

QUALITY MANAGEMENT AND CLINICAL GOVERNANCE

# Insights Report into Non- Compliant and Sanctioned Facilities

August 2020 | Report



CONFIDENCE LEADS TO SUCCESS

# CONTENT

EXECUTIVE SUMMARY .....	3
RATE OF NON-COMPLIANCE.....	4
UNMET STANDARDS.....	7
CHARACTERISTICS OF HIGHER RISK FACILITIES .....	9
OUR SUPPORT .....	10
Contact us .....	10
Disclaimer.....	10

Welcome to our second insight report into non-compliant and sanctioned facilities. In this edition we analyse the non-compliance and sanction data from My Aged Care for the period **1 January – 30 June 2020** and consider this in the context of our first report.

Our report builds on the [Commission's quarterly sector performance reports](#) and provides commentary and analysis on the:

- trends in the Commission's activity and findings.
- standards and requirements where providers are being found non-compliant.
- characteristics of non-compliant providers including their ownership, size and location.

This edition includes an [interactive online report](#) that allows you to personally explore and interact with the data.

### Key findings

1. Since July 2019 two in five (40%) facilities audited has been found to be non-compliant
2. between January and June 2020, 33 facilities were issued with a: non-compliance notice or, notice to agree or sanction.
3. Not for Profit providers are overrepresented (25 of 33 – 76%).
4. Compliance activities (audits and contact assessments) have been following a downward trajectory since the September 2019 quarter.
5. With COVID-19 restrictions, only two facilities were issued non-compliances in May and June, both were sanctioned.
6. Standard 3 and requirement 3(3a): safe and effective personal and clinical care is the most prevalent area of non-compliance.
7. The average number of unmet requirements have decreased since our last report however a greater portion of non-compliant facilities are failing standard 2, 7 and 8.

Non-compliance is the **single greatest threat** to the viability and sustainability of a Provider and erodes community support for the sector. From a governance perspective, Providers need robust and objective risk management and assessment policies and protocols to ensure potential non-compliances are identified and the risk minimised.

The Pride Living [independent assessment of your compliance risk](#) provides boards with assurance that your clinical governance framework is delivering the outcomes you seek and highlights in advance potential risks. This minimises the risk of;

- Substandard care and services to residents
- The incidence of complaints
- Failure to meet minimum standards and
- adverse outcomes in either ACQSC audits or contact assessments.

A well-structured compliance assessment program can:

- Validate the quality of internal policies and procedures
- Provide a roadmap for development
- Identify opportunities to introduce best practice policies and procedures

# RATE OF NON-COMPLIANCE

To ensure that aged care providers are meeting the aged care quality standards, the Commission conducts facility audits, assessment contacts and review audits. If a non-compliance is discovered, depending on the assessed risk, a facility may be directed to revise their PCI or be issued with a non-compliance notice, notice to agree (NTA) or sanction (higher risk facility).

FY20 has been a unique case, with the onset of COVID-19, halting the number of in-person facility audits and assessment contacts.

As shown in Charts 1 and 2, both in-person audits and assessment contacts<sup>1</sup> fell substantially between September 2019 to June 2020.

Chart 1: Facilities audited by quarter

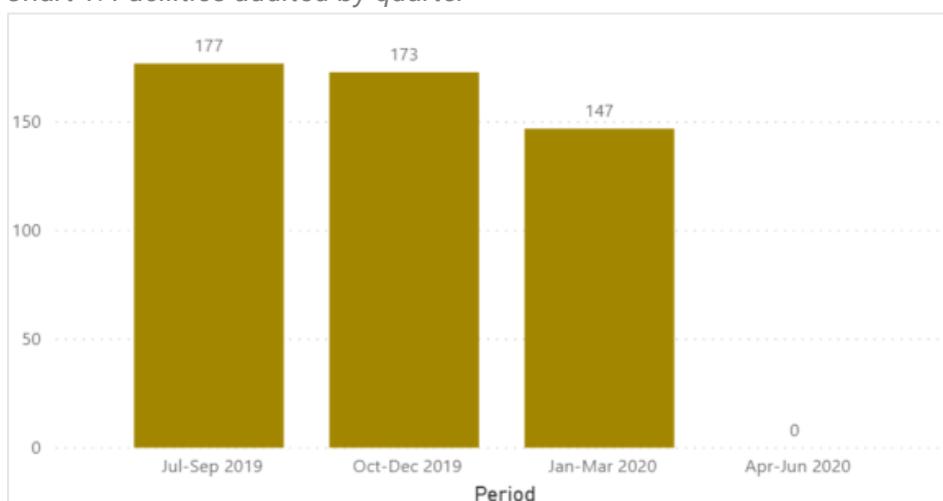
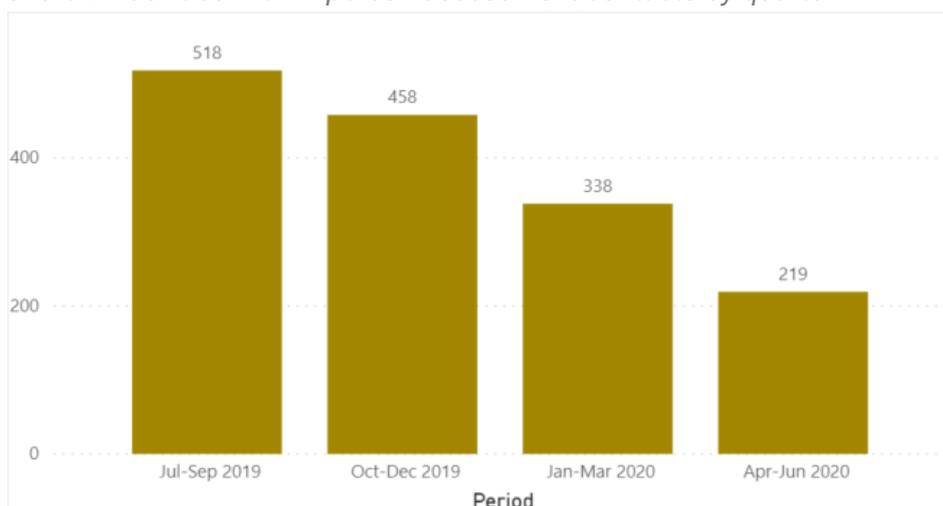


Chart 2: Facilities with in-person assessment contacts by quarter

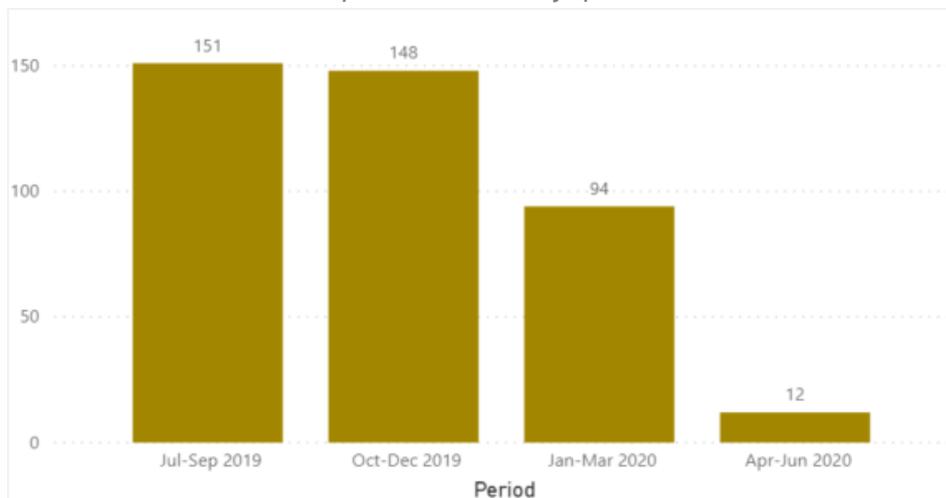


<sup>1</sup> In the June 2020 quarter, an additional 563 offsite assessment contacts supplemented the in-person assessment contacts.

# RATE OF NON-COMPLIANCE

It comes as no surprise, and Chart 3 confirms the number of facilities assessed were found to be non-compliant also decreased substantially over the 12 months.

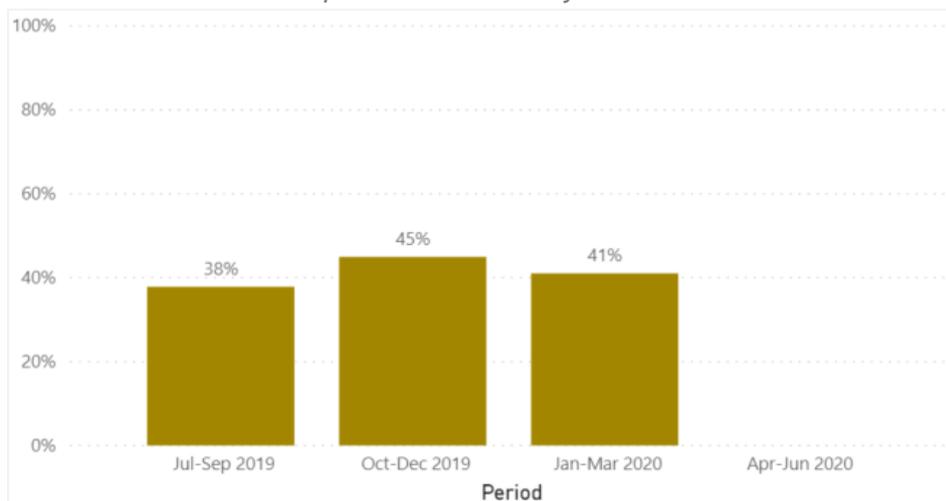
Chart 3: Count of non-compliant facilities by quarter



The count of non-compliance only provides part of the picture. Chart 4 and 5 provides additional context with the rate of non-compliance from audits and in-person assessment contacts.

In the September to March quarters, the rate of non-compliance from audits was consistent, being between 40 to 45% (2 in 5).

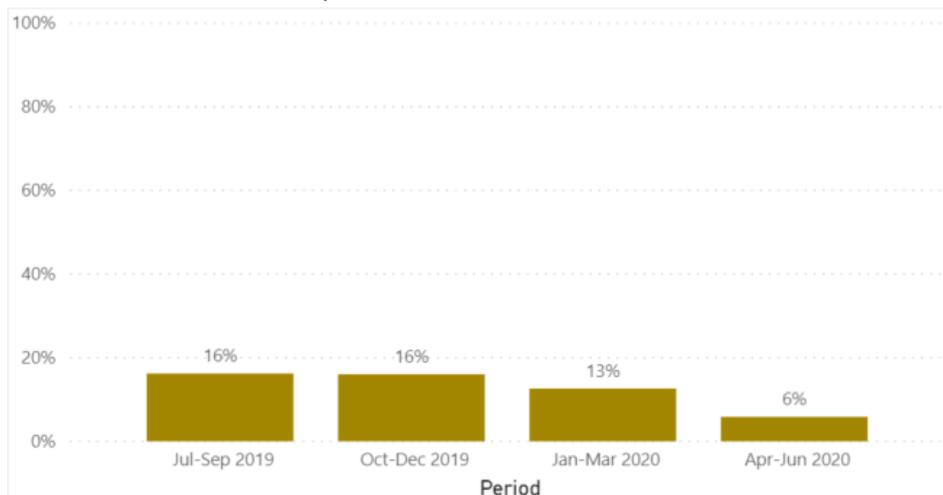
Chart 4: Rate of non-compliance from facility audits



A similar case is found with assessment contacts where 13-16% (1 in 6) of facilities were found non-compliant from the September to March quarters. This dropped to 6% in the June quarter.

# RATE OF NON-COMPLIANCE

Chart 5: Rate of non-compliance from assessment contacts

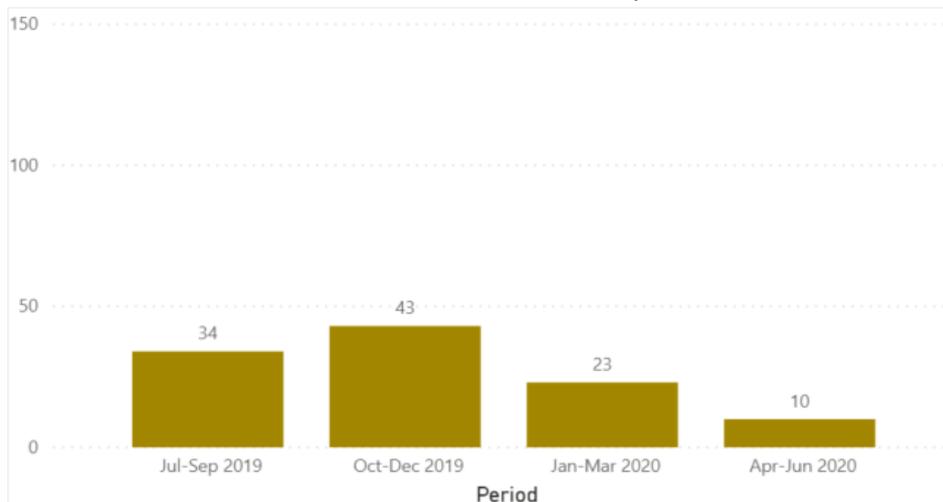


A non-compliance finding does not automatically result in a non-compliance notice, notice to agree (NTA) or sanction (higher risk facility).

Chart 6 shows the number of facilities classified as a higher risk facility.

When considered against the sum of audit and assessment contacts, between 4 to 6% of facilities will be classified as higher risk.

Chart 6: Count of facilities issued with a non-compliance, NTA or sanction by quarter



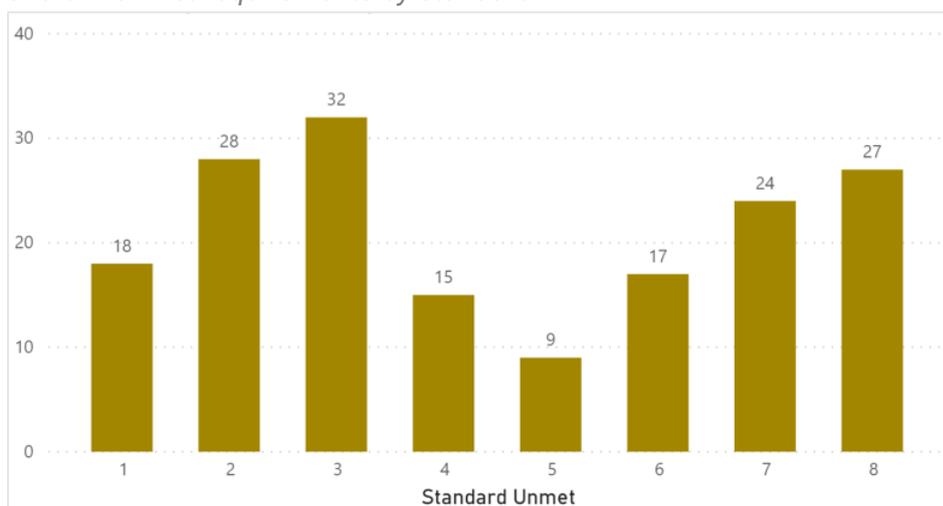
# UNMET STANDARDS

From 1 January to 30 June 2020<sup>2</sup>, 26 facilities were issued non-compliance notices and 7 were issued either an NTA or a sanction.

The **key area of non-compliance was standard 3**, where 32 of the 33 facilities were deemed to have an unmet outcome. Other standards with high failure rates are Standards 2, 7 & 8.

Chart 7 shows the number of facilities across each non-compliant standard<sup>3</sup>.

*Chart 7: Unmet requirements by standard*



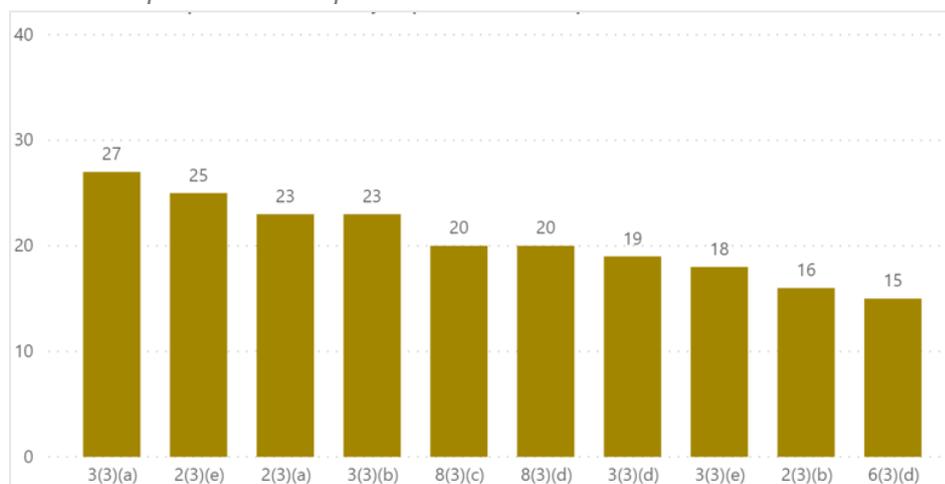
Where a facility is issued with a non-compliance, the average number of unmet outcomes is 19; it would appear that when a breakdown occurs, the issues is systematic.

Chart 8 shows the top 10 unmet requirements, this reflects the top three unmet Standard as per Chart 7. Of note requirement 6(3)(d) is a high frequency unmet notwithstanding the lower incidence of unmet in standard 6.

<sup>2</sup> For analysis of 1 July – 31 December 2019, see [this report](#).

<sup>3</sup> Facilities generally have multiple areas of non compliance

Chart 8: Top 10 unmet requirements



The detailed requirements in chart 8 are:

- 3(3a) Safe and effective personal and clinical care
- 2(3e) Regular reviews of care and services
- 2(3a) Safe and effective care and services
- 3(3b) High impact or high prevalence risks managed effectively
- 8(3c) Effective organisation-wide systems
- 8(3d) Risk management systems and practices
- 3(3d) Recognition and response to a deterioration
- 3(3e) Consumer needs are documented and communicated
- 2(3b) Addressing consumer needs, goals and preferences
- 6(3d) Improving care and services from feedback

Our interpretation of the above analysis is:

1. The June quarter rate of failure is due to the impact of COVID and may well mask a continuing deterioration in quality and compliance
2. Internal review processes alone do not provide protection against non-compliance
3. While it is natural to focus on Standard 3 it is essential that internal audit procedures are broad and coordinated.
4. The failures in Standard 8 would suggest that governing bodies have not been effective in implementing organisational and clinical governance systems.

Quality and Compliance, as measured by audit and assessment contacts conducted by the Aged Care Quality and Safety Commission represents a key governance, reputational and commercial risk. As such a robust risk management framework should consider external (second party) audits as a key risk management and governance assurance tool.

Prevention rather than remediation represents the best risk management and investment strategy for any provider!

# CHARACTERISTICS OF HIGHER RISK FACILITIES

Subject to the limitations in the data on the focus of the Commission’s coverage it appears that Not For Profit providers were more likely to have failures. These facilities tended to be located in a city and were part of groups with 2-9 or 20+ facilities.

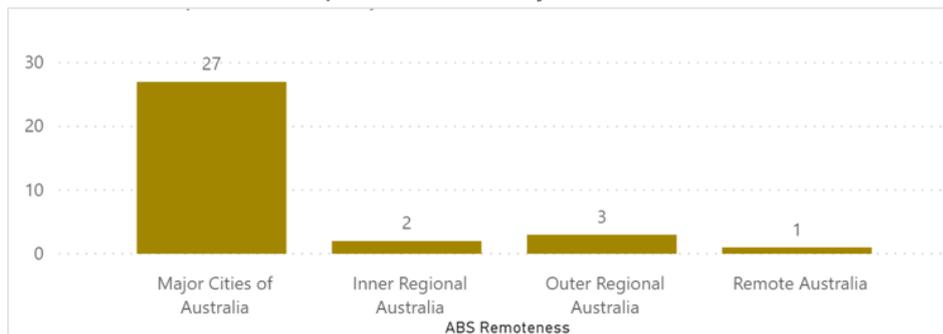
## Ownership

Chart 9: No. of non-compliant facilities by ownership



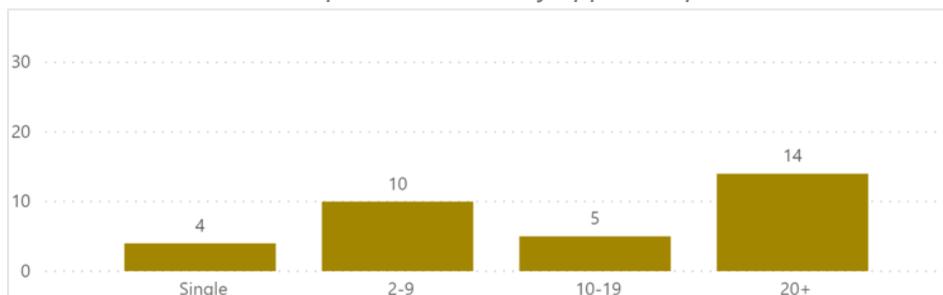
## Remoteness

Chart 10: No. of non-compliant facilities by remoteness



## Size of group

Chart 11: No. of non-compliant facilities by approved provider size



## OUR SUPPORT

While the Pride Living Quality and Compliance team, lead by Katrina Ong have been supporting providers who have faced the worst effects of COVID our team has continued to work proactively with providers as an integrated yet independent partner within their risk management frameworks to undertake an [independent assessment of compliance risk](#) and provide our clients:

- ✓ Confirmation that their internal policies and procedures are protective against non-compliance
- ✓ Identifying potential high-risk areas
- ✓ Providing roadmaps for remediation of shortcomings
- ✓ Sharing best practice approaches and methodologies
- ✓ Education and support
- ✓ External assurance to boards that the organisations Clinical Governance Framework policies and procedures are appropriate adequate and operating effectively

Our team is geographically diverse which in these times of border restrictions allows us to appropriately use onsite and offsite assessment methodologies.

If you would like to know more about how we can support your organisation, please visit [our site](#).



[Katrina Ong](#)  
Partner



[Kaye Mann](#)  
Principal

### Contact us

If you would like to discuss your organisation's needs for Quality Management and Clinical Governance, please contact [clientservice@prideliving.com.au](mailto:clientservice@prideliving.com.au) or call **Denise Bradshaw on (02) 9239 9004** to arrange a time to meet with our consultants.

**“Our Pride Living consultant had an excellent understanding of our situation and how to fix it, she got stuck in and helped the team make it happen.”**

### Disclaimer

The information in this report has been prepared by Pride Living Group as a general guide to Quality Management and Clinical Governance. While every effort has been made to ensure accuracy, Pride Living accepts no responsibility for any loss or inconvenience caused by reliance on the information set out in this report.