

Quality Policy for ADHC funded services



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1 Policy

1.1 Overview

The disability services sector in NSW and across Australia has been moving towards developing a consistent approach to quality assurance to ensure that supports and services are delivered to a standard of quality that meets the expectations of people with disability and the community. Improving the quality of services is fundamental to a person centred service system that enables people with disability, their families and carers to exercise choice and flexibility in accessing their supports and services.

This policy outlines the quality requirements for funded service providers as set out in the Funding Agreement for Disability Service Providers (Terms and Conditions of Agreement). Service providers are required to implement these requirements and fully comply with the NSW Disability Services Standards (NSW DSS) during the term of the Funding Agreement. For Community Care Support Program (CCSP) service providers, the requirements outlined in this policy will apply from 1 July 2015.

Positioning the sector to transition to person centred service delivery and the delivery of quality services, includes new quality requirements that will enable service providers to provide the level of assurance to all stakeholders that they provide quality services, continuously improve and achieve the best possible outcomes for people with a disability.

For this reason, Ageing, Disability and Home Care (ADHC), Department of Family and Community Services is working closely with the sector to implement quality reform activities that will support service providers to make this transition without increasing the regulatory burden.

The requirements set out in this policy underpin ADHC's quality reform, and aim to ensure that providers will:

- develop effective and efficient internal systems to review, refine and continuously improve service delivery across the whole organisation and thereby improve outcomes for people with disability
- give assurance to people with disability, their families and carers, ADHC and other stakeholders about the quality of service provision
- support individuals to make decisions about the supports and service they receive.

1.2 Quality reform

ADHC's quality reform is built on the National Quality Framework and is based on the NSW DSS which align with the endorsed National Standards for Disability Services 2013.

The reform aims to deliver a consistent approach to quality assurance across the sector. Through the use of external verification by a third party, people

with disability, their families and carers, ADHC and other stakeholders will have assurance that all service providers are meeting the NSW DSS.

The reform aligns with ADHC's strategic objective to develop a unified, regulated sector with service users at the centre and the sector's own *Directions for Industry Development*. It is being implemented in partnership with National Disability Services (NDS).

2 Performance requirements

2.1 Quality management system

Quality management is fundamental to person centred approaches to service provision and is the action taken by service providers to make sure they deliver the best possible services and outcomes for the people they support.

To enable people with disability to have confidence in exercising choice and control over their supports and services, it is a condition of funding under the Funding Agreement for Disability Service Providers (Terms and Conditions of Agreement) that service providers have a quality management system in place to enable continuous quality improvement across their organisation. Service providers that do not currently have a quality management system in place are required to develop and implement one during the term of the Funding Agreement.

A quality management system is the means by which an organisation undertakes regular review against measurable outcomes and has procedures, processes and resources in place to best meet the needs of people with disability, their families and carers and to ensure ongoing compliance with the NSW DSS.

Quality management systems are generally based on a continuous improvement cycle and can include (but are not limited to) the following key processes:

Process	Importance of process
<ul style="list-style-type: none"> ■ Self assessment and review of current practices and performance outcomes 	<p>Self assessment and review can give organisations confidence that they are operating efficiently and effectively, in compliance with relevant standards, legislation and policies, and are soundly governed.</p> <p>Self assessment also provides an opportunity to bring together evidence for identifying improvements.</p>

<ul style="list-style-type: none"> ■ Feedback from individuals receiving services and involvement in continuous improvement 	<p>Feedback enables service providers to ensure they are delivering services and supports to a standard of quality that meets client and community expectations. It also allows individuals to play an integral role in the development and planning of services and in decision-making processes.</p>
<ul style="list-style-type: none"> ■ Identification of improvements 	<p>Identifying improvements helps organisations to plan, develop and make changes and improvements in an ongoing manner. Outlining the areas for improvements with timeframes and responsibilities in an action plan will assist organisations to track progress over time.</p>
<ul style="list-style-type: none"> ■ Making improvements 	<p>Making improvements gives people greater confidence in the quality of services provided and funding bodies' assurance that service providers are achieving agreed outcomes.</p>
<ul style="list-style-type: none"> ■ Ongoing monitoring and continuous improvement, including systems for monitoring 	<p>A commitment to continuous improvement ensures the organisation's ability to effectively manage change and therefore, its sustainability.</p>

Service providers with existing quality management systems, whether formal or in-house systems and which include the key processes described above, are not expected to undertake additional activities unless they wish to strengthen or enhance existing quality management systems.

2.2 Third party verification

All service providers will be required to undertake third party verification once during the term of the Funding Agreement for Disability Service Providers (Terms and Conditions of Agreement). Through third party verification, service providers will be able to demonstrate their compliance with the NSW DSS and provide evidence that the organisation fulfills the quality and reporting requirements in the Funding Agreement.

Third party verifiers are required to adopt a flexible approach with service providers recognising that the experience of providing evidence and demonstrating compliance with NSW DSS will vary between organisations.

The verification process will take into account service providers' self assessment, feedback from people with disability, their families and carers, and may include an onsite review (sample of sites where the service

operates). Service providers are required to provide a list of stakeholders to the third party verifier, mainly people receiving services, willing to be consulted as part of the verification process.

If a service provider has existing accreditation that involves an onsite review and consultation with people with disability, their families and carers, it may not be necessary to repeat these processes during third party verification.

Following verification, third party verifiers will issue service providers with advice about the outcome of verification, and provide either a Verification Statement for organisations that meet the NSW DSS or a report and action plan on areas for improvement where required.

Service providers are required to act on the independent feedback received from the third party verifier and implement the actions within three months for any NSW DSS that are met in part or six months for standards that are unmet. On completion of the actions, service providers are required to have their full compliance with the NSW DSS verified by the third party verifier and obtain a Verification Statement. This must occur within the term of the Funding Agreement for Disability Service Providers (Terms and Conditions of Agreement).

Service providers of non-direct client supports

Service providers delivering non-direct client supports only, will be required to undertake a modified process of third party verification where organisational performance is assessed against the NSW DSS that most relate to the services they deliver. Not all elements of the Standards will be relevant for providers delivering non-direct client supports, as the Standards have been developed to cover the full range of supports that ADHC funds. Therefore it is possible that some elements of the Standards may not apply to a particular service provider depending on the types of supports being delivered.

Service providers are encouraged to undertake a self-assessment or gap assessment of current systems and operations against the NSW DSS and to work with their chosen third party verifier to undertake an assessment that is tailored to the services that the organisation delivers. A self-assessment or gap assessment can assist with identifying the areas where the services meet the NSW DSS, where there are gaps and where elements of the Standards may not be relevant for an organisation's particular service types.

2.3 Mutual recognition

The revised National Standards for Disability Services (National Standards) were endorsed by all State, Territory and Commonwealth Governments on 18 December 2013. The updated NSW DSS align to the revised National Standards and service providers in NSW will meet the National Standards when they apply the NSW DSS and will therefore not need to comply with two separate sets of disability standards¹.

¹ The *Disability Inclusion Act 2014* provides that service providers need to comply with the disability service standards (s.20 and s.31), and the *Disability Inclusion Regulation 2014* provides that those standards are the ones

However, it is recognised that some ADHC funded organisations may also be operating and providing services to people with disability in other States/Territories and are also required to comply with those jurisdiction's quality assurance systems and standards for disability services.

Pending transition to a nationally consistent risk based quality assurance framework for the National Disability Insurance Scheme (NDIS), ADHC will adopt the principle of mutual recognition of other jurisdictional quality assurance systems and service standards for disability services where these align to the revised National Standards for Disability Services (2013). Therefore, *the Disability Inclusion Regulation 2014* provides that the Secretary may allow comparable standards of another jurisdiction to be the applicable standards. This function has been delegated from the Secretary to delegated officer category 4. Under this policy, the Executive Director and/or Director Individualised Options will undertake this function.

In such cases, ADHC will accept the organisation's independent verification statement from other jurisdictions as meeting the requirement of third party verification against the NSW DSS, where the organisation's NSW operating sites have also been included within the scope of the accreditation / verification process.

2.4 Community Care Support Program service providers

For service providers receiving only Community Care Support Program (CCSP) funding ADHC's quality framework requirements will apply from 1 July 2015. CCSP providers will be required to undertake TPV once during the term of the Funding Agreement for Disability Service Providers (Terms and Conditions of Agreement).

2.5 Key performance indicators (KPIs)

ADHC is introducing KPIs to assist service providers to measure performance against the NSW DSS. A KPI Guide has been developed that describes the KPIs and how to measure performance against them. The KPI Guide can be accessed on ADHC's website.

The KPIs can be used for a range of reasons including the following:

- To measure improvement over time
- To set targets to motivate continuous improvement
- To establish 'baseline information' about what your organisation is achieving (i.e. how your organisation is performing now)
- As part of a self assessment which could be included in third party verification.

set out in Schedule 1 to the Regulation which are the NSW DSS (see regulation 8). provides that those standards are the ones set out in Schedule 1 to the Regulation which are the NSW DSS (see regulation 8).

Service providers can determine if and when the KPIs are implemented. For example, if an organisation is just starting to build a quality management system, measuring performance may come once policies, procedures and feedback mechanisms are in place. KPIs can also be introduced using a small number at a time. On the other hand, organisations already using KPIs can map these against the KPIs set out in the KPI Guide to ensure the organisation is complying with the NSW DSS.

3 Quality Framework Reporting (QFR)

Reporting overview

The Quality Framework Reporting (QFR) has been developed to assist organisations in reviewing service performance, and progress against implementing the quality requirements and meeting the NSW DSS. The requirement to complete and submit a QFR is a condition of your Funding Agreement with ADHC. The QFR forms part of the reporting requirements outlined in Clause 5.1 of the Funding Agreement for Disability Service Providers (Terms and Conditions of Agreement).

Service providers will be required to report on their progress in achieving the milestones which are fundamental to the implementation of ADHC's quality reform requirements. The QFR covers three areas of focus including; implementing a quality management system; conducting a self assessment and achieving third party verification.

The QFR will serve as a statement of your organisation's ongoing commitment to quality and is designed to encourage service providers to engage in a process of continuous quality improvement as the sector transitions to a person centred disability service system.

All ADHC funded service providers will be required to report compliance against meeting ADHC's quality requirements under the Funding Agreement for Disability Service Providers (Terms and Conditions of Agreement). The reporting period will commence from January 2016 in six monthly intervals. A schedule outlining the reporting periods will be available shortly.

4 Further information

4.1 Definitions of key terms

- *Quality management system* – a quality management system is the structure of procedures, processes and resources used by an organisation across the whole-of-business to best meet the needs of people with a disability. A quality management system typically includes: self assessment and review of current practices and performance outcomes; feedback from individuals receiving services; identification of improvements; making improvements; and ongoing monitoring and continuous improvement, including systems for monitoring.

- *Continuous improvement* – continuous improvement refers to the ongoing effort to improve the delivery of services, and therefore, outcomes experienced by individuals.
- *Key performance indicators (KPIs)* – KPIs are the measures used to evaluate the success of particular activities and the extent to which expected outcomes are met.
- *Third party verification* – in the context of ADHC’s quality reform, third party verification is the process of an impartial and competent party reviewing evidence to establish that a service provider meets the NSW DSS. As part of the evidence review, third party verification takes into account outputs from service providers’ accreditation or certification against other industry standards or quality management systems. Third party verification is not an accreditation system in itself.
- *Evidence* – evidence includes both tangible records and information provided by service providers to demonstrate how the organisation meets the NSW DSS. The evidence may range from policy and procedure manuals, to complaints registers, to attendance lists from forums, training sessions and events and feedback from people receiving services.

4.2 Legislation and related policy drivers

- *NSW Disability Inclusion Act 2014 (DIA)* and the *Disability Inclusion Regulation 2014* can be found through the ‘browse’ function at <http://www.legislation.nsw.gov.au>. Further information about the DIA and the *Disability Inclusion Regulation 2014* is available at www.facs.nsw.gov.au/dia.
- *Ready Together: a better future for people with disability in NSW* is available at http://www.adhc.nsw.gov.au/about_us/strategies/ready_together
- *Funding Agreement* is available at <http://www.adhc.nsw.gov.au> under ‘For service providers’ then ‘Funding and Grants - Funding Agreement’.
- *National Disability Agreement* is available at <http://www.coag.gov.au/> under ‘Agreement and National Partnerships’.

4.3 Resource documents

- The NSW DSS are outlined in the *Standards in action* manual, available at <http://www.adhc.nsw.gov.au/> under ‘For service providers’, then ‘Quality’.