



Our Ref: 14-HPC-1358

Hon Jack Snelling MP  
Minister for Health and Ageing  
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Dear Minister Snelling

**RE: The Future of the Health Performance Council**

Thank you for meeting with the Health Performance Council (HPC) on 22 July 2014 and discussing your plans for transforming the health system and inviting us to participate.

***Transforming the Health System***

The HPC has the expertise to contribute to this process by:

- Providing independent advice on specific matters that arise from the three clinical engagement groups
- Assisting the development of a monitoring and evaluation framework and
- Undertaking periodic reviews for you on specific critical areas of the health system's transformation activity.

During our 2011–14 review process, we have produced a comprehensive review of the current health status and social determinants of the South Australian population and four case studies on specific issues critical to South Australians' health. By the end of October 2014, we will complete our assessment of the health system's performance during 2011–14. We believe these reports will be useful resources for the participants of your 2014 summit.

These offers are understandably contingent on the HPC being exempt from the current board abolition process.

***Supporting the Reform Process***

The Council has considered how best to support the Premier's reform of government boards and committees. We see this as an opportunity to further contribute to the health system's efforts to provide quality care for all South Australians.

We have therefore reviewed our own performance. The HPC is South Australia's only external review body providing expert, independent monitoring of the health system necessary to avoid conflict of interest and ensure accountability, transparency and public trust. These characteristics and our solid reputation for conducting effective reviews make the Council an ideal body to assist in the identification and mitigation of risks associated with critical system activity, such as the impacts of cost saving measures on health care outcomes. Background on the HPC and its achievements is attached.

As part of this process, we are seeking the views of bodies prescribed under the *Health Care Act* and others on our performance; results will be available on 15 August 2014.

## ***Improving Efficiency and Outcomes***

We have also considered the functions the HPC and other health entities' fulfil. We have had preliminary discussions with the Health and Community Services Complaints Commissioner and SA Health's Safety and Quality Unit. We are in agreement that efficiencies are possible through consolidation of the HPC, the South Australian Council on Safety and Quality in Health Care and the Health and the Community Services Complaints Advisory Council.

Consolidation would enhance the development of a safety and quality metrics framework for South Australia as well as improved analysis of consumer complaints and morbidity data.

This proposed consolidation would achieve savings without compromising the quality of advice you receive. The proposal would create value for the health portfolio and the government through:

- Abolishing two Ministerial advisory bodies
- Consolidating advice on complex health issues and
- Creating savings in administration and sitting fees.

In particular, we think the proposed consolidated body would be well-placed to provide you with quality performance information and strategic advice in the next two years on improving:

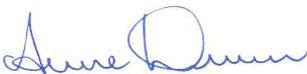
- The health and aged care interface and
- Information flow and continuity of care for people with chronic diseases.

The three bodies agree the HPC is the most suitable of the three councils to undertake this additional responsibility within its existing operating budget and with only minor adjustments to the HPC membership. This proposal would not require amendment to the *Health Care Act 2008*.

If the HPC is not retained, it is recommended that it be provided with a wind-up period sufficient to complete its 2011–2014 review report and no earlier than 31 December 2014.

The HPC would be pleased to provide additional information regarding its current efficiency, independence and impact as well as our potential future impact. Please feel free to contact Ms Barbara Power, Director of the Health Performance Council Secretariat, on 8226 5531 or by email at [Barbara.Power@health.sa.gov.au](mailto:Barbara.Power@health.sa.gov.au).

Yours sincerely



**ANNE DUNN**  
**Chairperson, Health Performance Council**

4 / 8 / 2014

Attachment:

1. Background on HPC characteristics, strengths and achievements

**Characteristics:**

- The HPC was established under the *Health Care Act 2008* upon the abolition of hospital boards to provide independent expert advice on the health system's performance.
- The HPC and its secretariat have significant expertise in health service administration, policy and data analysis, epidemiology, health economics, research and evaluation, and delivery of aged-care, and in engagement with culturally and linguistically diverse and Aboriginal groups and the broader community.
- Its annual operating budget in 2013-14 was just under \$1m (0.02% of Department for Health and Ageing expenditure).
- The HPC is not a body which advocates or advises on behalf of any particular group.

**Health Performance Council Strengths and Achievements:****1. The HPC is South Australia's only external review body for the health system providing expert, independent monitoring necessary to ensure accountability, transparency and public trust.**

- Performance assessment cannot be undertaken independently by SA Health or another department due to competing interests in service delivery and reviewing its outcomes. Similarly, the public alone is not capable of assessing the health system's performance due to the need for special expertise and access to and capacity to analyse data.
- Current national reporting requirements contribute to high level, broad-brush performance monitoring. National bodies, however, do not drill down, fully consider local South Australian factors, nor advise on future improvements to the system. In addition, national reporting bodies are responsive to Commonwealth, not State, priorities as demonstrated by recent announcements that existing national bodies will be amalgamated and some functions terminated.

**2. The HPC has demonstrated positive impacts on the quality of the health system.**

- In its response to our 2011 review of Health Advisory Councils, SA Health acknowledged that *'in its capacity as an independent adviser, the HPC is a valuable resource for the Minister for Health and Ageing and is also uniquely placed to provide South Australians with insights into the function and performance of their health system.'*
- Due to its methods and membership, the HPC is capable of drawing together the disparate elements of the health system to provide insights. For example: *Assessing data, the HPC revealed country residents receive less community mental health care, specialised psychiatric care and follow-up after hospital discharge for a mental health reason, indicating areas for reallocating resources to reduce burden on hospitals.*
- The HPC provides frank advice on whether departmental strategies are being implemented as planned. For example: *The HPC reported that quality engagement of rural South Australians remains a weakness despite Country Health SA's 3 Year and 10 Year Plans.*
- The HPC applies technical rigor to its analyses. For example: *The HPC found a strong correlation between remoteness and dying in hospital and that a significant number of South Australians die in hospital due to under recognition of end-stage chronic diseases. These findings led to advice for ways to better meet South Australian's expectations while creating savings.*

### **3. The HPC is efficient and contributes to cost savings.**

- The HPC provides a cost effective advisory service to the Minister for Health and the health system that contributes to quality service outcomes and cost savings. For example, in 2013, the HPC identified up to \$13 million in savings annually for SA Health through improving end of life care. This review was undertaken quickly and within existing resources.
- Operationally, the HPC has supported SA Health's cost-saving targets. In 2012, the HPC reduced its membership from 15 to 10 following an external review by Warren McCann. In two financial years, the HPC has contributed almost 30% of its annual budget to SA Health's saving target.

### **4. The HPC effectively and appropriately engages the community.**

- Engagement is an integral part of HPC's work as demonstrated in its case studies and review methodology. To ensure it undertakes quality engagement, the HPC is clear about its strategic intent and engagement methods in its Engagement Strategy and Action Plan, which builds on principles from the International Association for Public Participation.
- The HPC purposefully engages to consider evidence about the health system from individuals and organisations who impact or can be impacted by the HPC's analysis, namely the community (consumers, families, carers and the general public) and interested parties (clinicians, health system managers, non-government organisations and research bodies)
- Engagement provides two way benefits. It enables the HPC to provide independent affirmation of the quality of health care in South Australia to community groups and other interested parties and also enables others to raise areas of concern, to identify potential improvements and indicate inequalities in health provision.
- The HPC, as demonstrated by its rural mental health case study, is able to evaluate some of these concerns and report on them in ways that enable health improvement, create efficiencies and increase community confidence that government is 'listening'. Subsequent changes undertaken by SA Health as a result of the HPC's reporting have enhanced community confidence that the system can be responsive.

Further information about the HPC can be found at our website

[www.hpcsa.com.au](http://www.hpcsa.com.au)