

JUNE 2005

AN UPDATE ON PERFORMANCE REPORTING IN DISTRICT HEALTH BOARDS – JUNE 2005



Stephen Lucy,
Chair, Health Sector Group
Email: stephen.lucy@auditnz.govt.nz
DDI (04) 496 3115

In this update we share good practice Audit New Zealand has identified from performance reporting in DHBs' draft 2005-2008 Statements of Intent (SOIs)¹. This updates our *Special Briefing on Performance Reporting*, April 2004, where we selected examples from 2003-2006 SOIs to illustrate aspects of good performance reporting.

The future development of performance measures and the Statement of Service Performance needs to focus on giving the lay reader a clear, meaningful picture of how well the DHB has performed across all key aspects of its business. This means that the measures need to be closely aligned with the DHB's key strategic objectives. We have been pleased to note significant advances by DHBs in providing contextual information to make their performance objectives and measures more meaningful.

The examples selected are not "definitive" – quite different approaches can still be good practice. For some aspects we have reiterated our commentary from last year's newsletter, or provided further commentary.

KEY PRINCIPLES OF PERFORMANCE REPORTING

In the April 2004 update, we identified seven key aspects underlying robust performance reporting and outlined Audit New Zealand's expectations for each aspect.

KEY ASPECTS	AUDIT NEW ZEALAND EXPECTATION
LINKAGES WITH STRATEGIC PRIORITIES	Clear linking of desired health outcomes/status through to strategic priorities, objectives and specific performance measures.
RELEVANCE OF PERFORMANCE MEASURES	Coverage of key aspects of the DHB's performance. Good proxies are those key issues of interest to the audience (Parliament and the public), including key strategic priorities.
LEVEL OF PERFORMANCE REPORTING	Performance measures provide a high level, representative, balanced picture of performance.
PROVIDING CONTEXT TO PERFORMANCE OBJECTIVES AND MEASURES	Performance objectives and measures are meaningful to readers.
TREND ANALYSIS	Provision of historical baseline data, where appropriate and available, to give context to targets and allow the reader to see trends in health status. Similarly, the use of short-term and long-term targets to show the expected pattern of progress in forthcoming years.
ABILITY TO BE UNDERSTOOD	To help make the SOIs user-friendly, clear visual presentation of information, explanation of medical terms and/or acronyms, and use of plain English.
MEASURABLE AND VERIFIABLE	Performance measures are reliable, measurable and verifiable.

LINKAGES WITH STRATEGIC PRIORITIES

Readers can more readily understand the links with DHBs' overall objectives and strategic priorities if DHBs explain how they have selected the objectives and performance measures for their formal performance measures statement. The current reviews of District Strategic Plans give DHBs the opportunity for renewed clarity on their key strategies and objectives, and to consider the linkages through to specific performance measures.

¹ As the examples are from draft SOIs, they may change when being finalised.

Good Practice Example (1):

Nelson-Marlborough DHB links its performance measures directly to its goals, as illustrated by its general introduction and its specific introduction to the oral health measures.

Goal 1: Improve the health and wellbeing of the people of Nelson Marlborough and in particular to reduce health inequalities for Maori, and other population groups

NMDHB seeks to improve the health and wellbeing of the community by promoting health and preventing illness. While we work to address all the thirteen population health priorities for New Zealand, we place particular emphasis on the high priority areas identified for this region, as follows:

To improve oral health

There is concern that the oral health of Nelson Marlborough children is not as good as might be expected. For example, Nelson Marlborough has a slightly higher percentage of 5 year olds with tooth decay than NZ as a whole, Maori children are over represented among children having dental treatment under general anaesthetic in hospital and water supplies are non-fluoridated except for that at Woodbourne airforce base.

Good Practice Example (2):

It is clear from the following statement why Taranaki DHB has included these health aspects in its performance measures.

Objective: Improve our Disease Prevention and Management strategies

Diabetes, cardiovascular disease and cancers are all recognised nationally as being important disease groups to target to improve the health of the population. They share the same risk factors, for example, nutrition, obesity, smoking, blood pressure, except for cancer, which has sun as an additional risk factor. They also have the same ability to drive costs at the secondary-tertiary end of care if population and primary focused disease prevention and management activities are not focused upon. We want to ensure that all sectors [from population health to tertiary services] are linked in a strategic response to these disease states. There will be an over-arching Disease Prevention and Management Strategy developed, with supporting strategic work for each of the particular disease states. This work will be aligned with national and regional work.

The performance measures below will be used to monitor our progress with cardiovascular disease, cancer, diabetes and reducing smoking.

Good Practice Example (3):

Waikato DHB includes a column in its tables of performance measures on the "Rationale for inclusion".

RELEVANCE

Coverage of issues

Performance measures should cover only the significant outcomes and the significant dimensions of those outcomes. Focusing on what readers see as key aspects of DHB performance is important, and can help avoid swamping the reader with information.

Sometimes, a suite of measures can help to give a complete picture of aspects of DHBs' performance. For example, a measure on the *Average Length of Stay in Hospital* may benefit from being linked with measures such as *Unplanned Readmissions to Hospital* and *Patient Satisfaction*.

DHBs themselves are in the best position to know the interests of their stakeholders. In general terms, however, we would expect the performance measures to address:

- ▲ The quality dimensions of what is funded and why
- ▲ How providers are selected
- ▲ The efficiency and effectiveness of service delivery (across all providers)
- ▲ Patient/clinical safety of services and facilities
- ▲ How long people will need to wait for services and why.

Core set of performance measures

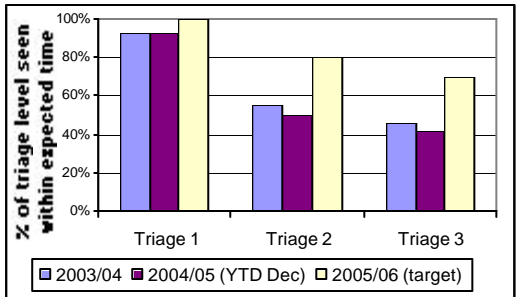
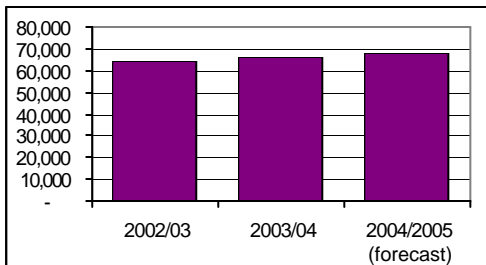
We note that work is under way to identify a core set of performance measures for the SOI, to cover aspects commonly reported by DHBs. We expect that DHBs will need to supplement these with measures specific to their local community and key strategic priorities. For example, West Coast DHB has performance measures relevant to its position as the largest employer on the West Coast.

Indicators of DHB Performance (IDPs) and Hospital Benchmarking Information (HBI)

It is appropriate for DHBs to use IDPs and HBI if they genuinely see them as the most appropriate measures for the SOI. However, where these measures are used, it is important that they are presented in a meaningful way to the lay reader.

Good Practice Example (4):

Canterbury DHB links the IDP measure on Emergency Department waiting (triage) times to an overall objective on hospital effectiveness and efficiency, provides historical data in a clear visual layout, sets out the targets and explains the triage levels. The additional information makes the performance measure readily understandable to the lay reader. Canterbury DHB also supplements the measure with a contextual “information only” measure on the number of emergency department attendances.

<p>Reduce wait times for people attending Christchurch Hospital's Emergency Department</p>	<p>Percentage of people seen within expected wait time by triage level</p>  <p>NB: Triage level 1 patients should be attended to immediately. Triage level 2 patients should be attended to within 10 minutes. Triage level 3 patients should be attended to within 30 minutes.</p>	<p>Improved performance during the year with target performance for the quarter ending June 2006 (year end) of:</p> <ul style="list-style-type: none"> • Triage 1 100% • Triage 2 80% • Triage 3 70%
<p>Monitor levels of attendance at Christchurch Hospital's Emergency Department</p>	<p>Number of attendances at Christchurch Hospital's Emergency Department</p> 	<p>The Emergency Department provides a demand driven service, as such no target for attendances can be set. This information is included here for information purposes only.</p>

Good Practice Example (5):

Canterbury DHB selected a specific area of particular interest to report on in terms of the IDP on elective services waiting time (cardiovascular disease).

Good Practice Example (6):

For its performance measures on its provider arm, South Canterbury DHB explains that it is using the HBI measures as they “give a feel for the overall performance of DHBs, both short- and long-term”. It supports these measures and targets with historical data.

LEVEL OF PERFORMANCE REPORTING

Performance measures need to reflect the “bigger picture” of a DHB's directions, aspirations and long-term focus. What are the outcomes that the community desires? What are the effects of the DHB's activities on achieving these outcomes?

Different layers of performance measures are appropriate, to depict outputs (delivery of specified services) and linkages to intermediate and high-level outcomes (the impact on the community from delivery of the services). This provides a more complete, meaningful picture than, for example, reporting on activities at only the detailed management level.

DHBs' accountability relationship with high-level outcomes on health status needs to be clear. Many health outcomes will be realised only in the longer term, and multiple variables and entities will contribute towards their achievement. This means that intermediate performance measures should be used, where the logic that connects them to the final outcome is apparent. For instance, reporting on elective services waiting times can be a proxy of the higher outcome measure on effective delivery of elective services and ultimately the improved health status of the community.

Useful questions for a DHB to ask itself include:

- ▲ What does this indicator tell the reader about the service or our performance?
- ▲ How would we measure "success"?; and, ultimately
- ▲ What do we know about its impact on the health status of the community?

Lakes DHB comments on the long-term nature of health outcomes.

"Health outcomes, or end results often take time to achieve. Certainly it would be unrealistic to expect to achieve outcomes in just one year. What we do is set ourselves objectives, or points we believe we must reach on the way to achieving our end results. Yearly objectives/ targets, then, are points along the way to achieving our overall objective to improve health outcomes or end results."

Good Practice Example (7):

Hawke's Bay DHB has selected four "health gain indicators," for monitoring over a 10-20 year timeframe. It states that "They have been selected because they are important measures in themselves and also collectively cover the spectrum of health." Further measures are to be added when available.

Good Practice Example (8):

South Canterbury DHB includes a section of long-term indicators and targets at the front of its performance measures. It carefully delineates its own role with the following statement.

"Changes in health outcomes can be measured most usefully only over the long term... It should be noted that SCDHB represents only one of many sectors (like education, housing, justice, etc.) whose activities will affect health outcomes."

Good Practice Example (9):

Counties Manukau DHB refers to its different types of responsibilities within the context of funding arrangements.

"The measures reflect the accountability that Counties Manukau DHB has for securing improved health status for its population. As responsibility for funding some services is yet to be devolved to DHB's, there are measures where the DHBs' ability to influence the outcome is not through direct funding but through influencing other funders."

Good practice example (10):

Lakes DHB uses two layers of measures for its objective on reducing the number of low birthweight babies.

Reducing the numbers of low birthweight babies in our community		
Explanation	Measure	Target and Timeframe
Low birthweight babies are at particular risk in a number of areas. Their health status is often poor throughout life, and it has been demonstrated that there is an increased likelihood of low birthweight babies going on to develop type 2 diabetes as adults.	Low Birth Weight Babies - Rate per 1000 births	That total number of low birthweight babies per 1000 births for the Lakes district lie within the 99% confidence level for all New Zealand DHBs.



Reducing the numbers of low birthweight babies in our community		
Explanation	Measure	Target and Timeframe
It is recognised that there is a relationship between smoking in pregnancy and low birth weight babies. The smoking rate for young Maori women in the Lakes area is the highest in New Zealand.	Role model the smoke-free health message via a smoke-free Lakes DHB campus (Rotorua and Taupo). Programmes to support staff and clients reduce smoke exposure are in place.	Policy in place and fully implemented during 05/06 Increased availability and accessibility established during 05/06.

PROVIDING CONTEXT TO PERFORMANCE OBJECTIVES AND MEASURES

The performance measures and targets should be meaningful to the lay reader. We prefer that the measures can “stand alone”, which may require brief contextual information. The information may, for example, concern the area that the service or programme is designed to address, or the reason that this is a significant area of the Board’s performance, or how to interpret any specific targets. We note that management commentary included in the Statement of Service Performance is subject to audit.

Good Practice Example (11):

In information preceding the performance measures, South Canterbury DHB explains the significance of diabetes and the range of activities to manage the disease.

“There are an estimated 2,200 diabetics in South Canterbury. Diabetes is the single most significant chronic disease in the community and is forecast to increase significantly. The challenge is to diagnose as many people as possible, treat where possible, screen for complications, and educate patients to manage their conditions. SCDHB funds a diabetes nurse educator/coordinator to work with Aoraki PHO providers to improve the numbers of people receiving annual checks, assist with patient management and education of practice nurses, and to advise on individual patients. Diabetes education for GPs and practice nurses also is funded, as are 2nd and 3^d checks for patients whose diabetes is not well-controlled (those with an HbA1c – blood sugar level above 8.0). SCDHB also is exploring the use of optometrists to increase the number of people receiving eye screening.”

Good Practice Example (12):

Lakes DHB includes data on national cancer rates and comparative international information with its cancer performance measures.

TREND ANALYSIS

DHBs should be moving towards specifying performance targets and other measures for a 3-year period. This is a statutory requirement of the Public Finance Act. Consistent definitions, parameters and data collection should underlie the performance measures over the years to help the reader see what progress is occurring. Any differences need to be disclosed.

Performance measurement is, however, a dynamic process. Measures and/or targets should be changed, preferably with an explanation, if the original ones are no longer appropriate.

Good Practice Example (13):

Southland DHB sets some of its measures over a longer time period. For example, it plans to reduce smoking rates from 25% to 20% over a 5-year period.

Good Practice Example (14):

Tairāwhiti DHB has set targets for the next three years, and provided baseline information, as illustrated in the example below.

Description	Goal	Target	Timing	Objectives Linked
Reducing the prevalence and burden of diabetes: 1) Diabetes risk reduction	An increase in the number of health promoting schools <i>Reduce the rate of diabetes and help people with diabetes stay healthy</i>	05-06: 25% of Tairāwhiti schools 06-07: 30% 07-08: 35% <i>Current rate:</i> Three Health Promoting Schools	Dec 05	DAP: <i>Lifestyle</i> DSP: <i>Population and Maori Health</i> NZHS: <i>Diabetes</i>

Good Practice Example (15):

For its performance measures on ambulatory sensitive admissions, South Canterbury clearly explains how the targets are set, which makes them more meaningful to the reader.

<i>Annual Objective:</i>	<i>Decrease ambulatory sensitive admissions for children and older people. (MOH IDP POP-13)</i>		
<i>Approach/Comment:</i>	Ambulatory sensitive admissions are admissions to hospital that are potentially preventable by primary care services. Thus, low levels of such admission tend to indicate good access to appropriate primary care services. However, it also is subject to hospital admitting practice. Target levels are set retrospectively by the Ministry of Health as results are available; hence national results inform what is an acceptable level. The current rate of ambulatory sensitive admissions per 1000 hospital admission is:		
		<u>Maori</u>	<u>Other</u>
	<u>Total</u>		
	Under 5 years	50.1	57.2
	5 to 14 years	11.9	16.1
	15 to 24 years	12.9	18.5
	65 to 74 years	97.5	62.5
<i>Indicator/ Target:</i>	Maintain ambulatory sensitive admission rates for children <15 years and older people >65 years within acceptable levels as defined by the Ministry of Health.		

ABILITY TO BE UNDERSTOOD

Good Practice Example (16):

Nelson-Marlborough DHB provides good explanations via footnotes of various programmes referred to in its performance measures.

"A Green Prescription is a health professional's written advice to a patient to be physically active as part of the patient's health management. It is a joint venture between Sport and Recreation NZ (SPARC) & Regional Sports Trusts, general practitioner groups and Pharmac."

Good Practice Example (17):

Lakes DHB provides clear, user-friendly contextual information on diabetes, as illustrated by its introductory statement and its measures on risk reduction and clinical management.

Diabetes

Ideally we'd like to prevent people getting diabetes and that is the health outcome we are working towards. We also acknowledge that to keep the population healthy we must minimise the side effects for people who have diabetes already, and to do that we must find all the people in our community who have diabetes and link them to their GPs who will help with programmes to manage the diabetes to reduce or minimise side effects.

Diabetes Risk Reduction		
Explanation	Measure	Target and Timeframe
<p>Reducing the risk of diabetes through healthy eating healthy lifestyles programme</p> <p>Last year and for the next two years we'll be involved in a research initiative called Te Wai o Rona Diabetes Prevention Strategy. This is a project about diabetes prevention. It involves 250 people living in and around Taupo, Turangi and Mangakino</p>	<p>Healthy eating healthy living programmes in place in Lakes region.</p> <p>Lakes DHB has supported a Services to Improve Access (SIA) initiative involving at risk children seen by GPs and linking them with a lifestyle coach.</p>	<p>Work towards a direct contracting relationship with the public health provider to have more influence on, and better visibility of public health diabetes prevention programmes.</p> <p>The target is a 35% reduction in the incidence of type 2 diabetes over the course of the project.</p> <p>Children at risk as a result of obesity are referred for lifestyle coaching.</p>
Diabetes – Effectively clinically managing the people in our community who have diabetes		
Explanation	Measure	Target and Timeframe
<p>If people with diabetes have continually high levels of sugar in their blood it causes serious damage to blood vessels and organs.</p> <p>The more effective the clinical management of people with diabetes is, (that is keeping blood sugar levels as low as possible) the better. When these patients with diabetes have good control of their condition it reduces their chance of later complications of diabetes such as blindness, kidney damage, heart attacks, strokes and limb amputations. Last year blood tests showed 34% of people with diabetes had poor control of their diabetes.</p>	<p>We will increase dedicated dietician and diabetes resource nurse capacity in the Taupo area.</p> <p>We will support primary care services to improve access to diabetes services.</p> <p>In terms of equity we also aim to ensure that the rate of poorly controlled diabetes in the Lakes community is the same for all population groups – this means particularly focussing on Maori and Pacific peoples to improve their results.</p> <p>By June 2006, we will need to be better managing the diabetes management of 271 people to ensure they avoid complications. This would enable us to meet our target of less that 29% of people who need better control / management of their diabetes.</p>	<p>Diabetes Management target - reducing the numbers of those who need better control/management to 29%</p>

Good Practice Example (18):

Canterbury DHB makes use of colourful graphs to present historical data and targets (refer to its performance measure on Emergency Department triage times). Wairarapa DHB uses a table format, as shown with its objective to "Continue current oral health initiatives to maintain high levels of oral health".

2003/04	2004/05 Targets	2005/06 Targets
Actual		
93% enrolment	95% enrolment	95%
68% completions estimated based on incomplete data	75% completions	75% completions in schools surveyed

MEASURABLE AND VERIFIABLE

Ensuring that performance measures are both measurable and verifiable will enable DHBs to readily report against them in the Statement of Service Performance in the Annual Report.

CONCLUSION

We have identified examples of characteristics of non-financial performance reporting which meets good practice, as a follow-up to our April 2004 newsletter. We have been particularly encouraged to note the significant improvement in the contextual information DHBs are providing to help make the performance measures meaningful.

The reviews of District Strategic Plans and Health Needs Assessments should help DHBs with confirming or amending their choice of performance measures, so that they align with strategic objectives and priorities.

It is important to continue to develop and refine good practice in performance reporting. The benefits of appropriate and reliable, externally reported performance measures can include:

- ▲ Giving a picture of the efficiency and effectiveness of organisations in meeting their objectives.
- ▲ Allowing comparison of outputs or performance against previous years' targets or other DHBs.
- ▲ Highlighting areas of public interest or relevance, and enhancing public understanding of DHBs' operations and performance.
- ▲ Identifying trends over time and assisting in the development of benchmarks or targets.
- ▲ More effective governance and management through well-established and improvement-oriented performance measures.
- ▲ Enhancing DHBs' engagement with their community and key stakeholders.

AUDIT NEW ZEALAND HEALTH SECTOR CONTACTS		AUDIT NEW ZEALAND ASSURANCE CONTACTS	
Stephen Lucy	Direct dial (04) 496 3115 stephen.lucy@auditnz.govt.nz	Peter Davies	Direct dial (04) 496 3149 peter.davies@auditnz.govt.nz
Ken Boddy	Direct dial (03) 961 3442 ken.boddy@auditnz.govt.nz	Lyn Daken	Direct dial (09) 914 8602 lyn.daken@auditnz.govt.nz
Laurie Desborough	Direct dial (06) 350 1316 laurie.desborough@auditnz.govt.nz	Bill Inglis	Direct dial (04) 496 3151 bill.inglis@auditnz.govt.nz
Chris Fabling	Direct dial (04) 496 3161 chris.fabling@auditnz.govt.nz	Paul Teutenberg	Direct dial (09) 914 8606 paul.teutenberg@auditnz.govt.nz
Bede Kearney	Direct dial (03) 961 3464 bede.kearney@auditnz.govt.nz	AUDIT NEW ZEALAND TAX CONTACTS	
Devan Menon	Direct dial (03) 961 3443 devan.menon@auditnz.govt.nz	Jason Biggins	Direct dial (04) 496 3100 jason.biggins@auditnz.govt.nz
Jo Smail	Direct dial (04) 916 3068 jo.smaill@auditnz.govt.nz	AUDIT NEW ZEALAND IS CONTACTS	
Miriam Taris	Direct dial (07) 577 8218 miriam.taris@auditnz.govt.nz	Jim Obren	Direct dial (04) 496 3111 jim.obren@auditnz.govt.nz
Rudie Tomlinson	Direct dial (09) 914 8629 rudie.tomlinson@auditnz.govt.nz		
Francis Caetano	Direct dial (09) 914 8628 francis.caetano@auditnz.govt.nz		
Mark Maloney	(06) 350 1323 mark.Maloney@auditnz.govt.nz		
Tony Uttley	(03) 961 3460 tony.uttley@auditnz.govt.nz		
Robyn Wells	Direct dial (03) 961 3444 robyn.wells@auditnz.govt.nz		