



SA Health

COMMISSIONING TECHNICAL GUIDE

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PURPOSE OF THE TECHNICAL GUIDE

This Technical Guide (the Guide) provides practical guidance to support a consistent approach to commissioning.

This Guide should be considered as a reference document that informs the completion of commissioning planning and activities.

The information contained in this Guide is targeted towards commissioning of discrete and targeted health and wellbeing programs, projects, initiatives or services undertaken by:

- Divisions of the Department for Health and Wellbeing (e.g. Drug and Alcohol Services, Aboriginal Health, Mental Health, etc.)
- Other agencies within the SA Health portfolio (e.g. The Commission on Excellence and Innovation in Health, Wellbeing SA, etc.)
- Local Health Networks (LHN).

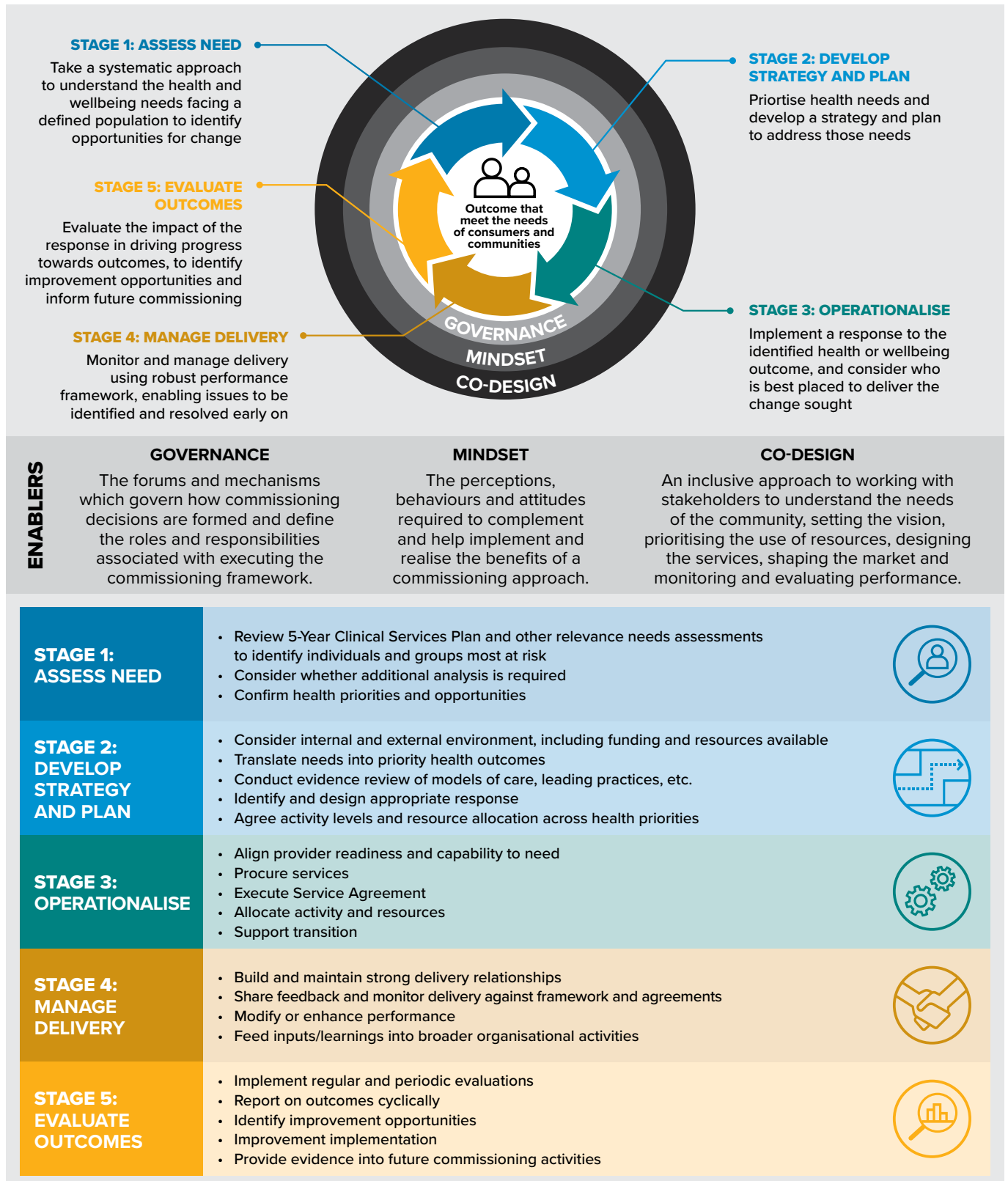
The Guide does not apply to acute, subacute, emergency and outpatient clinical health services which are commissioned by DHW and provided by LHNs. Whilst the same 5-stage commissioning cycle is followed, the activities and steps undertaken as a part of each stage of the cycle may vary in practice, timing, intensity and level of effort.

The Guide should be read together with SA Health's Commissioning Framework, which sets out SA Health's overarching strategic approach to commissioning.

THE SA HEALTH COMMISSIONING CYCLE

Represented as a cycle of activity, commissioning is continuous and iterative, with each stage feeding into the next. This enables responsiveness to changing health and wellbeing needs and ongoing system learning. The cycle has five core stages and is underpinned throughout by enablers related to a co-design approach with stakeholders, a commissioning mindset and robust governance. Central to all commissioning activities is a focus on improved outcomes for consumers and communities.

The commissioning cycle





Each stage of the commissioning cycle includes a number of key steps as illustrated below. This document provides guidance on the completion of the phases and activities associated with each stage of the commissioning cycle.

STAGE 1: ASSESS NEED

Purpose

Understanding a population's health and wellness needs allows commissioners to make well informed resource prioritisation decisions. Ultimately, this will lead to improved consumer and population outcomes. A health needs assessment (HNA) is a method for reviewing the health issues facing a population and the extent to which they are being met, enabling commissioners to make well informed resource prioritisation decisions. The HNA will be used at many points within the commissioning cycle and will be a crucial source of information for strategy formulation, planning and co-design.

Why do we undertake a HNA?

- Identify current and future local population health and wellbeing needs
- Identify populations with poor access and inequality
- Provide data to enable resource prioritisation decisions

The HNA is not an academic exercise – it is the basis of everything we do in commissioning!

Assessing needs should involve:

- Identifying the current and future health and wellbeing needs of a defined population
- Exploring any linkage of the health and wellbeing needs to broader social determinants of health
- Identifying cohorts most at risk, or with poor or unequal levels of access to health and wellbeing services
- Identifying health and wellbeing priorities and opportunities for intervention or change
- Providing data to enable resource prioritisation decisions.

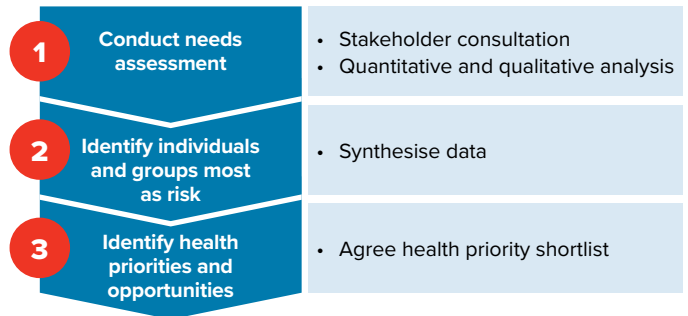
“The Health Needs Assessment is a systematic method for reviewing the health issues facing a population, leading to agreed priorities and resource allocation that will improve health and reduce inequalities.”

UK National Institute of Clinical Excellence (NICE)

This definition recognises the importance of the HNA at the start of the commissioning cycle in order to inform decision making.

Approach

The three-phased HNA approach is summarised below.



Phase 1: Conduct needs assessment



To assess health and wellbeing needs, a range of activities should be undertaken including consultations and a review of qualitative and quantitative data.

Stakeholder consultation

Conducting a needs assessment presents a critical opportunity to engage and co-design with stakeholders to fully understand their needs. Stakeholder consultation needs to be undertaken using a systematic and structured approach including a planned methodology for analysing and synthesising the information.

Stakeholder consultation and qualitative analysis are particularly important for:

- Identifying unmet needs
- Exploring consumer and community experience with existing services and the extent to which these services address needs
- Exploring health behaviours attitudes, beliefs, knowledge and behaviours
- Validating trends and hypotheses produced from quantitative analysis (described below).

Quantitative and qualitative analysis

In many cases, commissioners will draw on SA Health's Clinical Services Plan to inform their HNA. The Clinical Services Plan (CSP) forecasts needs across the next 10 years, with more detailed projections for the next 5 years. This means that in practice, commissioners may be able to draw on the CSP rather than conducting a new HNA.

Given the scope of the CSP, there are cases which will warrant more targeted needs assessment. This may include an assessment of broader wellbeing needs associated with primary or community care settings, or targeted assessment of needs at a more localised level. In these cases, commissioners may use additional or complementary data sources to inform the needs assessment. Ultimately, this analysis should include:

- Demographic analysis - characteristics of specific populations, cohorts or conditions
- Patterns of overall health and wellbeing status and behaviours
 - Deaths (mortality rates and life expectancy measures)
 - Health conditions (prevalence of disease, disorder, injury or trauma or other health-related states)
 - Wellbeing (measures of physical, mental and social wellbeing of individuals)
- Demand analysis - historical demand and utilisation of health and wellbeing services

Where possible, consumer and Subject Matter Expert insights should be obtained to validate the health and wellbeing needs analysis before moving onto other activities.

Phase 2: Identify individuals and groups most at risk



Once potential health and wellbeing opportunities have been identified, these need to be prioritised into a short-list for further development. Effective prioritisation helps ensure:

1. Investments are rational and make good use of finite resources
2. Resources are focused on fewer, higher impact interventions that deliver greater impact than multiple, low impact interventions
3. Financial investments are sound and ensure sustainable development of services and value for money
4. A defensible basis for decision-making.

Agree health and wellbeing priority shortlist

Health and wellbeing prioritisation decisions should ideally be made with input from broader stakeholders to gain their trust and engender a sense of shared responsibility for resource utilisation. Prioritisation decisions should also take into account:

- The identified needs of the population, particularly those individuals and groups most at risk
- The potential for the opportunity to have an impact towards desired outcomes

- Strategic objectives
- The availability of funding and the potential for the opportunity to provide efficient service delivery
- The commissioning landscape and sector reforms

Practical Considerations

1. **Data Quality.** It can be difficult to get high quality data, which makes it important to triangulate different data sources and engage with clinicians, consumers and communities, carers and planners to build a rich, reliable and evidence-based understanding of health and wellbeing needs.
2. **Raising consumer and community expectations.** The HNA process should be transparent and manage stakeholders expectations regarding the ability to respond to needs appropriately.
3. **HNAs need to lead to improved outcomes for consumers and communities.** A clear line of sight must be provided for how the needs identified in the HNA have led to investment decisions that have improved health and wellbeing outcomes.

Outputs

The key output of the first stage of the commissioning cycle is a completed HNA document summarising the health and wellbeing needs and opportunities for the area, identifying those individuals and groups most at risk and prioritising a shortlist of health and wellbeing opportunities. This information will form the basis of strategic discussions.

Tools and resources

Category	Title	Description
Guidance document	PHN Needs Assessment Guidance	Guidance prepared by the Australian Department of Health outlining the structure and approach to undertaking a Health Needs Assessment for Primary Health Networks. The PHN Needs Assessment Guide can be found here
Resource	Australian Data Library	A summary list of data resources available in Australia to support the Health Needs phase (attached document)
	An Evaluation of the Population Health Needs, Demand and Supply in South Australia 2018	A summary of the Health Needs Assessment of South Australians and can be found here
Example	Other South Australian Health Needs Assessments	The 2019-22 Country SA PHN Health Needs Assessment can be found here The 2019-22 Adelaide PHN Health Needs Assessment can be found here



STAGE 2: DEVELOP STRATEGY AND PLAN

Purpose

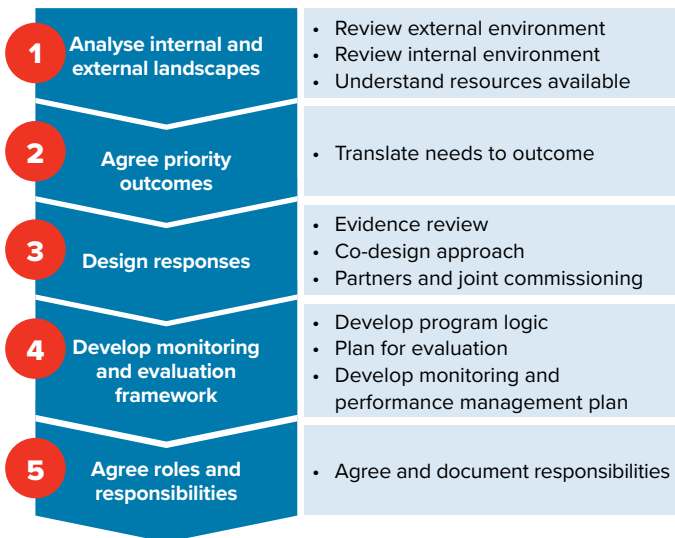
Once needs have been assessed, the next stage is to develop a strategy and plan to address them.

The purpose of this stage is to:

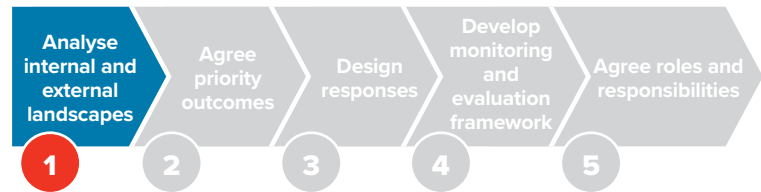
- Assess how internal and external landscapes will influence the design of the commissioning approach, including considering how it aligns with the SA Health and Wellbeing Strategy 2020-2025
- Translate the identified needs into priority outcomes for delivery
- Understand leading practices and models of care to ensure approaches are contemporary and evidence-based
- Design a service delivery approach, and agree resource allocation across health priorities
- Agree roles and responsibilities for the rest of the commissioning process.

Approach

There are five phases that should be followed in developing the strategy and plan.



Phase 1: Assess internal and external landscapes



It is important to understand the strategic landscape before health priorities can be progressed. This includes understanding the broader environment within which the commissioned response will operate, as well as confirming alignment with SA Health's overarching strategic objectives.

Review external environment

Broader environmental factors that relate to the commissioned response should be understood to ensure awareness of external factors that will influence the commissioned response, any shifts in better practices and opportunities to align with emerging approaches or ways of working. Awareness of relevant approaches can also lead to better integration of services, more consumer-centred models of care and reduced duplication of services.

It is important to identify what strategies are already in existence both in SA and nationally, and to understand the other commissioners or funders of health and wellbeing care in the target region. This means understanding their approaches, perspectives and directions, where relevant. Other commissioners or funders may include:

- Primary Health Networks
- Aboriginal Community Controlled Health Organisations
- Large not-for-profits such as RFDS
- Private hospitals
- Community health organisations
- Australian Government Department of Veterans' Affairs
- Private Health Insurers.

Other commissioners could potentially be approached for partnership or co-commissioning arrangements, where doing so would lead to greater impact and improved outcomes for all populations.

Reviewing the external environment should involve:

1. Identifying and reviewing relevant policy and delivery initiatives that are currently underway, including understanding any learnings to date
2. Identifying governing bodies, forums or meetings already in place which may impact or influence the commissioned response and priority populations
3. Understanding if any targets have been set regarding related health or social outcomes
4. Determining if any integrated care governance arrangements are in place within which the commissioning project or program falls into scope

Social determinants of health have a significant influence on health outcomes and inequities. Health, education, justice and social care are all closely interlinked, and it is important to look for system leaders and complementary commissioned responses across the whole health and social care system when completing the external environmental scan. SA Health can be a system leader, using its unique position to bring together a range of services across health and social care.

Understanding the Social Determinants of Health

“The social determinants of health are the conditions in which people are born, grow, live, work and age. These circumstances are shaped by the distribution of money, power and resources at global, national and local levels.” – World Health Organisation (WHO)

Social determinants of health have a greater influence on health inequities than quality and access to healthcare itself. It is critical the commissioning approach includes an understanding of the social determinants of health in the region. The best way to gain this understanding is often through consultation with social service organisations.

Review internal environment

To inform the approach it is important to understand any relevant existing internal strategies in this area. This includes reflecting upon SA Health’s vision, mission and strategic objectives, as well as any relevant short, medium or long-term strategic plans that have been established in relation to the specific cohort or service area.

Several additional factors listed below are also important to consider:

- The strategic approach set by SA Health, including attitudes to collaboration and partnering, the specified funding period, the role of co-design, risk appetite and the potential for innovation
- The key stakeholders and influencers to be considered and consulted, including interdependencies and interdepartmental relationships
- The enabling actions and environment, including IT systems development, digital enablement, organisational restructuring, staff training or other internal policy changes.

This step is key in beginning to ensure that any response to the population need is aligned with SA Health’s strategic directions.

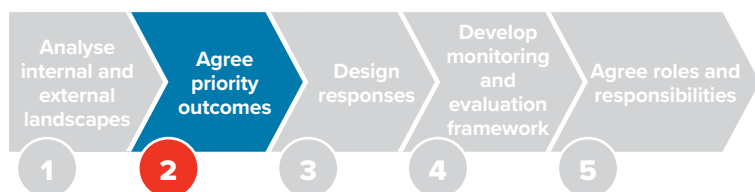
Understand broader resources available

Commissioners should scan funding and resources offered from other Divisions, agencies and governments which could be accessed to support overlapping geographies or populations. This step seeks to create a comprehensive picture of funding and existing services available to address the need.

In addition, commissioners should identify staffing resources available to support any initiatives that might be developed to address the commissioning project or program. This should include understanding the workforce capacity, capability and expertise to address the population need. This is especially relevant when considering new models of care. Please note that more detailed workforce mapping should be undertaken later, as a part of Stage 3.

It is important to also identify any enabling functions that might be required to support the various stages of the project life cycle (such as infrastructure, information services, quality and safety or communications). This includes identifying any busy periods or other constraints for these departments which will need to be factored into any plans.

Phase 2: Agree priority outcomes



Translate needs to outcomes

Before designing a response, it is important to define the outcomes that the response is aiming to achieve. These should be the outcomes that:

- Directly align with needs and risks identified in Stage 1
- Directly align with the SA Health and Wellbeing Strategy 2020-2025, and other key strategic plans or documents (e.g. local strategies, 3-Year Commissioning Plan, etc.)
- Matter to consumers and communities, their aspirations, goals and priorities, including those that extend beyond their health to other determinants of health and wellbeing.

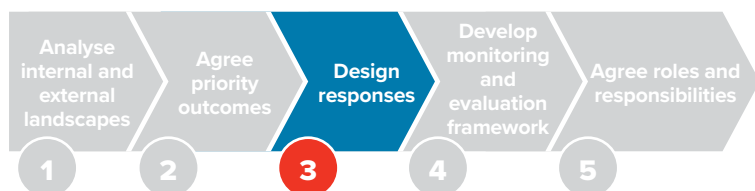
When translating needs into outcomes, it is important to consider the following:

- Ensuring that consumers and communities are included and enabled to participate in co-designing outcomes
- Distinguishing between outcomes that can be achieved in the short, medium and long term
- Identifying outcomes that the commissioner is able to directly influence, and those that are dependent on partners in the broader health, social or other related sectors.

Once outcomes have been identified, the next step is to agree priority outcomes that will be addressed through a commissioned response.

Further detail on moving towards outcomes is provided in Stage 5.

Phase 3: Design response



Once needs and outcomes have been identified and prioritised, the next step is to design a response.

Please note, it is assumed that by this Phase the commissioner will have already received a funding allocation from DHW as a part of annual budgeting and planning processes if required. A commissioning approach can be taken regardless of the level of funding available to commissioners. The level of available resources and funding decisions will, however, impact the types of responses which will be designed, and defines the financial parameters within which SA Health commissioners must operate.

Review evidence

The purpose of conducting an evidence review is to help design an effective response using insights and leading practices proven in other jurisdictions or contexts. A well-crafted evidence review can answer several questions needed to complete the program logic (described later), including:

- What are the most important short, medium and long-term outcomes to measure to ensure needs within the target consumer or community cohort are being addressed?
- What does the evidence tell us are the links between the short, medium and long-term outcomes?
- What does the evidence tell us about which responses are effective in achieving these outcomes?
- Which responses have been tried and tested elsewhere?

It is important to clearly formulate a research question (or a set of research questions) to focus the evidence review around a manageable scope and apply a structured and proportionate approach. Once complete, it will provide a strong basis of evidence for the program as well as helping to develop the program logic.

Co-design

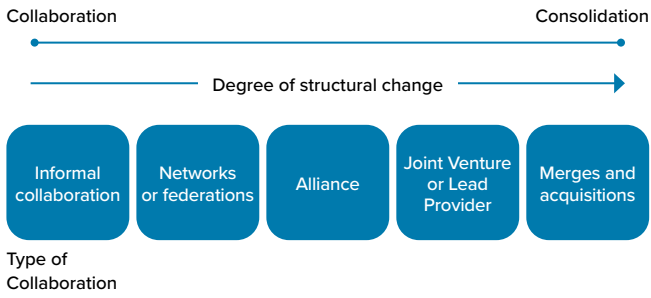
While co-design principles and activities can and should be applied at all stages of the commissioning cycle, this is a key point where involving stakeholders becomes particularly critical. This means involving all relevant stakeholders in designing a service delivery approach, including consumers, communities, families, carers, clinicians and system partners. At this stage, it may be useful to consider engaging with the potential market of providers in co-designing and testing potential service delivery models, where appropriate. This provides an opportunity to draw on the expertise of providers, and to better understand the capacity and capability of the market to implement particular service delivery models.

Partners and joint commissioning

Consistent with the collaborative mindset which underpins all commissioning activities, partnering is a commonly used approach for achieving system-level improvements. Opportunities to partner or collaborate should be considered when designing the commissioning response.

Collaborating with fellow commissioning entities may be viewed as a spectrum as outlined in Figure X. It is important to consider that other commissioners may not necessarily have resources to contribute to an initiative but can support through in-kind arrangements or offering constructive influence to enable change.

Figure 1: Collaboration as a spectrum



Commissioners should be explicit as to the nature of the partnership sought and the strategic intent of the relationship. Some partnerships will be focused on specific programs to meet the needs of a discrete group while others will constitute long-term overarching alliances to deliver whole-of-system change.

Box 1: About joint commissioning

Joint commissioning is a form of partnering which sees entities with similar objectives and imperatives pool funding, influence and other in-kind resources to jointly commission services. Usually this will require one of the partners to assume fund holding and serve as the lead for contract performance management. Joint commissioning signifies a high level of maturity in relationships between partner entities.

Program logic is structured around needs, responses and outcomes:

- **Needs:** The needs section summarises characteristics of consumers and communities who are a priority for the project or program as well as listing key risk factors and / or protective factors for potential consumers and communities. The needs section draws on the work done through the Health Needs Assessment.
- **Responses:** Responses explain what health programs or services will be delivered, and comprise:
 - **Inputs** – the resources that are used by an activity. Examples are money, staff, time, consumables and equipment.
 - **Activities** – the interventions that will be undertaken to respond to an agreed health need. Activities might include providing, procuring or partnering with others to deliver programs or services.
 - **Outputs** – the direct and measurable products of the delivery of an activity.
- **Outcomes:** Outcomes are measurable changes that occur in the lives of consumers and communities. Outcomes for consumers and communities may be short, medium and long-term. Both the degree of attribution and timeframe are indicative and may vary by outcome when applied to programs and specific consumer groups.

Program logic

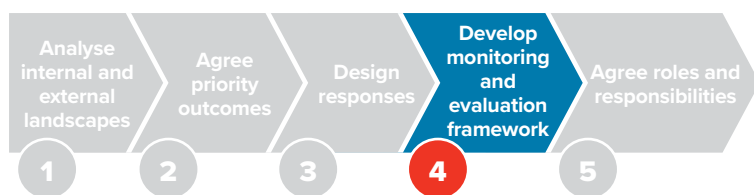
Program logic describes the underlying rationale (and the causal linkages) between who the program is trying to help, what needs they face, what the activities / interventions involve to address the need and what impact the project or program will ultimately have on the lives of consumers and communities.

Program logic is a foundational tool to enable commissioning for outcomes, linking the design of the commissioned response to the outcomes defined earlier in this Stage and with the measures that will be used in contracting. The approach is outlined in Figure X, including a worked example around Type 2 diabetes.

Figure 2: The structure of program logic

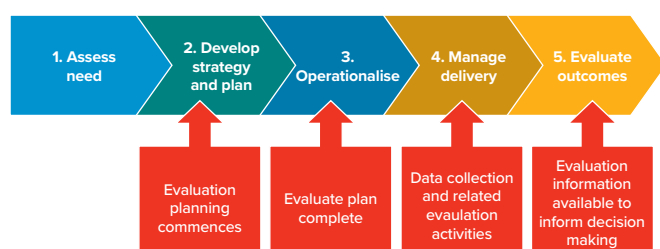
	Needs	Responses			Outcomes		
		Inputs	Activities	Outputs	Short-term outcomes	Medium-term outcomes	Long-term outcomes
Description	What needs exist for our patients	What resources are used to do the work	What is done	What is delivered	Primarily attributed to the program	Partly attributed to program, beginning of shared attribution	Shared attribution across healthcare providers/sectors
Example	Patients with poorly controlled Type 2 Diabetes at risk of loss of sight, limbs & mobility	GP, Endocrinologist, Dietician, Diabetes Educator	Medication review, diet, exercise, monitoring	GP Diabetes Care Plan	Well controlled blood sugar levels	Retained eye sight and limb extremities	Maintained Activities of Daily Living (ADL) and Quality of Life
	What we want people to achieve						

Phase 4: Develop monitoring and evaluation framework



Evaluation planning should start when the program is being designed, with much of the planning completed before the program has even started to operate. Before a program begins, it's best practice to have a complete program plan that includes a clear program logic, and a supporting evaluation plan that includes a detailed evaluation methodology. Program evaluation builds evidence and supports decision making, and works best when planning commences well in advance of those decisions.

Figure 3: Relationship between the program and evaluation process



This might mean working with evaluation specialists to develop the evaluation plan, particularly around selecting appropriate methodologies and suitable data sources. The larger the program the greater the potential role of an evaluation specialist.

Plan for evaluation

An evaluation plan is used to measure the success of a specific commissioning response. Evaluations need to be proportionate to the size of the response being delivered i.e. the bigger the service/program the more detailed the evaluation plan required. A smaller response necessitates a lighter touch evaluation plan with fewer KPIs.

Develop monitoring and performance management plan

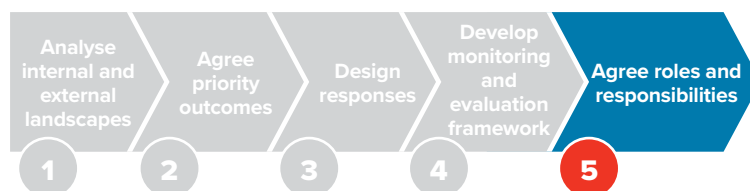
Monitoring should be used to assess the performance of providers delivering the commissioned response. More than simply assessing performance, however, monitoring is critical to ongoing learning, enabling service improvement and ensuring services continue to have a clear and meaningful impact.

Designing the response and the program logic should include developing KPIs that can be used to monitor and manage provider performance moving forward.

Potential KPIs include:

- Performance against activities/outputs
- Performance towards outcomes
- Quality of delivery including cultural appropriateness of delivery
- Consumer and community experience
- Provider experience
- Relationship between commissioner and provider.

Phase 5: Agree roles and responsibilities



Before operationalising the strategy and plan, it is important to determine and agree roles and responsibilities between those involved in the next steps of the commissioning cycle. This includes determining who should be consulted, involved or partnered with in delivering the response. In order to do this, it is important to be clear on roles and responsibilities before progressing to the next stage. In doing so, consider the following questions:

- Is there a need or opportunity to partner with any other government agencies or commissioners, either from a planning, implementation or funding perspective? Which department or agency is best placed to operationalise the response and undertake the subsequent commissioning activities?
- Is any specific or additional subject matter expertise required? For example, is there a need to draw on expertise on specific contracting instruments, or evaluation methodologies?

Outputs

The outputs of this strategy and planning phase are:

1. An assessment of the external and internal strategic landscapes
2. A clear set of prioritised outcomes to commission against
3. An evidence-based service delivery approach
4. An evaluation plan
5. A monitoring and evaluation framework
6. Agreed roles and responsibilities (e.g. potentially summarised through a Responsible Accountable Consulted Informed (RACI) matrix).

Tools and resources

Category	Title	Description
Resource	SA Health Funding Model	The funding model used to allocate resources to activity based funded services and programs, and block funded services and programs.
Template	PESTLE framework	A Strategy tool used to complete a systematic and structured review of the environment in which an organisation operates.
Resource	Health Needs Assessment	The Health Needs Assessment from the previous module of the commissioning toolkit.
Template	Program Logic	Visual description of how a program achieves target group outcomes.
Template	Stakeholder Analysis	Mapping of key stakeholders based on influence, interest and impact.
Template	Project Plan	Excel template documenting the activities of a project and their associated timelines



STAGE 3: OPERATIONALISE

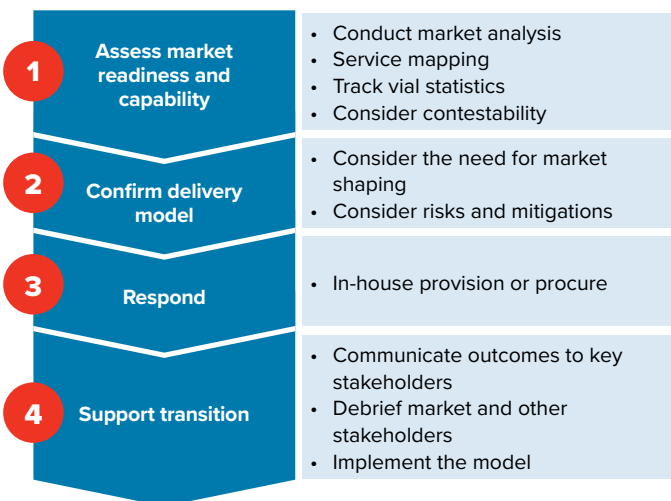
Purpose

This stage involves putting in place the strategy and plan developed in Stage 2, and implementing the most appropriate response for the identified health and wellbeing needs and priorities. This stage will also include consideration of who is best placed to deliver the required outcomes (i.e. government, non-government, for-profit etc.). When working with external providers, this stage may also require commissioners to align the market so that it is able to deliver against the outcomes sought and the specified care model.

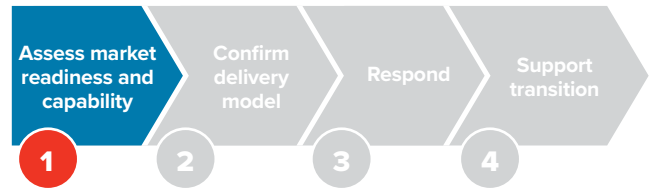
Once the strategy and plan have been operationalised, it will be important for commissioners to work with new and existing providers to support the transition to new ways of working. This stage enables commissioners to decide how best to deliver the designed service. This may include working closely with partners, or procuring services from the health and wellbeing market.

Approach

The four-phase approach to operationalise is summarised below.



Phase 1: Assess market readiness and capability



The activities described as a part of this phase should be undertaken with consideration for the size of the response and level of available resources. The level of effort expended towards market analysis and service mapping should be commensurate with the level of existing knowledge of the market, the time available to implement the response, and the level of risk associated with the response or model of care. Market analysis and service mapping may not be required in all cases.

Conduct market analysis

The first step in understanding the delivery potential of the market is to undertake a market analysis. Given the broad role that non-government providers play in supporting the effectiveness of SA Health, it is critical that commissioners have a good understanding of markets, and that they are able to help shape their structure to better meet the overall needs of the target population.

Market analysis seeks to answer the following questions:

- What is the existing structure of the market? For example what sort of providers are currently offering services?
- Why is the market structured as it is? What has influenced this? For example, why is there a lack of particular providers, or why are providers not aligned to SA Health objectives?
- What are the collective capabilities, offerings and capacity of the market? What does it currently offer and what is it willing to offer? Where are these services offered?
- How can the structure of the market be altered to better meet the health and wellbeing needs of target populations?
- What tools will help transform the market to a desired future state?
- Are there other potential providers who may choose to enter the market under the right circumstances?

Informal market analysis approaches are a good way of pooling and considering data points that commissioners may gather in the normal course of business. These may be points around the concerns of providers, the performance of the market in different areas, or even wider feedback on planned market changes. Informal insights may be gained from a variety of sources including procurement processes, contract management, discussions occurring with providers at key points during a contract, and discussions with peak bodies or other reference groups. Whilst informal, collectively, this knowledge is a valuable source of insights in terms of understanding the general sentiments operating within a market at a particular time.

More formal market analysis is particularly useful where the commissioner is aware of a current issue relating to supply (e.g. a lack of service provision). Formal market analysis can help to identify the reasons behind market issues or deficiencies and assist in identifying strategies to address them. Data to support formal market analysis can be gathered from a variety of sources:

- General research and data: This includes historic funding arrangements, evaluations of prior initiatives and commissioning activities, external reports on the sector, outputs of previous planning cycles, speciality/regional reports etc.
- Provider specific research: Depending on the focus of the analysis this may involve examination of provider databases, publicly available information from regulatory bodies, or provider websites. Commissioners should also directly engage with providers to help build a thorough understanding of them.
- Adjacent market research: Commissioners should consider what data can be gathered from government bodies at the federal and local levels. Valuable information may be publicly accessible from a range of agencies including other service commissioners who have experience within particular markets of interest.

Service mapping

Service mapping identifies which providers are delivering which services in which locations, the relationships between services and other vital statistics regarding provider capacity and capability. It also identifies if there are any other service providers outside the region who could be delivering into the region. Over time, a rich database of service providers will be built, making the service mapping exercise faster and more accurate. Service maps need to be periodically updated to reflect market changes.

It is also important to understand provider scope, performance, capacity, capability, accessibility, eligibility requirements and models of care. This provides an understanding of the range, depth and quality of the services being provided across the geography.

This data is collected through consultation with providers, for example, through an online service profile survey. Some examples of provider vital statistics are outlined in Figure 4.

Figure 4: Example of vital statistics to collect from providers

Statistic type	Potential measures
Operator	<ul style="list-style-type: none"> • Responsible entity
Provider performance	<ul style="list-style-type: none"> • Methodology for tracking consumer outcomes • PROM and PREM measures • Wait times
Capacity	<ul style="list-style-type: none"> • Hours of opening • Number of staff • Number of consumers and communities seen per annum • Consumer characteristics • Waitlist
Capability	<ul style="list-style-type: none"> • Types of services offered • Skills of staff members • Practice accreditation
Accessibility	<ul style="list-style-type: none"> • Cultural competence • Cost of services to users
Models of care	<ul style="list-style-type: none"> • Linkages among health professionals as well as social services • Evidence of shared health records • Referral pathways
Affiliation	<ul style="list-style-type: none"> • Relationships with other service providers

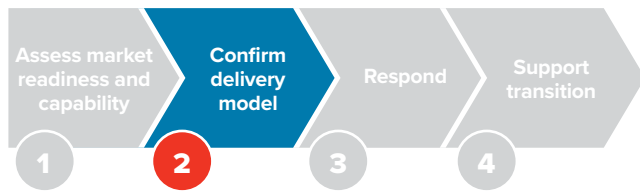
Consider contestability

Assessing the readiness and capability of the market will help to understand who is best placed to deliver the desired response. At this point, potential options available to commissioners are to provide services directly (in-house provision), or to purchase goods or services from providers in the health and wellbeing market (procurement) - or a mix of the two. This decision will be informed by the information gathered during the preceding stages of the commissioning cycle, including an understanding of:

- The needs and prioritised outcomes to be addressed
- The response to be delivered
- The internal strategic and operating environment
- The external landscape.

Contestability is a tool available to commissioners and may be useful at this stage of the commissioning process. Contestability involves the evaluation and benchmarking of a service against its alternatives - whether the service or its alternatives are delivered by the public, private or non-government sectors. This enables the assessment of the potential effectiveness of different service delivery models.

Phase 2: Confirm delivery model



Consider the need for market shaping activities

Market shaping is a process of understanding and collaborating with existing and potential service providers to build and refine a market so that it is better positioned to deliver the required outcomes. In some instances, it may be possible to increase or support the readiness and capability of the market to deliver the required response. This is an important consideration in confirming the delivery model. Approaches to shaping the market may include:

- Facilitating new entrants to the market to meet areas of unmet need or increase competition
- Encouraging providers to collaborate, and perhaps merge
- Testing the market to ensure readiness, appetite or capacity to tender
- Training providers to improve their tender writing abilities
- Workforce development
- Workforce recruitment

Market shaping activities, when used selectively, can:

- Enhance competition to improve value for funders and consumers and communities
- Develop service provision for hard-to-serve groups
- Reduce duplication through market segmentation
- Resolve unwarranted variation in services and incentivise quality
- Encourage innovation
- Encourage service integration
- Ensure the market has the capacity and capability to respond to a procurement
- Build service capacity to meet anticipated demand growth.

Consider risks and mitigations

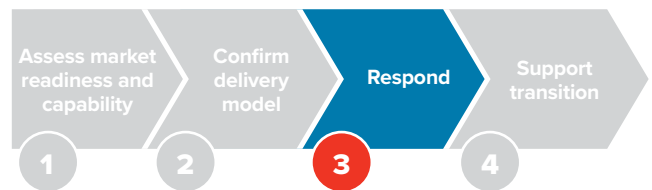
When seeking to confirm the delivery model, it is important to again consider the risks that have been identified throughout the commissioning process and plan for their mitigation through the model. Potential risks to consider include:

- Providers under performing
- Relationships with partners breaking down
- Community expectations are not fully realised
- Consumers lose continuity of care as a new response is implemented
- The response fails
- The response is not culturally appropriate

- The response leads to financial unviability
- Workforce challenges mean the response cannot be delivered
- Technology challenges hinder implementation.

Commissioning requires assumptions to be made that will be invariably tested at the time of implementation. As such, it may be prudent to undertake pilots or proof of concept trials in those cases where commissioning involves high levels of innovation or untested models of care.

Phase 3: Respond



In-house provision (where relevant)

While commissioning is often focussed on external procurement it is important to note that the discipline carries equal value for scenarios which result in in-house provision. While in-house provision often means direct provision of a service, it may also involve the provision of information, provision of support, or influencing and advocating for legislative or regulatory change. There are a range of responses that may be identified through the commissioning process that can be delivered by the commissioner themselves.

When considering in-house provision, the commissioner will explore:

- What should be the extent of in-house provision?
- What would be the rationale and justification for in-house provision?
- What protocols must be in place to manage any conflicts or risks associated with in-house provision?

Similar to external procurement, a service specification is also recommended to be developed for in-house provision, addressing such things as the strategic intent and objectives, service philosophy, service scope, model of care, target group, consumer eligibility, consumer prioritisation, target catchment, service interfaces and so on.

Procure (where relevant)

The alternative to in-house provision is procurement. Where a decision is made to purchase goods or services from the market, there are a number of procurement steps that must be followed.

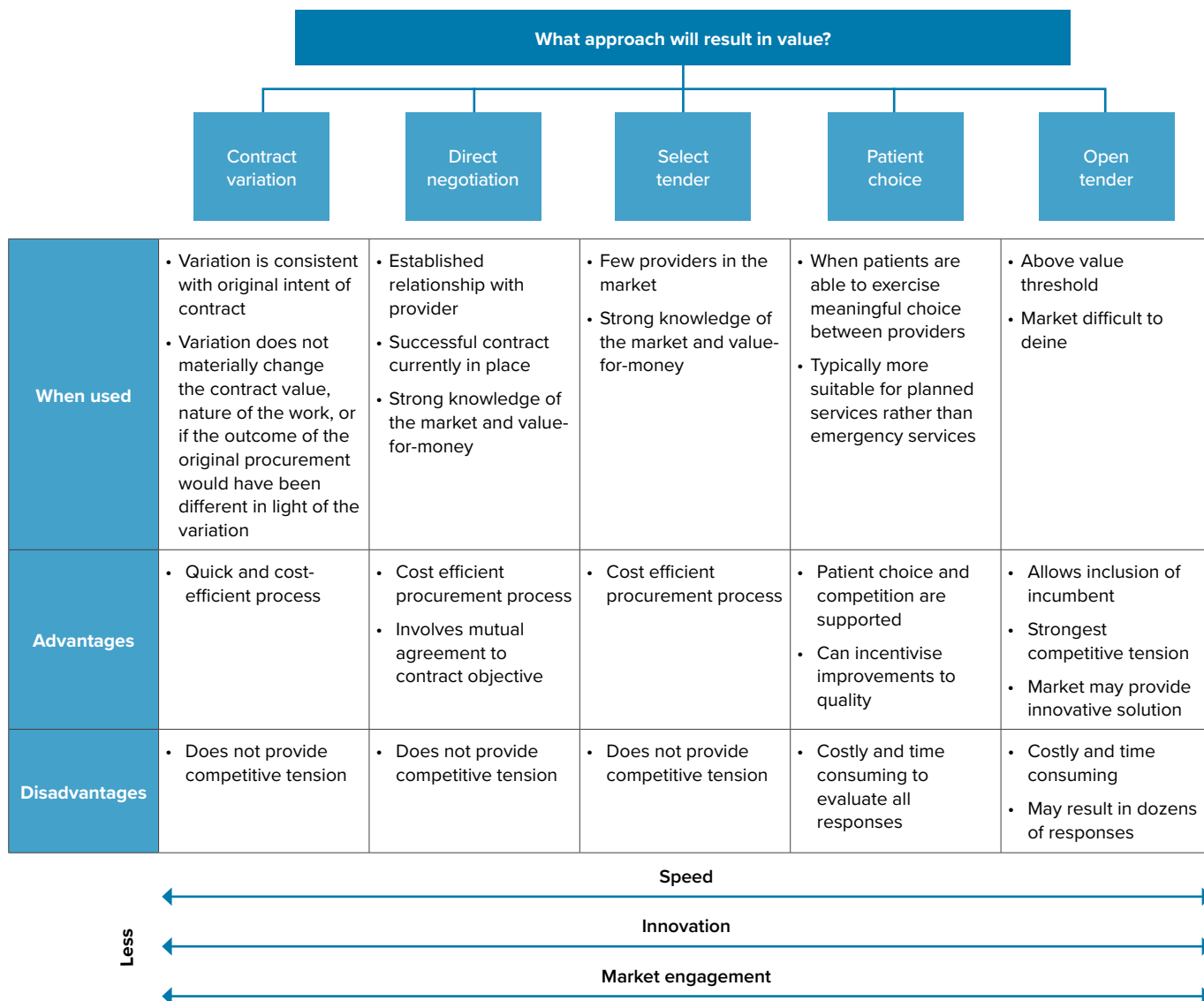
Specific procurement guidance is provided by the SA State Procurement Board. The key stages advised by the Board are detailed below.

There are a range of procurement approaches that can be considered. There are also a range of factors that should be assessed in determining the most appropriate procurement approach, such as the value and risk of the program, the level of innovation sought and the urgency with which the procurement needs to occur.

Plan Procurement Strategy

When procuring in a commissioning context it is important to consider the procurement strategy that will deliver the best value. The diagram below provides an overview of the procurement options to consider, and the relative advantages and disadvantages:

Figure 5: Procurement options



State Procurement Board process stages

- Undertake preliminary analysis of market and scoping of procurement requirements to identify outcomes, objectives and logistics/supply chain factors
- Consider legislative, policy and probity requirements
- Consider cultural factors which may influence how the procurement should be conducted
- Consult the central procurement area for advice where required
- Confirm and commit resource requirements for the procurement process
- Identify and undertake briefing of potential suppliers as appropriate

Prepare Acquisition Plan

Procurement and commissioning expertise are needed in evaluation, but it is also important to think beyond the 'traditional' evaluation panel to identify team members that could bring valuable knowledge, skillsets and perspectives.

When engaging with stakeholders including clinicians, it is important that any perceived or real conflicts of interests are managed effectively. As a trusted government agency, it is important to remember that perception of wrongdoing or undue influence can be as detrimental as it actually occurring. Conflict of interests don't necessarily have to relate to financial gain. If in doubt, it is better to assume the existence of a conflict of interest and manage it appropriately rather than ignore it.

State Procurement Board process stages

- Establish project team/evaluation team including procurement expertise
- Consider risks in the procurement
- For major, strategic procurements, undertake supply positioning
- Finalise and approve acquisition plan

Market soundings and industry briefings

Market soundings provide an opportunity to consult providers (new, old, current), peak bodies and other commissioners during the stages leading to procurement. This is different to involving providers in co-designing outcomes or a service delivery mode. As compared to industry briefings, which are undertaken at the procurement stage and relate to a specific tender, market soundings are undertaken pre-procurement to inform a future tender specification, clinical pathway or model of care. Market soundings can be used to:

- Seed interest and gauge appetite among providers to respond to a future tender
- Confirm assumptions and test a proposed service delivery model, and its feasibility for providers

- Identify implications of a proposed service delivery model for providers, their organisations and businesses, including impacts to cost and administrative models which may impact pricing
- Identify whether any information is required to enable providers to respond to a future procurement
- Receive feedback on draft documents such as a specification, contract or KPIs.

Industry briefings are held later than market soundings, once an approach has been finalised and after tender documents have been released. The purpose varies slightly from a market sounding. Industry briefings will usually be used to present the final tender and provide an opportunity for potential respondents to ask questions and seek clarification on the tender documentation. Depending on the circumstances, industry briefings can also be used as an opportunity for respondents to make connections with one another if the commissioner is seeking to encourage collaboration, partnerships or consortia.

Develop bid documents

To ensure specifications are effective from a commissioning perspective, bid documents should:

- Use unequivocal language
- Clearly delineate respective responsibilities
- Avoid the use of adjectives/adverbs
- Fully describe the complete requirement

When developing the bid documents, it is vital that there is a clear linkage between the program logic developed in the Co-design phase.

The payment mechanism should align with the needs, inputs, activities, outputs and outcomes identified in the program logic.

State Procurement Board process stages

- Develop specification to identify outcomes, objectives and practical requirements
- Ensure standards of performance and codes of practice, incentives, disincentives and performance measures are in the specification
- Develop the invitation/market approach documents and clarify as necessary
- Obtain relevant approvals to approach market

Develop procurement Evaluation Plan

Assessing value is a widely misunderstood concept in the procurement of healthcare services. Should the lowest price win? Is achieving consumer outcomes at any cost the goal?

To determine the best value, it is important to consider all the elements of the quadruple aim of healthcare, as illustrated in the diagram below:

Figure 6: Defining value

$$\text{Value} = \frac{\text{Outcomes} + \text{Patient experience} + \text{Provider experience}}{\text{Cost}}$$

The objective of the tender evaluation process is to select the tender that maximises the outcomes, consumer experience and provider experience achieved for a given cost.

The Guide to Evaluation for Clinical Services has some helpful guidance on factors to consider when deciding to weight price for complex services, as well as methods to assess value for money when price is not weighted.

State Procurement Board process stages

- Develop and approve an evaluation plan, including criteria for evaluation, membership of evaluation team, explanation of selection process
- Address conflict of interest, prior to releasing formal market approach documentation to the market
- Form evaluation team

Manage Distribution and Receipt of Bids

In any context it is important that a procurement is undertaken in a manner that ensures probity, accountability and transparency. In the commissioning context this is even more important as solutions have been co-designed, often with participation from the market.

A common procurement myth is that to uphold probity, you should not communicate with tenderers during the open period. In fact, communication (provided fairly and ethically) plays an important part in ensuring that procurement achieves the best possible outcomes.

The traditional modes of communication during an open period, including bidder briefings and the clarification of information through addenda are very useful, but the commissioner has a few more options in their communication toolbox as well.

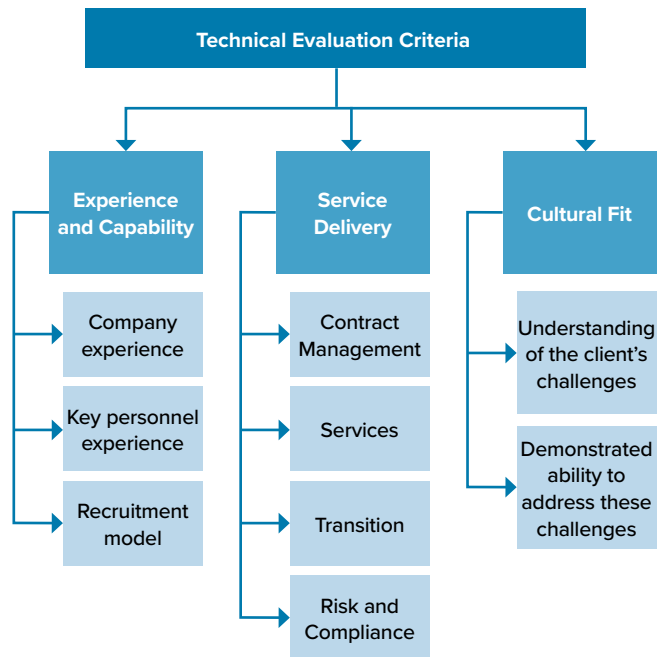
State Procurement Board process stages

- Invite responses selectively or by advertising the requirement in line with acquisition plan
- Undertake briefings and clarification of information with bidders
- Receive, schedule and acknowledge responses and inform all suppliers of the status of their responses through the process
- Deal with late bids and non-conforming bids as appropriate

Select preferred supplier/s

Technical evaluation criteria should involve more than just how a bidder plans to deliver the services. The diagram below provides an example set of technical evaluation criteria:

Figure 7: Example technical criteria

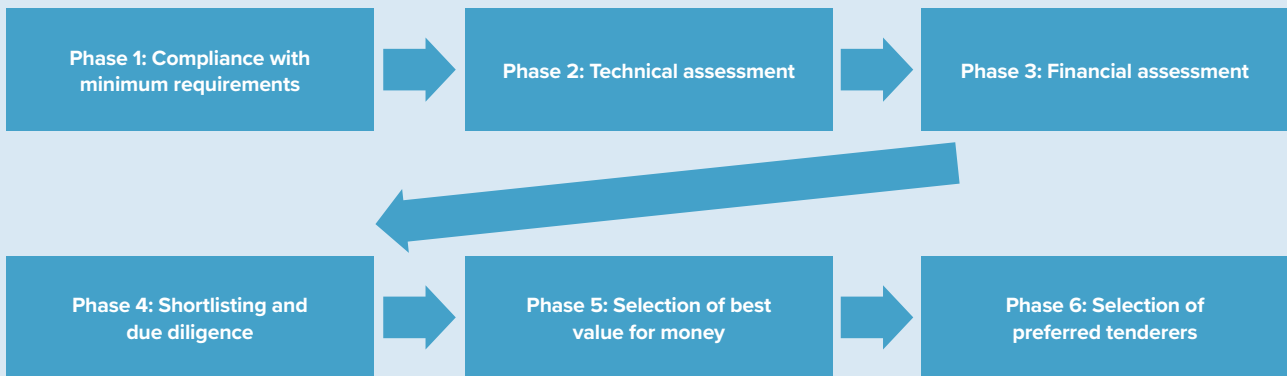


Including a criterion on cultural fit can work well in a commissioning context as it allows the bidder to demonstrate an understanding of the challenges that may stand in the way of achieving consumer outcomes, as well as showing they have an ability to address these.

Box 2 – Evaluating Price Alongside Other Technical Criteria

Evaluation plans often assess value by assigning price as a weighted criterion alongside the other technical criteria being evaluated. This can be highly problematic as the assessment of the technical criteria is biased by the evaluation panel knowing what the price is. This can hinder a rounded assessment of the value of the proposal.

Wherever possible, it is recommended that procurement evaluations assess the technical criteria separately and before the price criteria. By assessing technical and price components separately evaluators can be confident that the evaluation panel is making value for money judgements knowing that both aspects have been considered impartially. The diagram below explains how this can work in practice:



State Procurement Board process stages

- Evaluate bids according to evaluation plan
- Clarify matters arising with bidders
- Prepare a negotiation plan (if required) and conduct negotiations
- Select preferred supplier/s
- Prepare purchase recommendation and obtain approval
- Notify successful supplier/s

Develop and formalise contracts

To formalise the contract, a payment mechanism should be developed. The diagram below provides an illustrative payment mechanism template, in this case for a Diabetes service. The payment mechanism format mirrors the structure used in the Program Logic, as you can see in the first column. The Payment % should be consistent with the Pricing Model.

Ultimately, SA Health aims to move towards a greater focus on outcomes, including considering paying for outcomes where possible. However, the transition to outcomes-based payments requires a significant shift on the parts of both commissioners and providers. There are a range of challenges associated with defining appropriate payment metrics that accurately capture the achievement of outcomes and incentivise provider behaviour accordingly.

When designing the KPIs, consider the data collection and reporting mechanisms needed to assess whether the KPIs have been met. Intelligent and visual performance dashboards are a great way to assess whether providers are on right the trajectory to achieving consumer outcomes.

Even if not paying for outcomes in the contract, it is important that outcomes data is still being measured and reported. Feeding outcomes performance back to suppliers provides a vital feedback mechanism that helps to create behaviour change by driving providers to improve their outcomes.

Appropriate key performance indicators (KPIs) should be developed during contracting. KPI targets should include co-designed success criteria. They should also include KPIs that are informed by service users and those that the commissioner will want to use to assess the contribution to overall system performance.

A complete set of consumer-centred KPIs that consider the different perspectives of success should be measured and reported.

State Procurement Board process stages

- Negotiate final contract
- Obtain approval to enter into contract and execute final contract documentation
- Commence contract implementation once contract is signed/executed

Phase 4: Support transition

Communicate outcomes to key stakeholders

Consistent with the commissioning mindset and commissioning principles, the processes in place for communicating outcomes should be fully transparent. This is particularly important when many organisations and individuals have contributed to co-design processes and/or participated in consultations. Mechanisms for communication with key stakeholders and the community more broadly include:

- Community briefings
- Sector briefings
- Sector peak communiques
- Tender Intention Statements
- Registered stakeholder newsletters /updates
- Website updates
- Media releases
- Featured articles in industry journals.

The outcomes of the commissioning process should be communicated clearly and transparently, regardless of the delivery model selected (that is, whether in-house provision, procurement, or a mix of the two).

Debrief market and other stakeholders

There is a lot of value in debriefing unsuccessful providers on why they were not selected. For unsuccessful bidders, a debrief provides an opportunity to:

- Relay positive feedback on the elements of their tender that received high scores
- Give constructive feedback on their response
- Show that the effort and time they took to develop a bid is appreciated.

As the commissioner, a debrief provides an opportunity to:

- Maintain goodwill with the market, which is an important factor in commissioning success
- Improve understanding between SA Health and the market of providers so providers can better meet the requirements of future bids.

State Procurement Board process stages

- Advise internal stakeholders of new contract
- Inform and debrief unsuccessful bidders upon request with feedback on their bids
- Disclose contracts in line with contract disclosure guidelines
- Record the contract on the contract register

Implement the Contract

The time between signing and embedding a new contract is a critical time. During this time the wrong processes and behaviours can become the norm, and if this happens, it can be difficult to unwind.

State Procurement Board process stages

- Develop implementation plan if required and implement the contract in accordance with the contract management plan and/or implementation plan/strategy
- Implement start-up or transition arrangements.

Practical considerations

1. Procurement is only one commissioning lever.

Procurement can be a very effective commissioning lever, but it is only one. Before starting any procurement exercise, demand, supply and internal strategies should be considered to assess whether procurement is the most appropriate approach.

2. Consider different procurement approaches.

Different approaches have different levels of speed, market engagement, and opportunity for innovation. Select the approach which provides the most appropriate fit for the commissioning project/program.

3. Measure outcomes in contracts even if outcomes payments are not included.

It is critical that the intended outcomes from the service are measured. Reporting outcomes performance back to providers provides a vital feedback mechanism that helps to create behaviour change by driving providers to improve their outcomes. It also helps understand whether the service is effective in achieving the intended outcomes for the target cohort.

Outputs

At the end of this stage, commissioners will have agreed and implemented a delivery model, comprising in-house provision, procurement or a mix of the two. Specific outputs should include:

1. Documented market analysis
2. Agreed approach to in-house provision, where relevant
3. Agreed procurement approach and plan, where relevant
4. Relevant procurement outputs, including:
 - Bid documents
 - Tender evaluation plan
 - Contract/s and payment mechanisms.

Tools and resources

Category	Title	Description
Guidance	Procurement Policy Framework	The State Procurement's Boards policy framework which sets out the overarching policy for the operation of procurement in the Government of South Australia
Guidance and Template	Clinical Services Procurement Toolkit	Guidance and templates for procurement in a clinical services context, including: <ul style="list-style-type: none"> • Acquisition plan template • Evaluation plan template • Guide to evaluation
Guidance	Procurement Planning Workshop Materials	Workshop slides designed to facilitate stakeholders in designing a procurement approach which is fit-for-purpose for their needs.
Guidance	Procurement Supply Chain Management webpage	Documents and policies to provide detailed processes and approvals required to undertake the procurement options available on the webpage
Template	Contract Management Plan Template	A template which guides the development of a contract management plan.
External resources	Strategic Plans of Partner entities	Strategic plans and annual reports provide SA Health commissioners with the opportunity to identify mutual objectives and imperatives for partnering purposes.
Templates	Partnership Agreements	Approved SA Health templates for MoUs, Conduct & Cooperation Agreements, Service Level Agreements, etc.



STAGE 4: MANAGE DELIVERY

Purpose

Commissioners cannot have a “set and forget” mentality; commissioners must continue to have an ongoing role in ensuring the successful performance of commissioned responses. Monitoring and performance management should be an ongoing process throughout the duration of a commissioned response. A robust performance framework should be developed early on in the commissioning cycle, as part of the setting of outcomes, design of the service and operationalisation with partners. Successful management of the delivery of a commissioned response will enable the realisation of the vision and outcomes defined in Stage 2 of the commissioning cycle.

An important part of managing delivery and more specifically the performance of commissioned service providers is establishing strong delivery relationships between commissioners and providers. This is key to enabling open and transparent monitoring and reporting, and sharing of feedback.

Strong delivery relationships are also critical to enable proactive and collective problem solving. An effective performance management framework will allow issues to be identified and resolved early on.

Active monitoring and management of providers and performance is completed in order to:

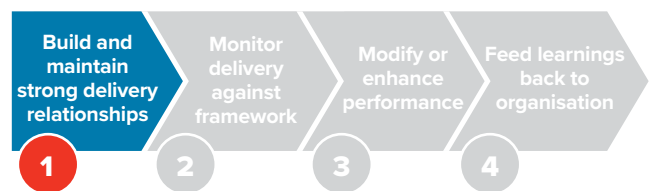
- Take a proactive and considered approach to monitoring and evaluation
- Quickly identify and mitigate risks to delivery and enable commissioners to modify their approach accordingly
- Ensure that the commissioned service is on track to contribute towards the desired outcomes, avoiding any surprises or sunk costs down the road
- Enable continuous improvement of services and programs to more closely align with need and meet desired outcomes
- Develop effective long term relationships with partners and providers.

Approach

This stage comprises four key activities:



Phase 1: Build and maintain strong delivery relationships

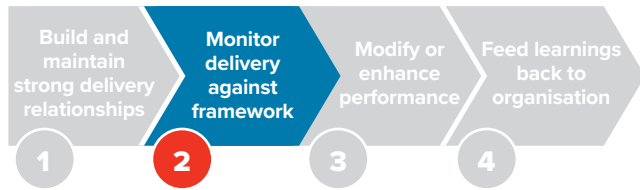


Historical approaches to commissioning have focused on procurement, contract management and compliance. Leading practices in commissioning are increasingly acknowledging that good relationships are at the centre of successful commissioning. This approach seeks to develop organisational capabilities and to design enabling environments which allow commissioners to move away from transactional commissioning processes and relationships towards a focus on longer-term partnerships.

A focus on strong relationships does not negate the need for appropriate procurement and probity processes, nor contract and performance monitoring. Effective commissioning relationships find their rhythm and operate successfully within the boundaries of service agreements, contracts and other governing guidelines. Every relationship will require consideration of the risks, history and level of trust that exists with the provider.

Commissioning relationships are developed over time and with experience through a combination of formal and informal interactions. Strong delivery relationships can't be developed without investment from both parties. SA Health commissioners should consider the frequency of meetings and location of meetings, as these set the cadence and tone for the relationship. Commissioners should look for opportunities to build relationships beyond regular performance monitoring meetings, including opportunities for joint problem solving and co-design.

Phase 2: Share feedback and monitor delivery against framework/contract



Assess performance against KPI targets

The first step in performance assessment is to assess provider performance against the Key Performance Indicator (KPI) targets agreed during contract establishment (Stage 3).

Intelligent performance reporting is a useful tool to drive improvements in outcomes. The regular collection, validation and assessment of data will help identify any areas of the commissioned response that are not meeting expectations and determine whether any adjustments are required.

Performance dashboards that include data around consumer-centred outcomes and experiences (in addition to data on consumer needs, inputs, activities and outputs) create a complete and insightful picture.

Regular performance analysis will provide an understanding of progress around meeting the short, medium and long term outcomes of the commissioned response and understand if perverse incentives are encouraging undesired provider behaviours.

Performance assessment may also highlight situations where provider contract terms are being achieved but the expected impact on consumer and community outcomes and experiences remain suboptimal. If performance does not meet expectations, it provides an opportunity to take action to improve and consider different intervention strategies.

Communicate performance insights to providers

Communicating performance feedback gives providers an opportunity to understand their contribution to different measures of success, align strategies to deliver desired outcomes and agree how improvements, if required, will be made. It also helps providers to share insights regarding where they are being impacted by external factors or where payment models are encouraging undesired behaviours. They can also understand the relative priorities of different measures of success and the alignment between the views of the provider, the commissioners and the service users.

Providing balanced performance feedback to providers helps providers to drive outcomes. In the case of poorer performers, you can also consider involving service users (and even independent clinical expertise) in provider feedback sessions to demonstrate an accurate and defensible perspective of service performance.

Box 3: State Procurement Board Directions – Monitor and maintain performance of a contract

If there has been procurement as part of the commissioning project or program, it is important that the performance assessment phase includes monitoring and maintaining performance of a contract. The State Procurement Board outlines the steps:

- Monitor delivery and evaluate key performance indicators to ensure value for money identified in the procurement process is achieved
- Ensure all obligations under the contract are being met
- Manage contract variations and contract extensions
- Negotiate and manage risks relating to the contract
- Maintain communication with all stakeholders on the performance of the contract.

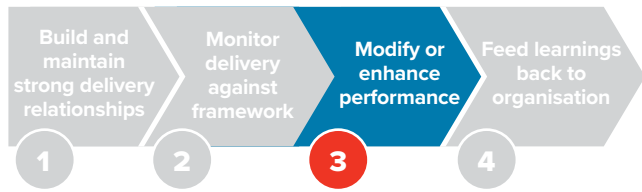
Actively manage performance

The most effective way to manage a contract to encourage the achievement of consumer outcomes should be considered. In a commissioning context services are purchased more often than goods. The supplier's staff (not machines and production lines) are therefore the key to success. Thus, the approach to managing performance should aim to motivate, develop and challenge providers. The 'carrot' is more effective than the 'stick' in building long lasting relationships. Emphasise rewarding good performance instead of punishing underperformance.

Active performance management also requires commissioners to understand the supplier's strengths and build on them. Like staff, suppliers have individual strengths and weaknesses. Understanding exactly what they are is key to increasing performance. By working with suppliers to leverage their strengths and address their weaknesses you can expect to be rewarded not only with better performance, but with greater loyalty.

Monitoring beyond performance management and compliance means that the purpose of monitoring shifts to building trust and confidence in each other to enable an honest and joint problem solving approach with providers. This will include recognising performance achievements as well as underperformance. For example, you may have a provider that has made great strides on one aspect of the contract however is struggling to get traction on another aspect. A performance conversation in this scenario should recognise both elements and not focus unduly on the areas of underperformance.

Phase 3: Modify or enhance performance

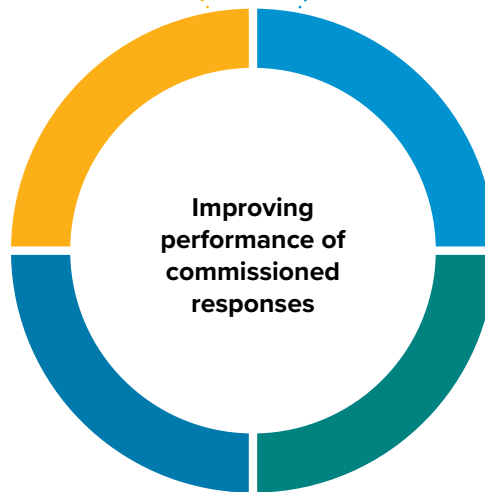


Modifying the approach to enhance performance is inherent to the iterative and cyclical nature of commissioning. A focus on continuous improvement and active performance monitoring and management seeks to ensure that the outcomes delivered by commissioned responses meet needs. This Phase is also critical in mitigating the need to decommission a response.

Where performance improvement is required, commissioners should consider four levers, as illustrated.

Lead proactive and collective problem solving

- Seek the supplier’s input and experience when solving problems. This is a key aspect of commissioning.
- Commissioners do not hold all the answers, and suppliers have invaluable experience and perspectives gained through experience solving other consumers and communities problems and dealing first-hand with consumers and communities.
- Communicate regularly and proactively to seek the supplier’s input on problems as they are identified.



Consider how SA Health can support enhancements

- Commissioners must often take an active role in helping providers to enhance performance.
- This can include influencing other parts of government and agency partners, investing in capacity and capability building or broader market development, or supporting the development of provider partnerships, for example.

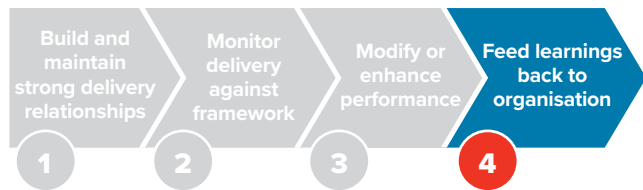
Take a flexible approach to “course correcting”

- The modification required to enhance performance may require commissioners to “think outside the box” and demonstrate flexibility in the approach to delivering the desired outcomes.

Develop and implement improvement plans

- In some cases it may be prudent to formalise the modified approach and next steps in a performance improvement plan, contract addendum or other mechanism.
- The plan should clearly identify the expected performance levels and timelines for achievement of these levels.

Phase 4: Feed inputs/learnings into broader organisational activities



It is imperative for commissioners to share ongoing learnings to support continuous improvement across SA Health. In practice, this can include sharing successes and good practices through case studies, “lunch and learns”, communities of practice, or other forums. Where appropriate and with consideration for provider intellectual property, such learnings and insights should not only be shared within SA Health, but also with the market. For example, SA Health may share insights regarding how a provider with leading performance metrics achieved such results.

Outputs

At the end of this stage, there should be:

- Performance reports and dashboards
- Performance improvement plans to enhance performance
- Case studies or other outputs which can be used to share learnings and insights.

Tools and resources

Category	Title	Description
Template	Contract Management Plan Template	A template which guides the development of a contract management plan.
Template	Contract Kick-off Materials and Template	Templates to assist with the implementation of a contract, including: <ul style="list-style-type: none"> • Contract kick-off meeting agenda • Contract kick-off meeting minutes



STAGE 5: EVALUATE OUTCOMES

Purpose

The final stage of the cycle is evaluating outcomes. Regular evaluation of outcomes is one of the distinguishing features of a commissioning approach as compared to traditional ways of working.

Evaluation starts with the development of a program logic, as described in Stage 2. Without a clear understanding of how the design of a commissioned response will lead to the delivery of the desired outcomes, it is difficult to determine the impact that the commissioned response has had towards those outcomes. The outcomes, outputs and activities identified in the program logic are then reflected in the service agreement or other contracting instrument, and then enacted through ongoing monitoring.

Evaluations should seek to identify improvement opportunities, and provide evidence to inform future commissioning activities. Evaluations should be regular and periodic, to ensure that any issues can be identified and resolved.

Like the entire commissioning cycle, evaluations should be outcomes-focused. They should seek to understand the impact of the service or program in driving progress towards the achievement of outcomes for the target population. A historical focus on measuring activities and outputs must be complemented by measurement of outcomes, as outputs and activity levels alone are not perfect indicators of results.

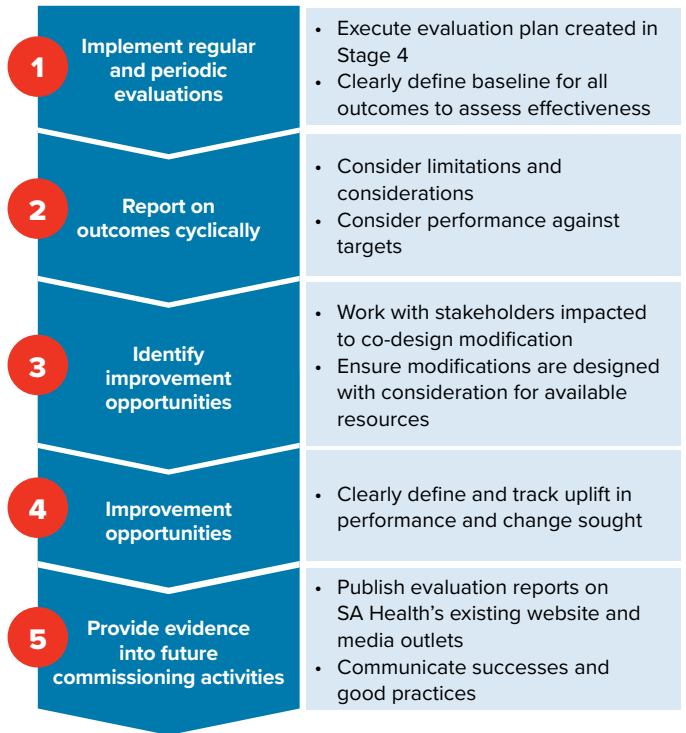
The purpose of this Stage of the commissioning cycle is to use evaluation findings to:

- Improve a commissioned response
- Justify continuing an effective response
- Make a case for expansion
- Discontinue an ineffective commissioned response.

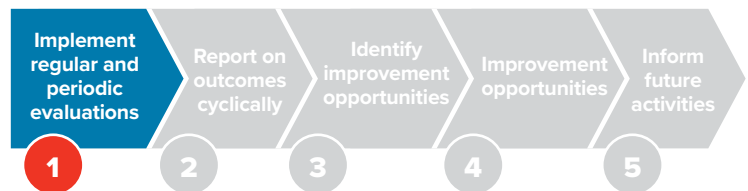
Ultimately, evaluation helps commissioners understand if the commissioned response is making a difference, whether the population is better off as a result of the commissioned response, and the extent to which the commissioned response has had an impact. These insights inform the commencement of the next commissioning cycle.

Approach

This stage comprises five key activities:



Phase 1: Implement regular and periodic evaluations



The purpose of this Phase is to execute the evaluation plan created as a part of Stage 4.

Evaluation activities should not always follow at the conclusion of a commissioned service or contract. Indeed, decisions to renew commissioned services and funding are often made much earlier than the conclusion. Thus, a mixture of regular and periodic evaluation should occur both during the course of the commissioned response, and following its conclusion.

A formative evaluation is typically conducted during the commissioned response to assess and improve delivery and implementation. With formative evaluation, learnings can be applied throughout the process. A summative evaluation occurs at the end of the commissioned response with a retrospective and holistic scope that assesses all aspects including inputs, activities, outputs and outcomes against the original intentions or business case.

As noted in Stage 4, an evaluation plan should articulate the appropriate type of evaluation, timing, frequency and level of effort to be applied to the evaluation, considering the size and level of risk associated with the commissioned response.

The measurement approach needs to define a clear baseline for all outcomes to assess the effectiveness of the commissioning project or program and to gauge the performance trajectory.

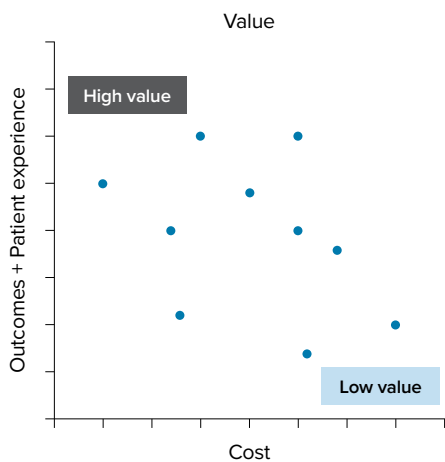
Wherever possible, evaluators should also define a control group to understand which outcomes can be explained by the intervention and which outcomes can be explained by other environmental factors (e.g. natural outcomes). Evaluators should compare the difference in outcomes between consumers and communities receiving the intervention (the target group) and a control group, before and after the intervention occurs. Control groups can potentially be sourced from neighbouring regions with comparable populations and representation, where a response has not been commissioned

While a historic baseline is useful, tracking a control group during the project or program delivery period enables an understanding of the impact of factors outside the sphere of influence of the commissioned response itself.

Whether formative or summative, all SA Health commissioners are encouraged to measure both outcomes and value. Measuring value enables commissioners to compare different commissioned responses and determine which response provides efficient services.

Figure 8: Assess outcomes and consumer experience against cost to determine value

$$\text{Value} = \frac{\text{Outcomes} + \text{Patient experience}}{\text{Cost}}$$



Box 4: State Procurement Board Directions – Complete and review contract

The completion and review of the contract(s) should be done when the summative evaluation at the end of the commissioning project or program is conducted. Specifically, if the commissioned response are delivered through external providers.

The State Procurement Board outlines the steps to complete and review contract as:

- Review contracts due to expire to determine future requirements
- Finalise, amend, cancel or terminate contract in accordance with contract including management of close-out, renewal or transition to a new contract
- Evaluate the outcomes of the contract and document and explain variances where measures of outcomes are not met in full.

The summative evaluation puts us in an excellent position to make informed decisions about the contracts and manage the provider through close-out to renewal.

Phase 2: Report on outcomes cyclically



An increased focus on evaluation will create a “measurement culture” across SA Health. An organisation with a measurement and performance culture focuses on doing what it does as well as it can and continually seeks to do even better. Evaluation tools and skills must exist within a culture of measurement, reflection and continuous learning. This culture is enabled through cyclical evaluation and reporting of outcomes on a consistent and ongoing basis.

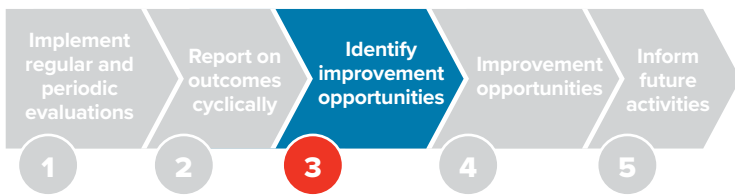
The focus of evaluation activities will evolve through the life of the commissioned response. Early on during delivery, the focus will be needs, inputs and activities. Over time the focus becomes more around whether outcomes are being achieved, recognising that outcomes take time to be achieved, and so cannot be accurately measured until later in the project lifecycle.

The contents of ongoing performance and evaluation reports will vary depending on the purpose, frequency of reporting, and audience. At a minimum, evaluation reports should highlight limitations and considerations, performance against agreed targets, recommendations and conclusions.



Evidence of the impact of a commissioned response can also be summarised on an ongoing basis through performance dashboards, tracking progress against targets and outcomes emerging from the response. Performance dashboards can also help to visualise information and inform decisions regarding continuous improvement.

Phase 3: Identify improvement opportunities



Evaluations can provide useful findings and recommendations to inform future delivery:

- Insights to inform the design of new programs
- Evidence to support funding bids
- Opportunities for continuous development of an existing program
- Evidence to affect policy and reform

However, evaluations are only useful if they're used. During this Phase the findings and recommendations from evaluation activities should be translated into improvement opportunities.

In alignment with the cyclical and iterative nature of a commissioning approach, this Phase reflects many of the same principles and activities identified in Stage 2 Phase 4 of the commissioning cycle, when a response is designed for the first time.

Commissioners should work with stakeholders impacted by the commissioned response to co-design modifications and improvement opportunities.

This will include working with consumers and communities, providers and other stakeholders to explore the root causes of previous weaknesses or issues, and to design improvements. These co-design activities will also identify the scale of modification required to achieve the desired level of improvement. This could span from minor changes to how the existing response is delivered, to re-designing the response. Commissioners should ensure that modifications are designed with consideration for available resources, constraints and other parameters.

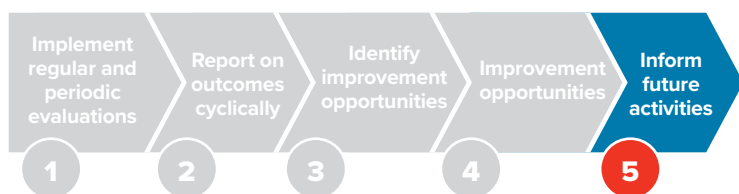
Phase 4: Improvement implementation



Commissioners have a role in driving the implementation of improvement opportunities. This may involve commissioning service providers to deliver the modified response, or working with existing providers to implement the change. This may also include funding one-time establishment or implementation costs associated with the improvement initiative.

In all cases, the uplift in performance and change sought should be clearly defined, understood and tracked. The commissioner should establish a trial period for the improvement opportunity and track performance improvement during this timeframe before deciding whether further modification is required.

Phase 5: Provide evidence into future commissioning activities



Program evaluation should always be undertaken with a view to informing decision making. This may include continuing, expanding, ceasing or refining a program, or longer term decisions about the future scale and continuity of investment, typically decided at budget reviews. Evaluation is essential in supporting the expansion of innovative programs and continuing existing programs shown to be successful.

This helps to:

- Enhance accountability and transparency
- Build confidence in a response’s effectiveness among stakeholders
- Communicate expenditure choices and outcomes to the community
- Share lessons learned with other evaluators or interested stakeholders in the sector
- Contribute to the available evidence base, allowing for comparison and shared knowledge across similar responses to improve provision
- Demonstrate a commitment to evaluating programs and evidence informed decision making.

SA Health’s existing channels can be used to share evaluation results externally and internally. One of the easiest ways to share the evaluation report is by publishing an evaluation report on SA Health’s existing website. Social media sites, newsletters, and, where appropriate, through conference papers and peer reviewed journals can also bring attention to the report. This can also include sharing successes and good practices through case studies, “lunch and learns”, communities of practice, or other forums.

Outputs

At the end of this stage, there should be:

- Evaluation report
- Improvement plan
- Case studies or other mechanisms to share findings and lessons learned.

Tools and resources

Category	Title	Description
Template	Evaluation Plan	Sets out how the performance of a commissioned service will be evaluated.
Template	Evaluation Report	Provides the corporate leadership team with an assessment of the performance of the commissioned service from multiple perspectives, whether intervention is required and the nature of that intervention.

For more information

Please address questions and inquiries
regarding this document to
health.commissioning@sa.gov.au

sahealth.sa.gov.au

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