



# Outcome Based Management Policy

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## 1. Purpose

The purpose of the *Outcome Based Management Policy* is to ensure the integrity of the Outcome Based Management (OBM) Framework.

The OBM Framework is a Department of Treasury mandatory requirement for all State Government agencies. Public sector agencies are required to report their financial and operational performance and targets in State budgets and annual reports using an OBM Framework.

The OBM Framework directly links Outcomes, Services and Key Performance Indicators (KPIs) to State Government goals and priorities. This allows the State Government to measure the success of funded services to deliver desired outcomes.

The OBM Framework describes how Outcomes, Services and KPIs are used to measure WA health system performance. The OBM KPIs measure the effectiveness and efficiency of the services delivered against agreed State Government priorities and desired outcomes.

This Policy is a mandatory requirement for Health Service Providers under the *Outcome Based Management Policy Framework* pursuant to section 26(2)(d) of the *Health Services Act 2016*.

This Policy is a mandatory requirement for the Department of Health pursuant to section 29 of the *Public Sector Management Act 1994*.

## 2. Applicability

This Policy is applicable to the WA health system.

## 3. Policy Requirements

### OBM Annual Report Mandatory Requirements

To maintain the integrity and consistency of the OBM Framework, Health Service Providers and the Department of Health must:

- report against all Under Treasurer mandated Performance Indicators (PIs), OBM KPIs and targets as listed in *Addendum 1: OBM KPIs and Targets* in the entity's annual report
- manage all annual report requirements and undertake all collation, analysis and reporting of Under Treasurer mandated OBM KPIs and PIs for the entity's annual report production

- manage all responsibilities and prepare all relevant information related to OBM KPIs and annual report audits undertaken by the Office of the Auditor General (OAG) and/or the System Manager
- request from the System Manager audit information for OBM KPI targets when required by the OAG
- inform the System Manager of OAG required changes to OBM KPI data definitions resulting from the OAG annual audit process
- source audit data to satisfy OAG audit requirements from relevant data custodians/providers by formal request
- undertake all tasks if additional WA health system entity specific PIs are developed for annual report inclusion.

## **OBM Budget Mandatory Requirements**

To maintain the integrity and consistency of the OBM Framework, Health Service Providers and the Department of Health must:

- supply accurate data and information within required timeframes as requested by the System Manager
- attend the Budget Estimate Hearings when requested by the System Manager or the Minister for Health.

## **OBM Cost Centre Mapping Mandatory Requirements**

To maintain the integrity and consistency of the OBM Framework, Health Service Providers and the Department of Health must:

- ensure cost centre mapping for expenditure is accurate and maintained within the OBM Allocation Application in accordance with the programs listed in *Addendum 2: OBM Framework Service, Sub-Service and Programs* and program descriptions in the OBM Allocation Application
- submit cost centre deletions, additions or amendments to Health Support Services to load the information into Oracle 11i
- undertake cost centre apportioning in the OBM Allocation Application
- review cost centre apportioning in the OBM Allocation Application after the general ledger data download (close of business on the fourth working day of each month, with the exception of June where this is the seventh working day of the month)
- complete the review of cost centre apportioning by the eighth working day of each month (cost centres apportioned after the eighth working day will not be included in the current month reporting, with the exception of June where apportioning needs to be completed by the 11th working day of the month)
- retain adequate records to meet System Manager and OAG audit requirements
- respond in a timely manner to all System Manager requests that relate to the cost centre mapping process for the OBM Allocation Application
- create and maintain an Access Schedule for the OBM Allocation Application
- establish governance structures and approval processes for Access Schedule inclusion
- supply the Access Schedule to the System Manager when access requirements change.

## OBM KPI Data Provision Mandatory Requirements

To maintain the integrity and consistency of the OBM Framework, Health Service Providers and the Department of Health must:

- report all OBM KPI data in accordance with the System Manager approved data definitions and business rules
- ensure the provision and/or reporting of all OBM KPI data is in accordance with the *OBM KPI Data Definition Manual*
- provide accurate OBM KPI data or related information within required timeframes as requested by the System Manager.

### 4. Compliance Monitoring

Health Service Providers and the Department of Health are responsible for ensuring compliance with this Policy.

The OBM KPIs, annual report, cost centre mapping and expenditure apportioning are audited by the OAG and may also be subject to audit by the Financial Policy and Reform Unit on behalf of the System Manager.

The Legislative Council's Standing Committee on Estimates and Financial Operations also conducts Agency Annual Report Hearings.

### 5. Related Documents

The following documents are mandatory pursuant to this Policy:

- [Addendum 1: OBM Framework KPIs and Targets](#)
- [Addendum 2: OBM Framework Service, Sub-Service and Programs](#)
- [OBM KPI Data Definition Manual](#)

### 6. Supporting Information

The following information is not mandatory but informs and/or supports the implementation of this Policy:

- [OBM Policy Information Compendium](#)
- [Program descriptions in the OBM Allocation Application](#)

### 7. Definitions

The following definition(s) are relevant to this Policy.

Term	Definition
Key Performance Indicator	A measurable value that demonstrates the effectiveness and/or efficiency of the services delivered.
Outcome Based Management Framework	The framework describes how outcomes, services and KPIs are used to measure WA health system's performance against agreed State Government priorities and desired outcomes.

Performance Indicator	A measurable value that provides an 'indication' of progress towards achieving an objective or output.
System Manager	System Manager means the Department CEO (Director General of the Department of Health) under section 19(2) of the Health Services Act 2016.
WA health system	The WA health system is comprised of: (i) the Department; (ii) Health Service Providers (North Metropolitan Health Service, South Metropolitan Health Service, Child and Adolescent Health Service, WA Country Health Service, East Metropolitan Health Service, PathWest Laboratory Medicine WA, Quadriplegic Centre and Health Support Services); and (iii) contracted health entities, to the extent they provide health services to the State.

## 8. Policy Contact

Enquiries relating to this Policy may be directed to:

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## 9. Document Control

Version	Published date	Effective from	Review date	Amendment(s)
MP 0115/19	1 July 2019	1 July 2019	1 July 2020	Original version
MP 0115/19 v.2.0	23 June 2020	23 June 2020	Annual	Major amendment details below.
Related documents <i>OBM KPI Data Definitions Manual</i> and <i>2019-20 OBM KPI Data Quality Statements</i> have been included. Related documents have been developed in response to the annual review of OBM KPIs in consultation with data custodians and stakeholders within the Department of Health and Health Service Providers. Updates include changes made to align with current service delivery and minor wording amendments. No changes impact the purpose or intent of the KPIs.				
MP 0115/19 v.3.0	26 June 2020	26 June 2020	Annual	Major amendment details below.
Related document <i>OBM KPI Data Definitions Manual</i> has been amended. The following updates relate to KPI 33:				
<ul style="list-style-type: none"> <li>The source of Silver Chain activity data has been changed from contract reports to the Non Admitted Patient Activity and Wait list Data Collection, as recommended by the Office of the Auditor General.</li> <li>Bethesda Hospital activity data has been added to KPI 33, as recommended by the Budget Strategy Unit.</li> <li>A data quality statement has been added, following identification of a previously unknown limitation in one service provider's data.</li> <li>Minor amendments to wording have been made to improve clarity and transparency.</li> </ul>				

MP 0115/19 v.3.1	22 July 2020	22 July 2020	Annual	Minor amendment details below.
<p>Related document <i>OBM KPI Data Definitions Manual</i> has been amended. Updates include:</p> <ul style="list-style-type: none"> <li>• correction of reporting period for KPIs 16 and 24 to financial year</li> <li>• correction of WA Country Health Service facility names in KPI 30, in alignment with Health Services (Health Service Providers) Order 2016</li> <li>• wording amendment to KPI 33 quality statement to clarify that data provided by Bethesda Hospital is an estimate of episodes of care using total bed days and average length of stay to reflect agreed methodology in line with historical reporting.</li> </ul>				
MP 0115/19 v.4.0	26 May 2021	26 May 2021	Annual	Major amendment details below.
<ul style="list-style-type: none"> <li>• Related document <i>Addendum 1: 2019-20 OBM KPIs and Targets</i> amended to update efficiency KPIs in line with 2020-21 Budget.</li> <li>• Related document <i>Addendum 2: 2019-20 OBM Service, Sub-Service and Programs</i> amended to remove 23.2 Finance Accounts Receivable Services and corresponding renumbering of remaining Programs.</li> </ul>				
MP 0115/19 v.5.0	24 November 2021	24 November 2021	Annual	Major amendment details below.
<ul style="list-style-type: none"> <li>• Amendments to Addendum 1: Key Performance Indicators and Targets. Targets updated in alignment with Government Budget Statement process.</li> <li>• Amendment to Addendum 2: OBM Framework Service, Sub-Service and Programs. Heading amended to 2021-2022.</li> </ul>				
MP 0115/19 v.6.0	10 May 2022	10 May 2022	Annual	Major amendment details below.
<p>Related Document OBM KPI Data Definitions Manual has been amended. Updates include:</p> <ul style="list-style-type: none"> <li>• Updated title to 2021-22 OBM KPI Data Definitions Manual.</li> <li>• Minor wording amendments or revisions to align with current service delivery. This includes changes in governance, opening/closure of specific wards, changes to data sources and data custodians and updates in alignment with national definitions.</li> </ul>				
MP 0115/19 v.7.0	9 August 2022	9 August 2022	Annual	Major amendment details below.
<ul style="list-style-type: none"> <li>• Related Document Addendum 1: 2022-23 Key Performance Indicators and Targets to reflect targets updated in alignment with Government Budget Statement process.</li> <li>• Related Document Addendum 2: 2022-23 OBM Framework Service, Sub-Service and Programs – amended to 2022-23.</li> </ul>				
MP 0115/19 v.8.0	9 September 2022	9 September 2022	Annual	Major amendment details below.
<ul style="list-style-type: none"> <li>• Combined Department of Health and Health Service Providers in the one consolidated Policy. Included Department of Health within Applicability, Policy Requirements and Compliance Monitoring sections.</li> <li>• Amended title to remove financial year.</li> <li>• Removed 2021-22 – Addendum 1 and 2 as Related Documents.</li> <li>• Removed 2019-20 OBM KPI Data Quality Statement as Supporting Information.</li> </ul>				

MP 0115/19 v.8.1	21 December 2021	9 September 2022	Annual	Minor amendment details below.
Updated statement to Addendum 1 and includes: 'Purchasing decisions for Mental Health Services have not been finalised at the time of publishing the 2022-23 targets. The targets will be updated by February 2023 and published on the WA Health OBM website.'				

## 10. Approval

<b>Approval by</b>	Dr David Russell-Weisz, Director General, Department of Health
<b>Approval date</b>	1 July 2019

**This document can be made available in alternative formats on request for a person with a disability.**

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