Tool 22: A design tool to shape systems to support outcomes

This document is part of the Home Care Outcomes-based Commissioning Toolkit developed by the National Commissioning Board for Wales to assist home care commissioners and providers to move the home care service towards a more outcomes-based approach. This is an outline document **(which is yet to be completed)** that will be developed further as the project moves forward.

1 Core Material: Overarching principles of this toolkit

The provision of social services in Wales is governed by the Social Services and Well-Being (Wales) Act 2014. The Act is accompanied by a Code of Practice and guidance on the exercise of social services functions and partnership arrangements. The Code of practice stipulates that:

"In order to seek to promote the well-being of people who need care and support and carers who need support, local authorities need to understand what matters to people and the personal outcomes they wish to achieve".

The provision of health services in Wales is the remit of NHS Wales under the direction of the Welsh Government. Local Health Boards have responsibility for all commissioning and provision of health services in their area. The Welsh Government have produced an Outcomes Framework for the NHS in Wales that it describes on its website as follows:

"The NHS outcomes framework includes only outcomes and outcome indicators that have been determined to measure health related well-being. A delivery framework is in place to support the delivery of health and well-being by health boards and health trusts. "
Generally, the toolkit identifies that there are three models of outcome-based commissioning:

- **Model 1: Outcome Based Care Planning:** (Using outcomes as the basis for planning and reviewing a care package).
- **Model 2: Reward for Achieving Outcomes and customer satisfaction:** Again, Individual focused but concentrating on the financial aspects of meeting outcomes.
- **Model 3: Population based accountability for Outcomes:** Responsibility for the provider(s) for meeting the outcomes of a group of people across a defined geographic area.

2 Purpose of this tool

For an outcomes-based approach to work effectively it has to be incorporated into all aspects of the commissioning system and process. The purpose of this tool is to help commissioners design/re-design their systems to incorporate an outcomes-based approach.

It is helpful here to think about commissioning in terms of System design, which is the process of defining the architecture, components, interfaces, and data for a system to satisfy specific requirements placed upon it.

3 The commissioning system

System design needs to cover:

- The overall shape and structure of the system (The architecture – here basically the four quadrants)).
- The actual design of the system including the:
  - Components (different parts of it – here the contents of the four quadrants).
  - Interfaces (Where modules and or components connect with each other), and
  - Data (information utilised by the system).

3.1 The overall shape and structure of the system

Most organisations identify the overall shape and structure of the Commissioning system as being very close to the IPC commissioning Cycle, as set out below:

The introduction of outcomes into the process does not really affect this overall model, although some new elements need to be added (or at least more strongly emphasised) throughout the process.

Co-production with service users and carers is often seen as a pre-requisite to an effective outcomes-based approach and needs to be incorporated into each four quadrants of the cycle. A further iteration of the IPC cycle could see 'Co-production' inserted into the very core of the model inside the 'Procurement' ring.

Also, the shift to an outcomes-based approach also requires some significant changes in the approach to **assessment and care management** and it is essential that the commissioning process and the assessment and care management process are kept aligned with each other. Failure to maintain this alignment is a factor that has undermined many re-commissioning exercises, whether they involve a shift to an outcomes-based approach or not.

Thirdly, a shift to an outcomes-based approach will affect the market overall and the way in which the commissioner will need to **facilitate and support the market** - the shape and structure of the market (especially the 'effective market' of those providers who wish to be involved in delivering outcomes-based approaches) will change, and commissioner activity will need to change accordingly.

Where the proposed shift is to '**Model 1'** as described above, the major changes are to the ways of working adopted by providers and assessment and care management staff. Commissioners will want to find a way of reflecting that in their contractual relationships with providers (See below). Service users and carers will also need to be introduced to the notions of the use of outcomes as the measure of success and of collaboration and co-production with themselves as the established ways of working (The assumption often is that these changes will be understood and welcomed by service users and carers – this is not always true, and in some cases services users and carers do need some encouragement.).

Where the proposed shift is to '**Model 2'** as described above, the addition of a clear financial reward element could stifle some elements of co-production as providers strive to ensure that they deliver the identified required outcomes. Clearly the design of the contractual arrangements and precisely how outcomes are identified will be crucial here. (e.g. They could be entirely determined by the service user (and not deliverable by the home care provider), or linked to an outside set of outcome characteristics that suit neither the provider or the service user/carer).

Assessment and Care Management staff will need to understand the new system, and the consequences for providers of failing to meet the required outcomes. They will have a greater responsibility to ensure that the outcomes identified are real, relevant, achievable and related to the service being delivered. It will also affect their budgeting of care packages, as the amounts spent may well be variable, depending upon whether not the outcomes are achievable.

The role of commissioner is facilitating and supporting the market really comes to the fore under this model. Depending upon how much of their income is to be outcomes-

related, and how confident they are of delivering on that, providers may be more or less willing to be part of the supply side of the market. Balancing supply and demand, through both the design and operation of the system is a likely to more complex for commissioners than it is under a straightforward 'time and task' model, where both achievement and payment are pre-determined.

Where the proposed shift is to **'Model 3'** as outlined above, Assessment and Care Management staff will need to understand that the provider is working to a different type of outcome measure, and are likely to have much more say or control over either the cases they take, or the activity they carry out with them. Indeed, the traditional assessment and care management role may not apply at all. Similarly, service users may find that the provider is less concerned about achieving their individual outcomes and more concerned with those population level outcomes that have been set for them. Having said that, local communities ought to involved in co-producing the population-level outcomes that are being set for the provider.

Commissioning for population level outcomes presents a new set of issues and challengers for commissioners. It is likely to encompass a wider range of services, be over a longer term and give the provider much more control once the contract is in place (although there may be some stipulations made in the contract about aspects other than population outcomes). However, commissioning on the basis of population outcomes does mean that there can be only one provider in a given geographic or population-based area, and market facilitation may be much less of a feature of commissioning in that context.

3.2 The Actual Design of the System

So, how might the actual design and operation of the commissioning system change under each of these models? The tables below outline some of the changes likely to be needed.

'Model 1' – Changes by 'Quadrant'

Analyse	Plan	Do	Review
The **Co-production** element comes more to the fore, with a greater emphasis upon service users and carers (and providers) being involved in understanding how the process works and what are the possible options.	Again, The **Co-production** element comes more to the fore, with a greater emphasis upon service users and carers (and providers) being involved in all aspects of the planning process.	Again**, Co-production** comes more to the fore, but here with providers, in terms of commissioning.	Review needs to be carried out in conjunction with service users and carers with a good deal of **co-production,** particularly as there are unlikely to be in place detailed monitoring processes, given there is no reward element.
The **Procurement** element incorporates the assessment of required individual outcomes.	The **Procurement** element does not change that much, although some of the modules within it do. However, they may be a need for a greater and more formal considerations to how behaviours may change and affect the procurement of the required service.	The **Procurement element** does not alter a great deal**.**	The **Procurement element** will have a strong focus on whether the required service has been delivered, and whether or not contractual requirements have been met.
The **Commissioning** element incorporates consideration of different levels and types of outcomes and how these might be measured. It also needs a strong market analysis, that takes account of the shift to outcomes and how well	The **Commissioning** element needs to give greater consideration to the management of change and the need to develop and share the concept of outcomes. Mid-process changes in design often have	There may be considerable work to do in the **commissioning element,** particularly to assist providers in having the capacity and capability to work in the new ways required by an outcomes-based approach**.**	In terms of the **Commissioning element**, Assessment against outcomes needs to be linked to outcomes at an individual level for service users and carers. Market performance review needs to be related

Analyse	Plan	Do	Review
providers and the market are prepared for that shift.	a big effect in terms of time and cost – this may mean it is		both to these individual outcomes and to how well the
It will also be helpful to identify the possible barriers and constraints in terms of moving to an outcomes-based approach and to consider how these might be addressed. In the light of this there should be a clearer picture of the risks involved to moving to this model.	sensible to build in additional consultations and checks, before the details of the model are finalised Moving to an outcomes model should give the provider (and the service user) greater scope for flexibility in terms of how the outcomes are achieved. It may be important to resist pressures to 'over specify' the service.		broader market has coped with delivering the outcomes (For example, those people who got a service may be well-satisfied, but there may also be delays and long waiting lists.

'Model 2' - Changes by 'Quadrant'

Analyse	Plan	Do	Review
The **Co-Production element** again comes to the fore, as in 'Model 1'.	In terms of **Co-Production**, the introduction of a PbR approach will require greater collaboration with providers to ensure that the scheme proposed is workable and deliverable for both sides.	In terms of **co-production,** there is likely to be a lot to do working with providers to ensure that not only are they able to work to an outcomes-based approach, but also to ensure that the necessary systems are in place with regard to payment and reward, that they work	

Analyse	Plan	Do	Review
		efficiently, and that they are understood.	
The **Procurement element** requires a more careful analysis of the requirements that might be asked of providers In terms of the commissioning element, in addition to the changes in 'Model 1' above, this model will require additional resource analysis and resource allocation. The introduction of a PbR element does mean that there is a possibility of a change in spending patterns that needs to be anticipated and addressed proactively, if possible.	In terms of the **Procurement element** and especially with the development of the specification and the contract for the service, the introduction of PbR will add a level of change and complexity to the system. Commissioners will need to clearly articulate the new approach, and work to ensure that care providers are prepared for the new approach, but that so are other parts of the system (ACM, partners etc).	In terms of the **Commissioning element**, there will be new day-to-day queries to be dealt with, and close working with ACM teams will be necessary.	The review of services under this model should progress much as under **'Model 1',** although the operation of the PbR element should help to ensure there is adequate information upon which to base judgements.

'Model 3' - Changes by 'Quadrant'

Analyse	Plan	Do	Review
The shift to a model based upon population outcomes is likely to be a significant departure for most localities, and new to most local populations. It seems likely, then, there would need to be considerable engagement and consultation around the design and development of the whole engagement, and **Co-production** would be essential.	In terms of **co-production** at this point, it will be important to work with and engage the community within which the population level outcomes will be set.	One of the potential dangers of this model is a misunderstanding on the part of the community as to what the service is intended to achieve. In terms of **co-production**, then, it will be important to keep the population aims at the forefront.	This section very much depends upon how 'pure' the model has been in terms of focusing upon population level outcomes alone.
In terms of the procurement element, setting the desired population outcomes will be the crucial element and it may be helpful to construct logic models.	In terms of the **procurement element,** consideration will need to be given as to how 'pure' the population level outcomes based model is going to be. Whilst those outcomes are the basis of this model, it may not be considered prudent simply to commission the service on that basis, and other requirements may need to be built into the contract and specification.	In terms of the **Procurement element,** it will be important to have good access to data about the identified population outcomes.	Where the model is completely focused at that population level then the only consideration for review from the procurement perspective is whether or not those outcomes have bene achieved.

Analyse	Plan	Do	Review
That links to the commissioning activity od undertaking a population needs assessment. Given the likely significant change in focus under this model, reviewing current provision and the likely impact of the change will be an important part of the commissioning element here.	In terms of the **Commissioning element**, ensuring the right service design and coverage is likely to be most important, and may involve the construction of logic models to provide some assurance that the service as designed will meet (or contribute to) the identified population outcomes.	In terms of the **Commissioning element**, it will be important to continue to see the wider picture and to build wider community capacity.	However, from a commissioning perspective, reviewing the overall impact of the service will be important, as will the reviewing of plans.

4 Further Materials

A paper that looks at wider approaches to commissioning and the role in it of increasing social value is:

All together Now – Whole systems Commissioning for Councils and the Voluntary Sector, Stopforth, S, Mansfield, C, New Local Government Network, 2016

'Co-producing Commissioning' A resource produced by NEF for NESTA, undated.

OPM is an independent research and consultancy organisation that supports and champions the delivery of social impact, and help people have a say in the decisions that affect them. OPM produce a number of commissioning-related resources

Commissioning for Outcomes – The role of social finance', Goss S, Hoong, C OPM 2017
http://socialfinance.org/content/uploads/OutcomesRateCard_FAQ.pdf

Outcomes Rate Cards – FAQs – OPM,

Supporting public service transformation: cost benefit analysis guidance for local partnerships Public Service Transformation Network, 2014.

A paper that challenges the current orthodoxy around outcomes-based commissioning is: Faulty by design - The state of public-service commissioning, Harwich, E, Hitchcock A, Fischer, E Reform 2017

A useful toolkit for commissioning overall can be found at the NAO website: Successful Commissioning Toolkit , NAO, undated web pages