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DES Stars – the past and the future

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The past and the future?



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4 objectives:

- What are the star ratings?
- Brief history applying to DES / DEN / DOES
- Impacts, outcomes and provider feedback
- Discussion around the possible future!



What are the stars?



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- Comparing outcome rates of services against an expected level of performance
- Relative method assessment
- The DES sites/contracts are then ranked depending on how near or far they are from the national average!



What are the stars?



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- Expected performance!
- Regression – a statistical process to control different variables - like unemployment duration / participant characteristics and the local unemployment rate / labour market conditions



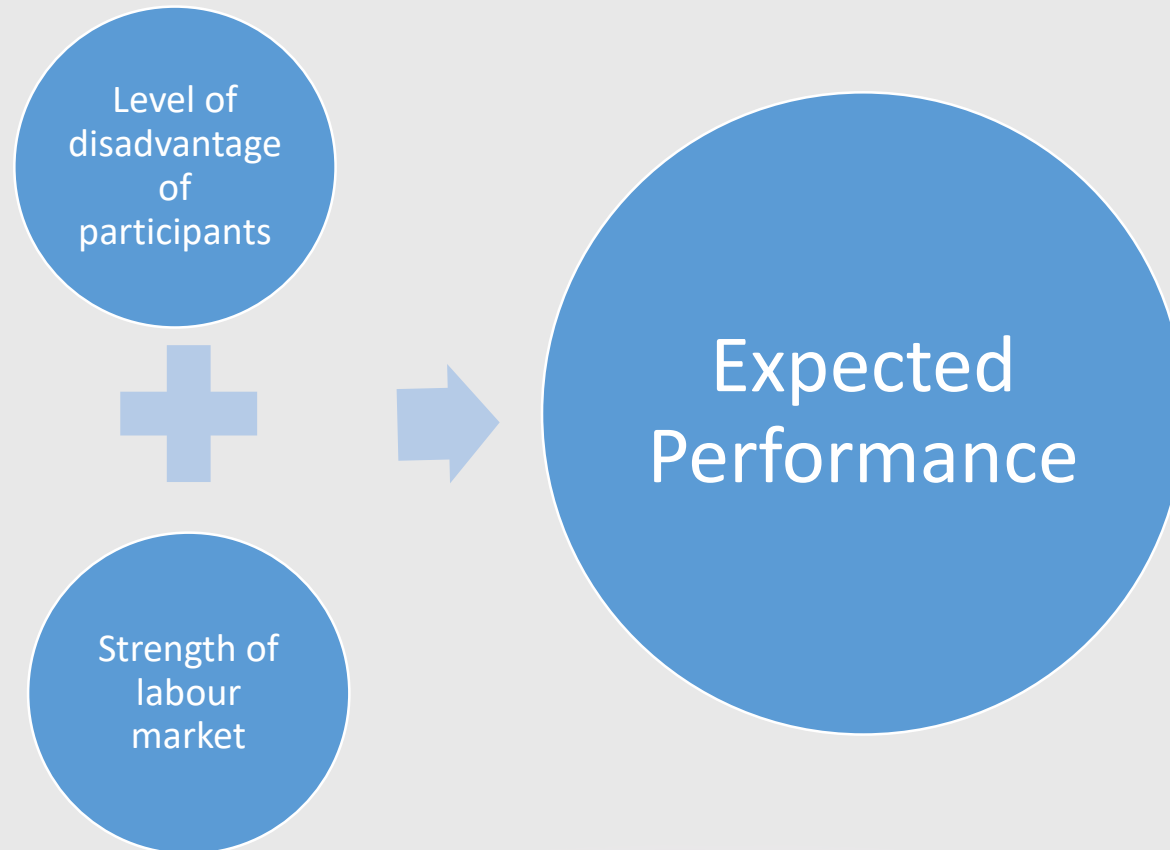
What are the stars?



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What are the stars?



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- Every three months, the star ratings are released to providers / publically!
- Based on two years of previous rolling outcome data (previously 3 year rolling)
- Effects business reallocation and tenders



History of the Stars and DES



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Once upon a time...

- DEN / DOES program transferred to DEWR in 2004
- Decision makers aligned performance framework similar to Job Network type



4 versions since 2006



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- Disability Employment Network (DEN) and Vocational Rehabilitation Services (VRS) Stars Ratings from 2006 to 2009
- First DES Performance Framework 2010 to 2012
- Second DES Performance Framework 2013 to June 2018
- Third DES Performance Framework July 2018 to current



History of the Stars and DES



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1st iteration:

2006-09: three components

- Capped stream – Employment Assistance
- Capped stream – Workers in Maintenance
- Uncapped stream



History - an efficiency measure?



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2 components = 10%

- (1) Proportion of referrals who commence in the program.
- (2) Average time from commencement to the achievement of a 13 week full employment outcome.



Reviews - 2009



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“the new framework does not include a fixed distribution and that the performance of an individual provider be measured and reported relative to the performance of other similar providers” (DSS, 2009)



New version 2010



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2010 DMS and ESS ratings

- Efficiency measure = total 10%
- Effectiveness measure = total 90%

- Ongoing support = 5% DMS
- Ongoing support = 15% ESS



New version 2013



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2013 Review

Efficiency measure = GONE!

- Now efficiency and effectiveness measure = total 90%
- New 52 week sustainability indicator included = 10%



Reviews - 2014



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“The Star Ratings model is used by the Department as a result of the numerous advantages it offers in measuring provider performance. These benefits include statistically adjusting for external factors affecting provider performance, the use of ex-post data, reducing the incentive to cream and park participants and using the performance rankings to inform business reallocation decisions” (DSS, 2014)



Why the change?



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Why did the efficiency measure go? 2013 review?

- Can be measured in regression
- Needed the 10% for 52 week indicator



Impacts – DEA perspective



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- Outcome requirements must be met and can be quite narrow (program assurance)
- The worst thing that can happen to your performance is for people to come through the doors and achieve nothing at all
- Research 'People stay in jobs that reflect their preferences twice as long'



Impacts – DEA training - how to perform?

- “The star ratings system means you need to place as many people as you can, as quickly as you can, every three months in time for the next public ranking”
- “high volume, quick throughput”
- “You always want to try to get full outcomes (with bonuses if you can) for as many people as possible”



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Impacts - Quotes



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“Then there was a surprise called regression.
No one can explain that to date so let’s not talk
about that....”

“the ratings works for us – its gives us an idea
of how we are performing. Poor performers
should be have business take away and good
performers rewarded”



Impacts of the framework



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- Major change in practice since 2004
- Continual program and policy changes
- Reducing number of providers over time
- More and more numbers into the DES program
- Relationship to contract human service delivery trend
- Questions – quality service, incentives and competition



2018 changes and the Future!



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- Taylor Fry review
- Relative performance model
- Changes to regression
- 52 week outcome measure
- 2 year rolling



Regression transparency



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“the expected performance results (as calculated by the statistical regression model) would be made available to DES providers for each DES Star Ratings period”(DSS,2018).



The future - 2018 and beyond



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- Where are we now!
- March 2019 Stars - 30% were without data
- Sector cannot ignore the stars
- Need to realise how DES is going to shape over the next two years to five years



The future - 2018 and beyond



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Other challenges...

- Risk adjusted outcome model – is it working?
- Market model – 136 providers to less than 120
- Choice and control – how are participants making choices now?
- Panel refresh policy



The Future - Benchmarking?



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- Discussion over a time about benchmarking but never embraced by Government
- Literature reviews of benchmarking – All star ratings reviews ‘a benchmarking approach would not be feasible’



The Future – telling a story



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1. Telling a story about the number of outcomes to participants and job placements
2. A story quality service offer and feedback
3. 'Word of mouth' in choice and model!



Future - Nevile research



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- Star ratings of little use to service users – only interested in services in their own city / region
- “the star ratings system has significantly reduced the number of agencies providing DES”
- Nevile (2016) recommended that DES be ‘substantially deregulated’



Future - Marketing



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- Marketing of outcomes (Nevile, 2016)
 - Number of participants placed
 - Sustainable jobs lasting more than 13 weeks
 - Sustainable jobs lasting more than 26 weeks
 - 'Word of mouth' will become more powerful



Future - what is driving change?



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- ✓ A market model, client choice, porous ESA boundaries, may lead to the stars as a secondary factor to Government check of program
- ✓ Change in service / outcome fee impacts
- ✓ Risk adjusted outcome payments
- ✓ 52 week outcomes means a change in practice



Discussion questions



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- Do you think the relative model performance is effective?
- Market model and government policy – what does this mean for DES?
- Future government policy around broader ‘disability employment’?
- What will be discussing ‘performance framework review 2023’ in a few years time?



And what do I think....



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- We still need to work within the performance framework as it is
- Level of control of Government re service delivery
- The market model and choice control ultimately lead to change
- But would need program change
- Service fee question – and outcome rates!



Conclusion



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- Star ratings for almost 15 years following various reviews
- Has changed the program, impacted on providers and number of providers
- The market model will change the impact of the stars
- Question is how long for change to occur?



Thankyou



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- Tony Cameron from Mylestones / CPL
- Dr Ann Nevile from ANU
- David Turnbull from DSS
- Quotes from various providers!

