VICTORIA

Victorian
Auditor-General

Audit summary of Delivery of NURSE-ON-CALL

Tabled in Parliament
15 September 2010

Audit summary

The NURSE-ON-CALL service (NOC) was established in June 2006 with funding of $8.5 million per annum for three years. The principal aim of the service was to provide the community with readily accessible advice on medical matters to assist callers' decisions about whether to manage their symptoms themselves, seek general practitioners or hospital services. A secondary aim was to reduce demand on hospital services by diverting cases where acute care was not warranted.

The service uses registered nurses to offer health and medical advice over the phone at any time of the day or night. The Department of Health (DH) contracted delivery of NOC to a service provider which supplies the staffing, recruitment and training, and software.

The equivalent of NOC is provided as part of a national approach called *Health Direct* in all states and territories except Victoria and Queensland. In these jurisdictions, state-specific services are run. In the case of Victoria, the service is delivered by the provider that delivers *Health Direct.* In Queensland it is delivered by the state government.

This audit reviewed NOC to assess whether the public was able to access the service easily, if they were getting sound advice, and whether it was being effective in diverting demand away from hospitals. It also looked at whether DH was managing the contract so as to get optimal results from the service.

Conclusions

The audit concluded that, overall, NOC is a safe and cost-effective service. However international experience suggests there is scope to improve the quality of advice given.

While client surveys show those using the service were highly satisfied, it is not clear that those with language or special communication needs find the service accessible.

There is also significant scope for DH to achieve better value-for-money from the contract through more active contract management. Before the contract ends in March 2011 it will be important for DH to rigorously assess the current service provider's performance, as part of a wider review to confirm the ongoing need for, and design of the service. It will also be important, if the service continues, that DH address the weaknesses in the current contract that confer advantages to the service provider without a commensurate risk transfer.

Findings

Quality of advice

The provider is responsible for the clinical safety of its advice. Total reported incidents are extremely low at 105 out of 1.47 million calls. While overall the service is safe, 4 per cent of calls reviewed through mystery caller testing did not meet clinical safety standards. Further, there are no financial incentives to encourage the provider to improve its performance in terms of quality.

The audit found that DH has not used all available powers under the contract to assure the quality and reliability of the service. A preferable model would see clinical oversight by an independent third party, if not by DH, and fair penalties for under-performance in provision of clinical advice.

Role in demand management

NOC has undoubtedly saved health system costs by diverting callers from using ambulances or going to hospitals, where this course of action was not warranted by symptoms. We estimated an annual saving in health service resources of $4.6 million as a result. This is before other savings such as savings to individuals and to primary health services, and savings for hospitals arising from the transfer of calls to NOC have been factored in. This is an overall positive result, given the $9.9 million annual investment in the service and that its purpose was to improve health outcomes for callers through provision of timely and accurate advice.

Access

The service has not been proportionately accessed by different groups in the community. There has been extremely low use of interpreters to assist callers from non-English language backgrounds and hearing and speech impaired callers are also significantly underrepresented. However, DH has not examined why this is.

The consumer view

The service provider reports that customer satisfaction is high according to its surveys. However, the survey design warrants review to ensure the right questions are asked, and that the form of survey encourages participation.

Service provider performance

The timeliness performance target requires 80 per cent of calls to be answered within 20 seconds. This target was reasonable and based on standard call centre performance. From 2006 to mid 2009, the service provider routinely failed to meet this target despite having two key advantages. Firstly, until recently it influenced its own performance benchmarks by itself determining what was the ‘normal’ call volume it could be expected to deal with, and thus when timeliness targets would not apply. Secondly, it had the capacity to answer calls interstate using staff employed interstate, in times of high caller demand.

The contract setting the relationship between funder and provider did not have the right incentives for the service provider to perform well on timeliness. In particular, penalties for under-performance were weak and it was not until negotiations to increase the penalty in August 2009 that the service provider started meeting targets for timely answering of calls.

Since then, performance has improved and the service provider has met its performance standards.

The next phase of the service

Recognising that up to 40 per cent of NOC calls are currently being answered in other states by staff employed by the provider of the national service, *Health Direct,* with no apparent quality issues, the rationale for continuing NOC as a stand alone service is unclear.

The NOC contract ends in March 2011. In its planning for the next contract DH should undertake a comparative cost-benefit analysis of continuing with a Victorian specific service or joining the national system.

Recommendations

Number	Recommendation	Page
1.	The Department of Health should routinely measure awareness, usage and understanding of the service by callers with English language difficulties and hearing or speech impaired callers to assess whether their needs are being met.	18
2.	The Department of Health should review the methodology used in mystery shopping exercises and caller satisfaction surveys, to gain assurance that results are reliable and representative.	18
3.	The Department of Health should shift responsibility for caller satisfaction surveys from the service provider.	18
4.	The Department of Health should rigorously evaluate the service provider's performance and the appropriateness of the current contractual terms to inform its approach to the next contract.	28
5.	The Department of Health should undertake a comparative cost-benefit analysis of its procurement options including competitively re-tendering the contracted services.	28

Submissions and comments received

In addition to progressive engagement during the course of the audit, in accordance with section 16(3) of the *Audit Act 1994* a copy of this report was provided to the Department of Health with a request for submissions or comments.

Agency views have been considered in reaching our audit conclusions and are represented to the extent relevant and warranted in preparing this report. Their full section 16(3) submissions and comments, however, are included in Appendix E.