

Public Sector Residential Aged Care Bulletin

Business Performance Improvement Project

Introduction

In 2004 the Department launched an initiative to improve the business performance of public sector residential aged care services (PSRACS) in Victoria. The **Public Sector Residential Aged Care Business Performance Improvement Project** (BPIP) was established to identify key factors impacting on financial performance and developing, implementing and supporting a suitable business planning and management framework for PSRACS.

Summary of Stage 1 of the Project

Stage 1 of the project was completed in March 2005. During Stage 1, the project analysed the business performance of Victoria's rural and regional PSRACS, developed a performance framework and identified a set of recommendations to improve performance within the sector.

Stage 1 findings and recommendations are contained in the Final Report, which was presented at a Sector Briefing in March 2005, and in a Ministerial Rural Health Forum in April 2005. The level of participation by agencies was one of the strengths of the project, resulting in findings and recommendations being well received by the sector.

Stage 1 of the project identified significant opportunities for improved outcomes. through the establishment of ongoing financial benchmarking, use of internal KPIs and development of tools to better manage performance.

Copies of the Final Report have been provided to all health services and copies are still available through the contacts listed later.

Stage 2 of the Project

Stage 2 commenced in March 2006. As with Stage 1, The Nous Group is assisting the Department in conducting Stage 2 of the project.

The scope of the project has been extended to incorporate Metropolitan Health Services operating residential aged care.

Stage 2 of the project aims to:

1. Establish a performance benchmarking capability across the system
2. Further develop the tools, systems, processes and strategies in the common business planning and management framework.
3. Provide support and training to agencies to help them effectively implement the framework and tools that are developed.

A key undertaking in Stage 2 is to ensure that the work does not 'reinvent the wheel', by drawing on the skills available within agencies and examples of better practices that are already in use by agencies.

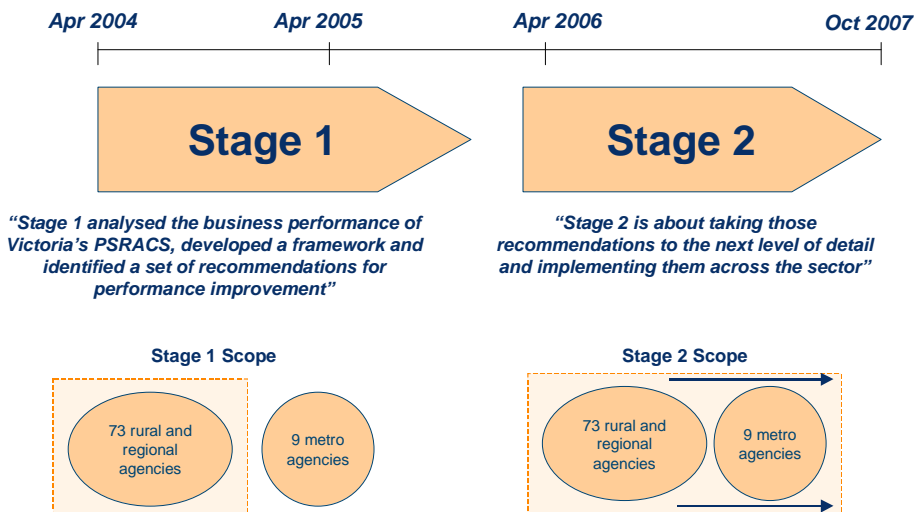


Project Advisory Group

A Project Advisory Group (PAG) consisting of agency, departmental and peak organisation personnel has been established to guide the project. The membership brings a wide range of skills and experience. We are pleased that the following agency staff have agreed to join the PAG:

- Alan Lilly - Bayside Health
- Anita Smith - Northeast Health Wangaratta
- Anne Fox - Northern Health
- Gary Templeton - Gippsland Southern HS
- John Senior - Mallee Track H&CS
- Kathy Huett - Edenhope & District Hospital
- Rhys Boyle - Lyndoch Warrnambool Inc.

Business Performance Improvement Project Overview



What’s happened in Stage 2 so far

Briefing sessions have been conducted throughout May and June in each rural region, with a combined session for agencies in the metropolitan regions.

The purpose of these briefing sessions was to ensure that the recommendations of Stage 1 are still relevant to agencies; to outline the purpose and activities under Stage 2; and to gather input from agencies on what they think will be the most important aspects of the project.

The briefings were very successful, with excellent attendance by agencies. With some lively discussion participants again generally agreed on the importance of the recommendations that emerged from Stage 1, with a particular emphasis on the need to develop ongoing benchmarking between agencies, ensuring that key data used is consistent and comparable. Agencies also reinforced the need for effective communications between the financial and care parts of the business, and training and support to ensure the new framework is implemented effectively.



Agencies also provided input into some of the central parts of Stage 2 of the project. Participants identified specific business processes where there is opportunity for improvement in practices, including focusing on revenue optimisation techniques, managing direct care costs and embedding a performance understanding and targets within services. In addition, discussions at the briefings emphasised some of the critical features of a new benchmarking tool – that it be flexible, allow for comparisons at multiple levels, and not be reliant on additional manual data collection!

Site visits are currently taking place at metropolitan agencies. The purposes of these visits are to induct agencies in to the project and to identify the key similarities and differences between metropolitan and rural agencies in terms of drivers of business performance and effective management practices.

Sector Working Groups and Regional Implementation Teams

A key element of Stage 2 is strong input from the sector. As well as the Agency Briefings described above, sector participation will take place through two more focused channels: **Sector Working Groups** and **Regional Implementation Teams**.

The purpose of the **Sector Working Groups** (SWGs) will be to inject practical industry experience into the analysis of current processes and performance drivers. They will also provide a sounding board / early testing mechanism for new tools and processes developed by project. The SWGs will be made up of a cross-section of people with relevant experience and interest, drawn from across agencies and other experts.

Three SWGs have been proposed so far, focusing on the following areas:

1. Better practice business processes
2. Development of the benchmarking tool
3. Agency engagement and change management.

In addition, there will be one **Regional Implementation Team** (RIT) in each of the 5 rural regions, and one RIT for metro agencies. Each RIT will be made up of two representatives from each agency in each region. They will be a primary vehicle for adopting the new business performance framework in their region and the members of each RIT will work together to share experiences and ideas about how to apply new processes and tools most effectively. Training will be provided to each RIT in the form of 2 one day workshops.

Your chance to be involved

The department is now seeking interested participants for each of the Sector Working Groups outlined above.

SWGs may meet face to face initially, but later involvement is likely to be by phone or by video conference. The workload of SWGs will be variable over different stages of the project, but the commitment is not expected to be unduly onerous. However, it is expected that members of the Sector Working Groups will be action oriented, able to work autonomously, and have capacity and availability to contribute as required.

A number of people have already expressed interest in contributing to SWGs and we are keen to promote a wide level of participation. Those interested in taking part should contact Terri Preece at the Department on (03) 9096 7696 **by 19 July 2006**.

Next steps

Upcoming steps in Stage 2 of the project are as follows:

- Sector Working Group development of the benchmarking tool, and collection and development of better practice ideas (mid to late 2006)
- Workshops to focus on the introduction of the new benchmarking tool, and of better practice performance improvement tools (late 2006)
- Workshops to focus on implementation trouble shooting and sharing of better practice ideas across the region (early 2007)
- Ongoing support to Regional Implementation Teams, and to agencies more broadly.

Contact

If you have any queries in relation to this project please do not hesitate to contact Frank Carlus (Manager, Public Sector Residential Aged Care) on Ph 9096 7795 or email frank.carlus@dhs.vic.gov.au or Terri Preece on Ph 9096 7696 or email terri.preece@dhs.vic.gov.au

Produced by the Residential Services Unit, Aged Care Branch