



A PROMISING POLICY: New Zealand Government Alliance contracts in home & community support for older people

This Promising Policy outlines alliance contracting in publicly-funded home and community support for older people in one District Health Board in New Zealand.

Background

Australia, which has a population of 25 million, has a centralised funding model for both residential and home care services. In contrast, in New Zealand, which has a population of 5 million, aged care services are funded through and managed by 20 District Health Boards (DHBs) that cover a geographical region. Created nearly 20 years ago, DHBs have the responsibility for health care planning, funding and service provision. This decentralisation is based on the view that the needs of the community are best met through local planning and services. From the perspective of service users, however, the level of decentralisation has been seen to lead to service fragmentation and co-ordination issues.¹ The alliance contracting model in home and community support discussed here aims to reduce this fragmentation. The model draws on an approach that has been used in the construction industry for large scale infrastructure projects, where individual companies work collaboratively towards a shared goal of a project being completed on time and on budget.²

Alliance Contracts

Central to DHB alliance contracts in home and community support is the requirement that service providers work collaboratively, rather than in competition, with other contracted providers. This model is designed to greatly improve service integration for clients and represents a fundamental shift in the traditional funder/service provider relationship. We describe how alliance contracts can work in practice drawing on the experiences of one DHB.

This DHB conducted an open tender process and selected four service providers to deliver home care to clients in their district. The providers awarded alliance contracts to deliver an array of home care services to older people include both not-for-profit and for-profit organisations. As part of their contract, the DHB also handed over responsibility for assessing the needs of non-complex clients to these service providers.

'Alliancing' in Practice

As part of their contract to provide responsive home care, the four service providers meet regularly with DHB staff, both the funder and provider arms, at operational and strategic levels. At an operational level they discuss referrals, balancing the number and levels of client care complexity between the providers. They also share service usage data, review client hours and outcomes, and benchmark activities. These meetings are based on joint decision making, thus encouraging organisations to look beyond their own performance to improve home care services in their district.

As one service provider put it, the alliance framework works well because it provides:

‘that ability for us to influence each other’s practice in a positive [way], or if things aren’t looking so good, to challenge our colleagues or our other providers.’³

Under ‘alliancing’ the DHB and home care providers also have a strategic role, working co-operatively to identify and tackle system-wide issues. These may include developing initiatives to improve access to services and waiting times, and addressing co-ordination and communication issues between services, thereby helping service users receive more integrated and timely care.

New Zealand national level

- Government-funded home care is a regulated market managed by DHBs;
- The process for selecting home care providers and type of home and community care contracts varies between DHBs; and
- Individual DHB Needs Assessment Service Coordination (NASC) teams have responsibility for managing client assessment and review.

Featured DHB

- Alliance contracts encourage collaboration between providers rather than competition;
- This DHB has devolved needs assessments and reviews of *non-complex* clients to the contracted providers to reduce duplication of client assessments;
- Their model of care is based on ‘restorative care’ and promotes independence;
- Contracted providers allocate referrals evenly, unless a client requests a particular provider;
- Clients have the right to change providers; and
- Providers have a similar mix of complex and non-complex care clients.

Implementation challenges

- ‘Alliancing’ is a major reform so implementation has been variable across DHBs;
- Providers showed initial reluctance to share data and market share information; and
- Trust between providers is established over years.

References

¹ Towards Better Home and Community Support Services for all New Zealanders: Advice to the Director General of Health from the Director-General’s Reference Group for In-Between Travel, August 2015

² Gould, Robin, The Theory and Practice of Health Care Governance: Zealand’s alliances, *Journal of Integrative Care*, Vol 25, No. 1, 2017, pp. 61-72

³ Unpublished interview with service provider, August 2018