



Functional Review and Readiness Assessment

A Functional Review and Readiness Assessment was completed in May 2016 to support the WA public health system transition to new governance arrangements

Why did WA Health undertake a Functional Review and Readiness Assessment?

- New legislation (the *Health Services Act 2016*) commenced on 1 July 2016, clearly defining roles, responsibilities and accountabilities across the WA Health System to enable greater local decision-making closer to service delivery and patient care.
- The Act establishes the Director General of the Department of Health as the System Manager, responsible for the overall management, performance and strategic direction for the WA public health system, ensuring the delivery of high-quality, safe and timely health services.
- Health Services have been established as separate board-governed health service providers that are statutory authorities, legally responsible and accountable for the delivery of health services for their local areas and communities.
- Health Support Services (HSS) has been established as a chief executive-governed health service provider that is a statutory authority accountable for the delivery of key support services.
- The Functional Review and Readiness Assessment supports WA Health’s transition to these new devolved governance arrangements by ensuring each entity is ready to take on these new roles to deliver a safe, high-quality, sustainable health system for all Western Australians.

How was the Functional Review and Readiness Assessment conducted?

- The Functional Review and Readiness Assessment project was governed by senior WA Health Executives, reporting to the Director General. Subject matter experts were involved from across WA Health.
- Information was gathered on non-clinical functions from the Department of Health, Health Services and Health Support Services in eight areas:
 - Finance
 - People and Organisational Development
 - Governance
 - Procurement and Supply Chain
 - Performance and Information Management
 - Public Health, Safety and Quality
 - Infrastructure
 - Policy and Planning.
- The Functional Review and Readiness Assessment was conducted in four stages:

| Stage | Description |
|---------------------------------|--|
| Current State Assessment | Data gathered and evaluated from 120 non-clinical functions across WA Health. |
| Future State Design | Identified the functions to be performed by the Department of Health, Health Services and Health Support Services under the new governance arrangements. |
| Readiness Assessments | Evaluated the capability and capacity of each entity to transition to the new governance arrangements from 1 July 2016. |
| Transition Preparation | Identified and assessed risks and gaps in capacity and capability, followed by detailed preparation for transition. |

- A set of principles, aligned to WA Health's vision, were used to guide the Future State Design:
 - Localise functions where possible and centralising where necessary
 - Take decisions as close to service delivery as possible
 - Maintain a connected and coordinated healthcare system
 - Address unnecessary duplication
 - Match accountability and authority
 - Balance benefits of consolidation against local responsiveness and quality of service
 - Reinforce clarity of purpose between purchasers, providers and regulators.

What were the findings of the Functional Review and Readiness Assessment?

- High-level findings of the Future State are summarised below:
 - The Department of Health will perform systemwide functions aligned to its role as System Manager, including performance management of Health Services and issuing binding policy frameworks to maintain a coordinated and connected health system.
 - The Department of Health will also perform functions required as a government department (e.g. managing finance and employment functions for the Department of Health only).
 - To operate as separate statutory authorities, Health Services and Health Support Services will take on greater responsibility for existing functions and take on new functions.
 - Accordingly, some functions performed by the Department to support Health Services and Health Support Services will be transferred to these entities over a two year transition period.
 - Health Support Services will continue to perform many of its existing functions and may require some new functions to operate as a separate statutory authority.

What are the next steps?

- A Systemwide Transition Plan has been developed to guide the transition of non-clinical functions between entities.
- Transition of these functions is being managed by senior leaders across the system and will conclude by 30 June 2018.

What are the benefits to patients, our workforce and the community?

- Better health, better care and better value to all Western Australians through:
 - Strong governance foundations with clear delineation of roles and responsibilities to enable stronger system decision-making, operation and risk management.
 - Enabling greater decision-making closer to service delivery and patient care.
 - Greater authority and innovation for Health Service Providers in meeting the needs of local communities.
 - Robust systemwide policy and standards, aligned to national and international best practice to assure the quality and safety in the provision of health services.
 - Strengthened financial management and business intelligence so that resources are allocated fairly and used efficiently to deliver the best health outcomes.

Where can I find further information?

- Fact Sheets:
 - *Changes to the governance of WA Health*
 - *The Health Services Act 2016: A Snapshot*
 - *The Role of the Department of Health*
 - *The Role of Health Services and Boards*
 - *The Role of Health Support Services*
 - *The WA Health Reform Program 2015-2020*
- Email: health.reform@health.wa.gov.au