

Executive Summary

The Alternative Model

The *Alternative Model for Safety and Quality Accreditation* (the *Alternative Model*) is designed to be applied across all sectors of the health care system and implemented incrementally, commencing with services where there is a high risk of patient harm.

This paper provides an overview of how the *Alternative Model* would operate and incorporates recommendations developed following the National Workshop on 30 November 2007.

The *Alternative Model* has the following key elements:

- 1.1 *Australian Health Standards* developed as a priority in areas that support improvements in the safety and quality of health care in areas of key importance for patient care, that apply to all health services..
- 1.2 A *Quality Improvement Framework* established to address key corporate, risk and governance areas which support quality processes and are applied to all health services.
- 1.3 *Expanded scope for accreditation* to services not currently accredited, through staged implementation, starting with those services where there is a high risk of patient harm.
- 1.4 *National data collection and reporting* to measure performance outcomes and improvements in priority safety and quality areas, to allow credible service comparison and facilitate tracking of the effectiveness of the Australian Health Standards.
- 1.5 *Mutual recognition of accreditation processes and outcomes* to reduce duplication, minimise the burden of accreditation on health services and promote continuity of care.
- 1.6 *National coordination* through the establishment of a body to lead, support and coordinate reform of the safety and quality accreditation system, including the development of Australian Health Standards. Such a National Entity would establish a model of collaborative governance that gives a clear role for consumers, clinicians, service providers and other stakeholders.
- 1.7 *Formal obligations to comply with accreditation requirements and consequence for non-compliance* by Health Services through the use of regulatory mechanisms and clearly described and enforced sanctions and penalties for non-compliance.

Alternative Model Support Projects

The following strategies are recommended as potential mechanisms to support the Alternative Model and the introduction of accreditation reforms.

- 1.8 *Review surveyor participation* to enable development of strategies ensuring the sustainability of the surveyor workforce with the appropriate expertise to undertake accreditation.
- 1.9 *Pilot innovative assessment mechanisms* such as patient journey methodologies and short notice surveys prior to consideration of their broader implementation into accreditation processes.
- 1.10 Facilitate and support a coordinated approach to *research* into safety and quality accreditation.

The Commission considers that AHS are the most effective way of establishing the expected level of service that consumers can reasonably expect across the health system. Accordingly, the Commission believes that all health services should comply with the AHS.

The national implementation of AHS provides an opportunity for the collection of a national safety and quality data set which can be reported publicly. While the frequency and characteristics of reporting will require further discussion with stakeholders, it will be important to involve consumers to ensure that the content of the public report covers those issues of most concern to consumers and the language is appropriate.

Cost of Accreditation

Two further pieces of work are included in this report. The first relates to the cost of accreditation, the second considers the issues of duplication of safety and quality compliance associated with licensing by governments of private health services.

A cost analysis was undertaken in order to establish an indicative baseline cost associated with participating in the accreditation process. Structured interviews were used to collect some data, however it was evident that identifiable data is not routinely collected by health services in relation to costs of safety and quality accreditation.

The findings of the cost analysis indicated that:

- The activities required to achieve accreditation are essentially considered part of core business by many organisations and many of the costs required for compliance with standards would be incurred as part of quality or good practice.
- Activities required for accreditation are inseparable from sound risk management and quality management procedures.
- The overlap of accreditation processes with quality management and continuous improvement means that it would be difficult to separately identify

the costs; and some argue that to do so would run counter to efforts to embed accreditation processes within everyday operations.

- The smaller the organisation the more likely that the task of preparation for accreditation will be burdensome, and that accreditation will be seen as a process diverting resources from income producing or service delivery activities. Smaller organisations are likely to particularly benefit from tools to support accreditation; and
- Accreditation is more likely to be undertaken if there is a direct financial incentive for so doing.
- Some organisations that offer voluntary accreditation e.g. the Australian Psychological Society, RACP and RANZCOG have established incentives to participate in accreditation because of credits gained towards Continuing Professional Development.

A comprehensive report on the review of accreditation costs is available on the Commission's website at www.safetyandquality.gov.au.

Duplication of Standards and Processes

It was evident from the consultation process that there is duplication in standards, compliance and accreditation processes that apply to health services. The Commission recognises the need to minimise duplication in accreditation, particularly as reforms are introduced. Chapter 3 of this Report discusses the current duplication and overlap relating to:

- requirements imposed through state and territory private health facility licensing
- contractual arrangements between health insurance funds and health service providers
- standards applied through different accreditation, certification or compliance processes, which may cover state and territory legislative requirements and mandatory standards.

There is a range of approaches to the scope of licensing of private health facilities across states and territories, which complicates comparison. Nevertheless, there is reasonable similarity in the standards areas covered by accreditation and licensing. In some states where a different license is applied to an accredited facility there is a direct link with accreditation.

Similarly, quality requirements are incorporated into contractual arrangements between health services and health insurance funds. It is difficult to establish the extent of overlap with licensing, accreditation and other standards, but it clear that duplication exists. The Commission is concerned that the degree of duplication is a risk to the successful implementation of the Alternative Model.

Chapter 4 identifies a range of safety and quality related health reforms. They include:

- Council of Australian Government reform of Education and Training Accreditation and the proposed National Health Professional Registration
- review of Private Health Insurance Reforms
- state based safety and quality standards
- expanded scope of accreditation.

The Commission believes the package of reforms proposed has the potential to change the system to improved safety and quality of care for patients and realise savings in part from efficiencies. The recommendations that emerge from the review of national safety and quality accreditation standards follow.