [Addendum 3: Health Service Performance Report \(HSPR\) 2021-22 - Quadriplegic Centre - Performance Indicator Targets, Target Source, and Thresholds](#)
- [Addendum 4: Health Service Performance Report \(HSPR\) 2021-22 - PathWest - Performance Indicator Targets, Target Source, and Thresholds](#)

## 6. Supporting Information

The following information is not mandatory but informs and/or supports the implementation of this Policy:

- [Health Service Performance Report Application](#)
- [Performance Management Policy Information Compendium](#)
- [Performance Recovery Plan Guidelines](#)
- [System Performance Indicator Information Compendium](#)

## 7. Definitions

The following definition(s) are relevant to this Policy.

Term	Definition
Expected standard of performance	The expected standard is the level of performance required in the delivery of the operational targets in the Service Agreements.
Performance concern	A concern about performance against a performance indicator, or a concern about any other performance related matter.
Performance Indicator	A measurable value that provides an 'indication' of progress towards achieving an expected standard.
Show cause letter	A letter provides the Health Service Provider Board the opportunity to show cause or provide relevant capability and capacity information to assist the Minister exercise his/or her powers under the <i>Health Services Act 2016</i> .
System Manager	The Department of Health Director General is the System Manager in accordance with section 19(2) of the <i>Health Services Act 2016</i> .
Supporting performance indicators	A measurable value that supports and aids system performance management.
Target	A measure of the expected standard of performance.

Term	Definition
Threshold	A measure to assist the System Manager to evaluate performance.

## 8. Policy Contact

Enquiries relating to this Policy may be directed to:

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Directorate: Information and System Performance Directorate

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## 9. Document Control

Version	Published date	Effective from	Review date	Amendment(s)
MP 0111/19	1 July 2019	1 July 2019	Annual	Original version
MP 0111/19 v.2.0	14 October 2019	14 October 2019	Annual	Addendum 1 and 2 amended
MP 0111/19 v.3.0	20 December 2019	20 December 2019	Annual	Addendum 1 amended
MP 0111/19 v.4.0	15 April 2020	15 April 2020	Annual	Amendments as per below.
<ul style="list-style-type: none"> <li>Change to policy title to remove financial year.</li> <li>Amendments to wording in section 1.0 to remove reference to 'annual' and section 3.0 to 'Addendum 1-4' to remove number and replace with 'for each financial year'.</li> <li>Removed reference to 'Safety and Quality Indicator Set (SQulS) performance' from section 3.0 to align to current safety and quality process.</li> <li>2020-21 Addendums included as new related documents.</li> <li>Updated definition for 'Performance concern' to remove wording 'This also includes any assurance concern that may impact system performance'.</li> </ul>				
MP 0111/19 v.5.0	18 December 2020	1 January 2021	Annual	Amendments as per below.
<ul style="list-style-type: none"> <li>Addendum 1 - performance indicator target for P2-7 Unplanned hospital readmissions of patients within 28 days for selected surgical procedures.</li> <li>Addendum 2 - performance indicator target for E2-6 Percentage of responses from WA Health Service Providers and Department of Health who are satisfied or highly satisfied with the overall service provided by Health Support Services.</li> </ul>				
MP 0111/19 v.6.0	14 May 2021	1 July 2021	Annual	Amendments as per below.
<ul style="list-style-type: none"> <li>The 2021-2022 Addendum 1-4 included as related documents.</li> <li>The 2019-2020 Addendum 1-4 removed as they are no longer current.</li> </ul>				
MP 0111/19 v.6.1	16 May 2022	1 July 2022	Annual	Amendments as per below.
<ul style="list-style-type: none"> <li>The 2022-2023 Addendum 1-4 included as related documents.</li> <li>The 2020-2021 Addendum 1-4 removed as they are no longer current.</li> </ul>				
MP 0111/19 v.6.2	10 June 2022	1 July 2022	Annual	Amendment as per below.

Amendments to supporting information document: System Performance Indicator Information Compendium.				
MP 0111/19 v.6.3	17 August 2022	1 July 2022	Annual	Amendment as per below.
Amendments to supporting information document: Performance Management Policy Information Compendium.				

## 10. Approval

<b>Approval by</b>	Dr David Russell-Weisz, Director General, Department of Health
<b>Approval date</b>	1 July 2019

**This document can be made available in alternative formats on request for a person with a disability.**

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