

## **Integrated Performance and Incentive Framework Update (June 2014)**

### **Introduction**

Kia ora and welcome to the second Integrated Performance and Incentive Framework (IPIF) sector update. A significant amount of work involving clinicians, primary care, DHBs and the Ministry has been undertaken to get IPIF to this stage, and we thank everybody for their contribution. There is general excitement to have reached this stage and enthusiasm to continue the joint development and implementation of IPIF in its broader sense.

This update covers:

- IPIF background
- PSAAP discussions
- 2014/2015 Measures and Targets
- 2014/2015 Payments
- The final PPP process and transition to IPIF
- IPIF Programme development
- Next steps for communication

### **Background**

Health systems around the world are trying to address the challenges of an ever-growing and aging population with more long term conditions, in an environment of increasing technology but financial constraints. Health systems based on strong and better integrated primary care can deliver better patient outcomes and experiences more efficiently.

The IPIF will support the health system to address equity, safety, quality, access and cost of services. How will the IPIF do this? It is a quality improvement program. It is also a performance improvement program. The program will ultimately measure how the whole system is performing and how each part of the system contributes. It will incentivise the right activity. It seeks to balance the local responsibility and discretion that is needed to enable innovation and quality improvement, at the same time as being very clear about accountability.

Local Alliances across key providers and the DHB underpin the IPIF so the maturity of these local relationships is crucial to the effective implementation. While some Alliances have been in existence for several years and function well, there is variability around the country. The Ministry, in conjunction with the Joint Project Steering Group is considering how to best support the sector, as needed, to develop effective Alliances including a broader range of providers than general practice. Most districts have or are developing Service Level Alliances to deal with the acute demand created by this aging population.

It will be important that groups like pharmacists and the aged care sector are around the table for these discussions to ensure that all parts of the available workforce are used most effectively. While initially the IPIF will focus on the relationship between DHBs, PHOs and Primary Care providers, it is intended that other parts of the health sector can be added over time. The IPIF is being co-developed by clinicians, sector leaders, and the Ministry.

The development and implementation of the IPIF is an evolutionary process. Phased implementation over several years will see increasing detail developed that moves the IPIF from phase one (the 2014/15 financial year) to the aspirational model envisaged by the Expert Advisory Group and described in their report entitled "Integrated Performance and Incentive Framework – Expert Advisory Group Final Report – 19 February 2014".

Phase one is essentially a transition year from the current PHO Performance Programme (PPP) to a more focused PHO performance programme while the IPIF is further developed.

### **PSAAP discussions**

Part G of the PHO Agreement: the IPIF schedule has been agreed. The IPIF schedule information is high level as much of the detail around IPIF has still to be developed. Consequently, the schedule is focused on the transitional arrangements, the phased implementation approach and an ongoing commitment to co-design.

PSAAP wanted primary care to be a key component of the governance of both the implementation and ongoing development of the IPIF. A clinically-led advisory group will be established in 2014/15 to guide IPIF's ongoing development, along with a refocused National Health Board to undertake monitoring and performance management of the IPIF.

In the interim, a Joint (i.e. Ministry, DHB, PHO and clinical leaders) Project Steering (Joint PSG) Group has been established and will provide governance of the IPIF implementation and further development. It was agreed that the Joint PSG must be credible with the sector and membership was based on competency. There was a strong emphasis from all of the parties that the success of IPIF requires an ongoing commitment to co-design. The members of the Joint PSG are outlined in Appendix One.

As the PSAAP discussions have concluded, the next contractual step is for the Ministry to contact the DHBs by letter notifying the measures, targets and funding available by individual PHO. A PSAAP group joint media release has also been issued.

## **2014/2015 Measures and Targets**

Phase One will commence 1 July 2014 with the implementation of the following measures:

- (i) more heart and diabetes checks (target 90 percent)
- (ii) better help for smokers to quit (target 90 percent)
- (iii) increased immunisation rates at 8 months old (target 95 percent)
- (iv) increased immunisation rates at 2 years old (target 95 percent)
- (v) cervical screening coverage (target 80 percent).

The Measures Working Group were deliberate in the selection of these indicators; the indicators are familiar to primary care, they each support the intention of IPIF, three indicators are National Health Targets, and they all have sound data sources to demonstrate performance.

The five indicators selected fit within the “life stage” development approach proposed by the EAG and supported by the Measures Working Group, which will see measures considered and selected covering Healthy Start, Healthy Child, Healthy Adult and Healthy Aging. Measures will also be developed that address the capacity and capability of the health system to deliver equitable access to services, and leadership.

Further the Measures Working Group was deliberate in supporting a measured and planned approach to the introduction of the framework, starting from a solid and familiar base and moving in IPIF Phase Two (now to June 2016) into developing a wider set of measures to assess the performance of the overall health system. There is a commitment for the framework to extend to cover a wider range of integrated health services.

All PHOs will be expected to meet and/or maintain performance at the national target by 30 June 2015. Quarterly targets will be set for individual PHOs to enable them to reach the national targets after four quarters.

## **2014/2015 Payments**

The \$23million budget for the National PHO Performance Programme will remain but realignment of rewards for performance will see changes in payments to PHOs/general practices. In the 2014/15 financial year, the DHB will pay the PHO in accordance with the provisions set out in Part G and any relevant Referenced Document.

Each quarterly payment will be calculated on the basis of the PHO's performance in each quarterly period during the year commencing on 1 July 2014 in relation to the PHO's Quarterly Targets.

For each quarter, there will be a quarterly pool of available funding that will be calculated as follows:

$$\begin{aligned}
 & \$5.33 \text{ (GST exclusive) or any other amount specified by the Ministry} \\
 \div & \quad 4 \text{ (to reflect the 4 quarters)} \\
 \times & \quad \text{the number of Enrolled Persons in the quarter}
 \end{aligned}$$

For each Quarterly Target that the PHO meets in a quarter, the DHB will pay the proportion of the quarterly pool for the Quarterly Target set out below:

	<b>IPIF Measure</b>	<b>Proportion</b>
1	More heart and diabetes checks	25%
2	Better help for smokers to quit	25%
3	Increased immunisation rates – 8 months old	15%
4	Increased immunisation rates – 2 years old	10%
5	Cervical screening	25%

If your PHO reaches the individual quarterly targets for all the IPIF measures you will receive maximum funding (\$5.33 x enrolled population). If your PHO did not meet any individual target but still performs within 10 percent of the national targets during 2014/15, you will still receive partial payments.

PSAAP is also focused on how to ensure all new Zealanders benefit from improved health outcomes and will further consider how activity in the IPIF can be incentivized with this goal in mind. This specific issue has been added to the PSAAP Issues Register for resolution within the developmental work programme in 2014/15.

### **The final PPP process and transition to IPIF**

A fact sheet is attached for your information.

## **IPIF Programme development**

Implementation of IPIF will require a dedicated project team to conduct detailed analysis and technical development, and to work with the sector to manage the change. The following six work streams have been identified:

- Measures, Incentives and Reporting
- Audit
- Infrastructure
- Change Management
- Governance
- Evaluation

Each work stream has a Ministry and a Sector Lead, dedicated project and/or analytical resource, and input from sector experts and leaders via work stream working groups. An overall Programme Manager is in place to ensure all the work streams are working well individually and collectively, ensuring communication, scope, risks and deliverables are well managed. The work stream leads along with the programme management and support resources are outlined in Appendix One.

## **Next Steps for communication**

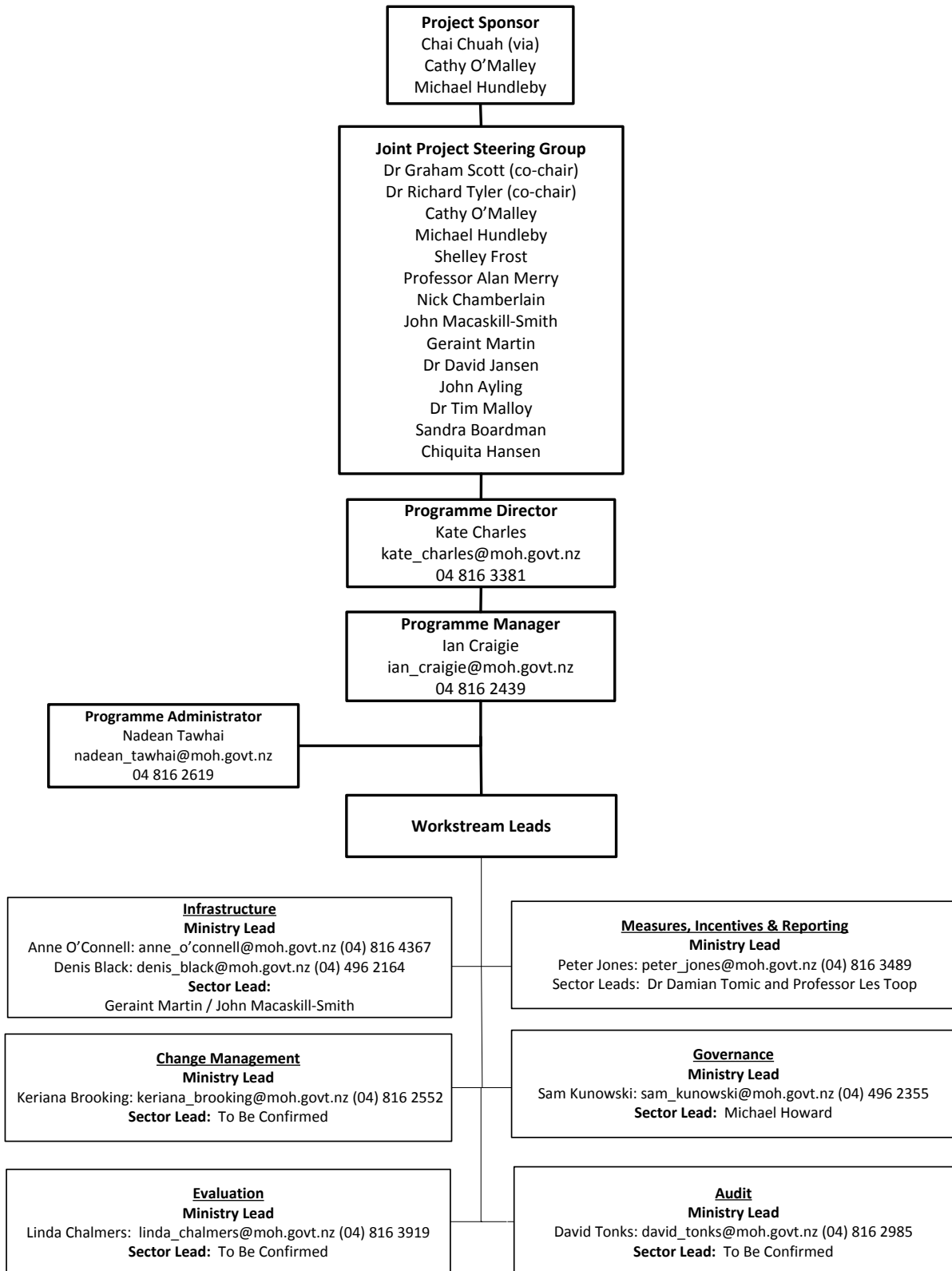
A sector update will be produced monthly at a minimum, and more frequently at times when information needs to be shared with the sector. This information can also be found at [www.hiirc.org.nz](http://www.hiirc.org.nz) as part of the IPIF section of the Improvement and Innovation section.

While this sector update has been distributed widely, we appreciate that not all corners of the sector may have been covered. If this information could be shared further to increase the IPIF message that would be appreciated.

## **Further enquires**

We will continue to keep you updated on the progress. If you wish to be more involved please contact Ian Craigie ([ian\\_craigie@moh.govt.nz](mailto:ian_craigie@moh.govt.nz)), the IPIF Programme Manager, and let us know how you would like to be involved.

Cathy O'Malley & Michael Hundleby  
Project Sponsors



## PPP Transition Fact Sheet

PPP is ending 30 June – what this means to you.

### If you are a PHO

For the final quarter 01 April 2014 to 30 June 2014 under PPP, follow your usual process, nothing will change:

- Send in your data to DHBSS as usual
- Processing and payments will happen as usual
- Reporting will remain the same (PHO & Public).

For transition to IPIF:

- Send in your quarter four (due 20 July 2014) data to DHBSS as usual
- New IPIF payments will be made against the new IPIF measures
- Payments will be made quarterly
- No new data will be required at this stage
- DHBSS will continue to work with you with regard to data verification pre-payment
- Reporting is under review. A stocktake will be undertaken to determine which type of reports are right for you and the programme
- Reporting will remain the same until the outcome of the review is clear.

### If you are a DHB

For the final quarter 01 April 2014 to 30 June 2014 under PPP, follow your usual process, nothing will change:

- PHOs will send in data to DHBSS as usual
- Processing and payments will happen as usual
- Reporting will remain the same (PHO & Public).

For transition to IPIF:

- PHOs will send in quarter four (due 20 July 2014) data to DHBSS as usual
- New IPIF payments will be made against the new IPIF measures
- Payments will be made quarterly
- No new data will be required at this stage
- DHBSS will continue to work with PHOs with regard to data verification pre-payment
- Reporting is under review. A stocktake will be undertaken to determine which type of reports are right for you and the programme
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