

ABCD

Department of Human Services

**Analysis of the Impacts of
Service Coordination on
Service Capacity in the
Primary Health Care Sector**

KPMG Government

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1 Executive Summary

The flexibility of Service Coordination and the capacity of its underpinning principles to be applied in a range of settings with different players is central to the inherent strength of Service Coordination as an approach.

SC, as a new way of doing business, provides a real mechanism for change. SC, when supported by change management processes, leads to resilient partnerships between providers and benefits being delivered in ways that we have only been able to theorise about until now.

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Service Coordination is effective; it produces tangible benefits so rarely achieved in many reform strategies. By vesting responsibility for the process of change with service providers and through a small level of investment in infrastructure and training, the partnerships and networks formed by providers have highlighted the real potential of Service Coordination

Even in its early stages it is clear that Service Coordination delivers a range of quantifiable benefits, that by all accounts are not only sustainable, but will continue to be realised. As more agencies join the networks that have been established, by working in partnership, they will be able to develop effective responses to local issues and to the changing needs of their clients, particularly chronic and complex multiple service users.

For a small investment of funds Service Coordination acts as a key catalyst for change. Service Coordination provides the means by which agencies can come together to develop localised systems and processes to improve response times, to provide a better targeted response to client needs, to streamline the means by which services are provided, and to generally improve operational efficiency.

Enhanced flexibility of service responses, single points of entry, increased partnerships between providers and sectors and greater alignment of service structures and supports are the medium to longer-term benefits that are expected to be derived from increased participation in Service Coordination .

This study has only been able to identify and quantify the early benefits that can be realised from Service Coordination. Ongoing analysis is required, supported by targeted data capture strategies, to further assist in quantifying the full extent of the tangible benefits that Service Coordination brings to service provision.

At this stage however there is sufficient evidence to recognise the benefits that Service Coordination brings. To maximise and realise the full effects of these benefits there is real merit in considering the implementation of Service Coordination across the broader service system. For example during the review a number of the participating agencies identified that the capacity of the primary health care sector to respond to clients leaving the acute care system was adversely effected by the lack of a functioning network and referral relationships between the

acute and primary care systems. The extension of Service Coordination into acute system practices (or coordination of Service Coordination systems with acute systems) would enable the partnering systems better respond to post acute clients. This issue is particularly relevant to community health services which have substantial relationships with the acute system (in the review some metropolitan Community Health Services received up to thirty percent of their referrals from the acute system and services such as rehabilitation centres).

1.1 Scope of review

The Department of Human Services' (DHS) PCP strategy is intended to improve health and well being outcomes for Victorians accessing the primary health care system through the creation of better networks, a coordinated approach to service provision, and health care promotion.

The PCP strategy is designed to deliver these outcomes at a local level, through the operation of 32 local partnerships.

A significant component of the PCP strategy is Service Coordination, which aims to place consumers at the centre of service delivery. In particular, the strategy seeks to ensure that clients have access to the services they need, including opportunities for early and appropriate health services and the receipt of targeted health education.

Service Coordination requires service providers, and their PCPs, to develop protocols and processes to improve consumers' experience and provide more streamlined pathways through the service system. A key component of Service Coordination is the development and use of common tools and templates that agencies use for client initial contact, initial needs identification, care planning and referral processes.

The PCP strategy was introduced in 2000 and since then Service Coordination has progressively been introduced into local primary health care systems.

It is noted that as at the date of this review, the implementation of Service Coordination within participating agencies and PCPs has generally been limited to the planning, development and implementation of new initial contact and initial needs identification processes, based predominately on the Service Coordination Tool Templates, and referral processes, including some basic forms of e-referral. Further development and implementation of these components of Service Coordination is expected to continue across participating agencies together with development of approaches to care planning.

Those PCPs and agencies that are more advanced in the implementation of the PCP strategy have reported that Service Coordination has delivered a number of benefits, which include:

Service coordination delivers a number of benefits.....earlier identification of client needs, better management of waiting lists, improvements in service navigation and coordination and greater operational efficiency...all for a relatively small investment.

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- elimination of, and reduction in, business inefficiencies resulting in more resources for additional service delivery;
- improved management of client waiting lists;
- early identification of client needs;
- clients are better informed about services;
- clients receive services according to their needs;
- improved cross program coordination and response;
- clearer roles for reception staff; and
- improved response rates to clients seeking services.

However, little data has been collected to verify and quantify actual outcomes. The absence of such evidence potentially hinders the further implementation of Service Coordination by other agencies.

The review was commissioned by DHS to address that deficiency and:

- to inform DHS regarding whether its PCP strategy and Service Coordination is successfully meeting their stated objectives;
- to inform DHS of the factors that are likely to impact upon a successful application of the initiative across the broader health sector;
- to provide persuasive evidence to agencies that have not begun to implement Service Coordination what, if any worthwhile benefits can be achieved through Service Coordination; and
- to provide an analysis of the critical factors that will influence the degree to which an agency is likely to receive those benefits.

1.2 Participants to the review

The following agencies participated in the review:

- Banyule Community Health Service
- Bass Coast Community Health Service
- Moonee Valley City Council

- Moyne Shire Council
- Nillumbik Community Health Service
- Portland District Health
- Whitehorse City Council
- Whitehorse Community Health Service

These agencies were selected because they:

- had each encountered a range of different issues whilst implementing Service Coordination ;
- had adopted a range of service approaches to Service Coordination;
- were spread across the state, experiencing different issues as a result of their locations within the Victorian health network;
- were from a range of PCPs;
- had a range of IT systems and local ICT capacity; and
- covered a range of different services.

As such, whilst they do not represent a statistically representative sample of all agencies that have undertaken Service Coordination, they can provide an evidentiary base of the outputs of Service Coordination under a range of diverse conditions.

1.3 Findings

1.3.1 Agency intake models

Each agency that participated in the review adopted one of three distinct Service Coordination models for undertaking initial contact (IC) and initial needs identification (INI) activities. These were:

- a standalone intake and assessment unit staffed by non-service staff (but with professional qualifications) undertaking IC and INI for the whole organisation;
- a standalone intake and assessment unit staffed by service staff under a shared roster undertaking IC and INI for the whole organisation; and
- an integrated intake and assessment function where service staff undertake IC and INI within their own service structure.

Agencies adopted particular service models in response to agency service profiles and particular agency needs. In particular:

- all of the Community Health Services adopted standalone intake and assessment units which enabled them to create single point of entries to their multiple service streams. In contrast, each of the city councils (providing HACC services) maintained their existing integrated intake functions; and
- most Community Health Services staffed their intake units with professional staff specifically employed to undertake centralised intake and assessment for the whole organisation. One agency adopted a model where direct service staff, in addition to their practitioner role, undertake intake and assessment on a rostered basis, in this case, this approach was adopted to assist the development of a common organisational culture and greater cross service understanding in its service staff.

Each of the models adopted deliver specific benefits to agencies, these are shown in Table 2.1.

Table 2.1: Benefits of alternative Service Coordination models

Standalone unit with dedicated staff	Standalone unit with direct care staff	Integrated unit
<ul style="list-style-type: none"> • Consistency in procedures for intake and initial needs identification (use of common forms and tools) • Capacity to undertake an initial risk assessment at time of contact which assists in determining urgency and priority • Training for staff is focused and targeted at the core processes • Minimised amounts of training required (fewer staff required) • Decreased management costs associated with maintaining the intake and assessment process as there are fewer staff required • Relatively easy to establish from an operational perspective • Capacity to provide a brief intervention at the time of intake, in particular for health promotion • Enables the service to have dedicated staff with specific skills in intake and assessment activities 	<ul style="list-style-type: none"> • Development of cross program understanding of what different services streams do and encouragement of staff to think outside of their service silos. This has the potential benefit of increasing the likelihood of an integrated multi-service response to clients when they access the health system • Consistency in procedures for intake and initial needs identification (use of common forms and tools) • Capacity to undertake an initial risk assessment at time of contact which assists in determining urgency and priority • Sharing of the role provides diversity and minimises the risk of burnout • Relatively easy to establish from an operational perspective • Capacity to provide a brief intervention at the time of intake, in particular for health promotion 	<ul style="list-style-type: none"> • Targeted intake to specific disciplines • Enables the intake function to be spread according to geographic need • Intake undertaken within the service system

1.3.2 Outcomes of Service Coordination

The costs and benefits of Service Coordination experienced by participating agencies were consistent to those previously reported informally by agencies. Service Coordination delivers three types of costs and benefits to the agencies and their clients, namely:

- financial cost and benefits – where Service Coordination effects the costs of an agency providing its services;

A small investment of one to two percent of an agency's operating costs in the first year to assist in the implementation of service coordination with investment in technology, staff training and the design of new operation procedures and processesnot only produces tangible benefits for the agency and for their consumers but it is expected to lead to improved operational efficiencies and quantifiable savings over time.

- qualitative benefits – where Service Coordination effects the quality of the services received by clients; and
- quantitative benefits – where Service Coordination effects the time it takes for agencies to provide services to clients or the volume of services delivered to clients.

Broadly the value delivered by Service Coordination is expressed through the following equation:

$$\text{Value of Service Coordination} = +/- \text{Financial costs/benefit} +/- \text{Qualitative costs/benefit} +/- \text{Quantitative cost/benefit}$$

Under the Service Coordination value formula it is important to note that:

- Service Coordination may deliver a net benefit to an agency even if Service Coordination causes a net cost within one component of the value formula. For example, Service Coordination can deliver a net benefit to an agency even if its net financial costs have increased if it also delivers net qualitative and/or quantitative benefits. This was the case in agencies that established a centralised intake unit requiring the recruitment of additional staff;

- each agency will form its own view regarding the total value it receives from Service Coordination depending the relative importance it places on receiving different types of benefits. In the three agencies in the review that established a specialist staffed intake and assessment unit the agencies each stated that the service benefits achieved outweighed the net additional financial costs incurred. It is noted however that other agencies may have formed a different view with the same outcomes depending on their own priorities; and

- the recognition of qualitative benefits in the value formula reflects the fact that Service Coordination may have an impact on more than output efficiency (i.e. units of output per dollar) alone.

1.3.2.1 Financial outcomes of Service Coordination

The financial impact of Service Coordination on the selected agencies was as follows:

Implementation costs:

Generally, the cost of the development and implementation of Service Coordination within an agency was between one and two percent of an agency's costs base. The highest cost of Service Coordination implementation was \$117,000 and the lowest cost was \$21,000.

The level of cost incurred appears to be independent of which Service Coordination model an agency elected to adopt, the level of resources available from the local PCP to support the implementation of Service Coordination in an agency, and the level of technology investment made. The single exception to the above was in a small agency where implementation cost four percent of annual operating expenditure.

In all but one of the agencies, staff training and development and on planning and change management cost made up between 85 and 90 percent of total Service Coordination implementation costs. System hardware and software costs consistently made up only a small portion of implementation costs.

The one agency, which was an exception to the above undertook considerable investment to develop an IT capacity that allowed staff to directly record client information onto laptops whilst visiting client homes.

Operating costs

In six of the eight participating agencies Service Coordination increased the agencies total operating cost, where the increased cost ranged between zero and two percent of agency turnover. The largest increase in net costs was \$83,000.

In two agencies Service Coordination delivered a net operating cost saving of between one and two percent of agency turnover. The largest net cost saving was \$108,000.

In all agencies staffing costs (permanent or temporary staff) was responsible for the most of the increase or decrease in operating costs. The only exception to this occurred in the single agency that adopted a standalone intake unit staffed by service staff, where only minor marginal operating costs were incurred and staff costs were not impacted.

1.3.2.2 Qualitative outcomes

Qualitative benefits experienced by the agencies are illustrated in Table 2.2.

Table 2.2: Benefits of Service Coordination

Client Benefits	Organisational Benefits	Network Benefits
<ul style="list-style-type: none"> • Clients are provided with better information about services and intake processes • Agencies have increased their capacity to respond to CALD • Clients are better informed about their rights and about around privacy and confidentiality • Clients receive immediate attention • Service Coordination can improve the time required to complete the entire intake and assessment process • Reduced client waiting times for intake • Consistent information provided to clients • Consistent intake and assessment processes • Minimised risk of duplication of intake and assessment activities • Agencies can prioritise client response and respond better to client urgency 	<ul style="list-style-type: none"> • Improved documentation of client information • Staff develop better understanding of intake, assessment and referral • Staff develop a better understanding of their agency service structures • Reduced reliance on administration • Reduced double processing of data 	<ul style="list-style-type: none"> • Staff develop understandings of local primary health care system • Improved referral practices

It is critical to recognise that the client benefits provide agencies the capacity to manage crisis events more effectively and to minimise the risk of deterioration to clients, both physically and psychologically, which can be experienced from delayed service responses.

1.3.2.3 *Quantitative outcomes*

Quantitative outcomes reported by the participating agencies including:

- one half hour to one hour reductions in time to complete intake and assessment activities, although some agencies reported increases in time to complete intake and assessment activities due to a more comprehensive approach and improved practices (i.e. qualitative benefits) in more holistic assessment, and greater attention to occupational health and safety and client confidentiality issues;
- reductions in numbers of service sessions required for some clients due to the ability to move toward single session therapy as service times are longer due to reduced administrative load;
- reduced waiting times for services.

However, it is noted that commonly these quantitative benefits could not be evidenced directly by the agencies due to lack of available data due to these measures not being measured by the agencies or due to agency data systems not recording these types of data.

1.4 Factors influencing Service Coordination outcomes

A number of factors were identified as having an impact on the likely success of Service Coordination within agency. Table 2.3 provides a summary of those factors.

Table 2.3: Factors that influence the achievement of Service Coordination outcomes

Factor	Impact
Location	<p>Locational issues may adversely impact the implementation of Service Coordination for <u>rural</u> providers, where:</p> <ul style="list-style-type: none"> • Referrals occur more frequently from beyond network boundaries where different protocols and procedures may operate. • Poor standards of public and private ICT infrastructure can adversely effect the capacity of an agency to undertake Service Coordination. • The requirement to provide services from multiple locations may impact the capacity of an agency to operate enterprise wide IT based systems, including centralised processes critical to Service Coordination (e.g. diaries and scheduling). • Providers in rural networks may have lower capacity to undertake Service Coordination because of their generally smaller size. However, this may be offset by there being fewer providers and as a result local networking may be more effective. <p>Locational issues may be solved in part by participation in larger Regional networks, however the objectives of these networks may not necessarily be consistent with local PCP objectives.</p>
IT Infrastructure	<p>The IT software needed to undertake Service Coordination is available and relatively inexpensive. However at the date of the report the unavailability of e-referral messaging standards prevents agencies from achieving full functionality from their IT systems.</p> <p>Any problems with IT experienced by agencies are agency specific relating to either internal IT configurations or local conditions such as unavailability of broadband in certain rural areas.</p>
PCP input	<p>PCPs provide a critical role to agencies implementing Service Coordination through the provision of resources, advice, information and the development of PPPSs.</p>

Factor	Impact
	<p>In particular, the provision of resources for training and IT support and the development / adoption of a common set of PPPS have a critical impact on the level of benefits achieved from Service Coordination and costs incurred by the agency.</p>
Position in local network	<p>There appears to be a perception within Councils providing HACC services that they are primarily recipients of referrals, where the majority of their referrals received are from self-referral and the acute system. As such, the emphasis on Service Coordination within a council may focus more on activities that give benefits directly rather than as part of a network, including:</p> <ul style="list-style-type: none"> • better data collection practices; • better understanding and relationships with clients; and • staff engaged in improving quality of intake and assessment services to clients, for example information and empowerment <p>In contrast, CHSs have higher levels of referrals between primary health care agencies and generate significant numbers of referrals. As such, in addition to the above, CHSs also achieve higher levels of Service Coordination benefit from:</p> <ul style="list-style-type: none"> • e-referral; and • better coordination of referral practices with the post acute system and local GPs. <p>It is noted that, despite the above, Councils in practice would be expected to generate referrals both through their own assessment and re-assessment processes, as a result of observations of service staff and through referral to Aged Care Assessment Services, and as such should pursue improved network practices.</p>
Change management	<p>Agencies participating in the review commonly noted that the successful introduction of Service Coordination requires that the agency adopt a change management approach. In particular critical activities include:</p> <ul style="list-style-type: none"> • consultation programs with staff, board of management and other key service providers; • involvement of staff in any system design;

Factor	Impact
	<ul style="list-style-type: none"> • involvement of staff in policy review and development; and • monitoring and responding to any perceived changes in staff morale.
Champion for change	In each agency, the presence of a key person ‘championing’ the cause of Service Coordination was fundamental to the effective establishment and implementation of the program.

1.5 The way forward

The early benefits delivered from Service Coordination highlight the real and tangible benefits that come from improved coordination and navigation across the service system for not only clients but for agencies as well.

It is clear that Service Coordination is a positive and effective mechanism and warrants consideration and support for broader implementation across the human service sector. Wherever there is the potential of clients in common or clients with similar needs, Service Coordination has a capacity to not only streamline the way services work, resulting in improvements in operational efficiency and effectiveness but also it has the capacity to be directly beneficial to clients by reducing waiting times and ensuring that service responses are coordinated in response to their needs.

By realising these benefits locally there is also direct benefit for DHS as a funder of the service system. Improvements to service quality are important for both direct client outcomes and in terms of the investment proposition for the service system.

With DHS and the sector working in partnership, with a shared vision for the future, Service Coordination has the capacity to be expanded to encompass a greater variety of service responses...providing to greater benefits to consumers and participating agencies alike.

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1.5.1 The role for DHS

The key role for DHS is to facilitate further implementation of Service Coordination and support its ongoing success. This includes:

- Promotion and support of Service Coordination as a model across the broader service system (particularly the acute sector) with marketing information around Service Coordination and its benefits.

- Promotion of potential network Service Coordination benefits to Council HACC services to address the incorrect perception that their role is primarily as the recipient of referrals.
- Encouraging and supporting the sector to look for more flexible service responses outside of the traditional service types.
- Continued support of the PCP structure and promotion of their role and capacity. Network benefits can be slow to emerge as the benefits only arise when a large proportion of the network participates in Service Coordination. PCPs are clearly able to take a leadership role in supporting agencies within their network to implement Service Coordination, thus maximising the benefits.
- Supporting Service Coordination through ongoing program development structures and policy and operational guidelines. Taking a lead role in the development of referral tools and processes enables the sector to focus on internal agency requirements rather than systemic development issues.
- Incentives and rewards for good practice. This could include incentives to ensure that any cost savings achieved by agencies can be redirected into direct service provision.
- Facilitating technology structures and systems to support Service Coordination, which would assist in removing the current administrative burdens created by the referral tools and systems. For example the messaging standards being developed by DHS which will increase the connectivity of e-referral to the agency data systems and provide an improved interface between systems.
- Developing a strategy to support the primary health sector in the engagement of the acute sector to broaden the application of the referral tools and process including e referrals. The review consistently identified that the broader the application of Service Coordination the more effective the network benefits are. In particular this greater benefit would be gained if all sectors involved in referral processes were linked to the same referral tools and systems.
- Financial assistance for training for smaller and/or rural agencies, in particular around IT and systems where their size and infrastructure makes this difficult to achieve as they have little capacity to invest in this area.
- Financial support for IT system upgrades and hardware purchase, for example assisting agencies to achieve improved interfaces between systems and functional links between their software packages and e referral systems. This would maximise network efficiencies and eliminate the current duplication of effort.

1.6 The role for the sector

1.6.1 Primary Care Partnerships

The PCPs play a critical role in providing:

- resources, particularly training and IT support;
- development of PCP wide PPPS;
- advice on governance, service planning and strategic issues;
- a leadership role in developing protocols and relationships with other sectors (such as referral protocols with local GPS and the acute sector); and
- information and discussion forums for staff at various levels of the service system from CEO through to direct service staff

for agencies implementing Service Coordination.

It is important that PCPs continue this leadership role to grow and support the effective implementation of Service Coordination across the service sector. The implementation of the PCP Strategic Directions should result in broader implementation, which may assist this process.

In addition PCPs should take a leadership role in promoting the benefits of Service Coordination and leading discussion with other service sectors such as the acute sector.

1.6.2 The individual agency

For those agencies that have successfully implemented Service Coordination it will be important that they promote Service Coordination through existing service networks at all levels from CEO to service staff. In doing this agencies can provide support and mentoring to agencies seeking to establish Service Coordination.

In particular it will be important to communicate the message that Service Coordination can be used effectively as a driver or catalyst for change to address business inefficiencies.

For rural services, Service Coordination has established that there are potential advantages in building and participating in network alliances to minimise differences in procedures and establishing agreed protocols to maximise the efficiency of service intake and referral processes. This could also be supported by agreements around software packages to support the resolution of interface issues.