



merlin standard

MAXIMUS UK SERVICES LTD

COMPACT REPORT

CONTENTS

| | | |
|----|--|----|
| 1. | KEY INFORMATION..... | 3 |
| 2. | ASSESSMENT OUTCOME | 3 |
| 3. | METHODOLOGY | 4 |
| 4. | ABOUT THE ORGANISATION | 5 |
| 5. | AREAS OF SIGNIFICANT STRENGTH | 6 |
| 6. | AREAS FOR DEVELOPMENT | 7 |
| 7. | AREAS REQUIRING SIGNIFICANT IMPROVEMENT | 9 |
| 8. | FINDINGS | 10 |
| 9. | CONCLUSION AND CONDITIONS OF ACCREDITATION | 15 |

1. KEY INFORMATION

| | |
|----------------------|-------------------------|
| Assessment Type | ACCREDITATION REVIEW |
| Assessor's Decision | STANDARD MET |
| Anniversary Date | 24/03/2022 |
| Assessment Dates | 17/03/2020 – 18/03/2020 |
| Lead Assessor's Name | PAUL HESP |
| Customer ID | C19015 |
| Assessment Reference | PN104769 |

2. ASSESSMENT OUTCOME

| OVERALL OUTCOME | 72% GOOD |
|-------------------------------------|------------------|
| 1. Design | 63% SATISFACTORY |
| 2. Procure | 67% SATISFACTORY |
| 3. Contract | 80% GOOD |
| 4. Fund | 80% GOOD |
| 5. Develop | 80% GOOD |
| 6. Performance Manage | 69% SATISFACTORY |
| 7. Quality Assurance and Compliance | 76% GOOD |
| 8. Review and Close | 64% SATISFACTORY |

3. METHODOLOGY

Maximus UK Services Ltd nominated a Coordinator to support the planning and scheduling of the Assessment. The Coordinator submitted an online Self-Assessment Questionnaire and based on this and the response to the survey (see below), Pre-Assessment Notes were written by the Lead Assessor and shared before the Assessment. The Lead Assessor prepared an Assessment Plan, and the Coordinator created a timetable for interviews in line with this.

In advance of the Assessment, a survey was carried out of the Supply Chain Partners. All 40 were invited to participate. Responses were received from 12 of 28 Present Supply Chain Partners and none of the 12 Past Supply Chain Partners. The results of the survey informed the focus of interviews and contributed to the overall scoring.

A sample of five Self-Employed Doctors (SEDs) were interviewed (three Present and two Past), representing a sample size in excess of 10%; and 100% of other Supply Chain Partners were interviewed.

The Assessment was undertaken remotely by two Assessors, Paul Hesp and Ruth Regan. Reviews of documentary evidence were included during the Assessment period, and interim feedback was provided to the Coordinator during the Assessment. The Assessment launched with an opening presentation given by the Coordinator and concluded with verbal feedback being given by the Assessment Team and discussed with the Coordinator. The opening session and verbal feedback were conducted using *Microsoft Teams* remote video platform.

Interview sessions were held with Staff, and with Past and Present Supply Chain Partners as follows:

- Three Remote Video Interview Sessions with Staff
- Six Telephone Interview Sessions with Staff
- Two Telephone Interview Sessions with Past Supply Chain Partners
- Seven Telephone Interview Sessions with Present Supply Chain Partners

4. ABOUT THE ORGANISATION

Maximus UK Services Ltd was previously The Centre for Health and Disability Assessments Ltd, having changed its name in October 2019. The organisation now trades as Centre for Health and Disability Assessments (referred to as CHDA throughout this report). It is a single purpose organisation established in 2014, and operational since February 2015 specifically to deliver Work Capability Assessments. The Department for Work and Pensions (DWP) is the sole customer, and CHDA is the sole Prime Contractor in England. In March 2015 CHDA took over an established supply chain that had been designed and managed by a predecessor organisation. CHDA was first accredited against the Merlin Standard in March 2016 and reviewed in March 2018.

The number of supply chain partners has reduced significantly since the last Assessment, and there are now a total of 28 Present Supply Chain Partners; of these, 24 are Self-Employed Doctors (SEDs). A further 12 SEDs were considered Past Supply Chain Partners, having exited in the 12 months leading up to the Assessment. SEDs carry out Work Capability Assessments (WCAs) of claimants who are referred to CHDA by DWP, on a sessional basis. Some carry out Assessments at Centres operated and staffed by CHDA, and some perform the services in claimants' homes. These SEDs are individuals rather than organisations, typically practising General Practitioners who also work in practices within the NHS GP network, or are semi-retired. They work alongside directly employed Health Care Professionals (HCPs) managed by CHDA and by another Supply Chain Partner.

The other Supply Chain Partners are organisations that provide services including translation support, specialist and audiology assessments and WCAs. None of these were past supply chain partners, and there were no Potential Supply Chain Partners at the time of Assessment. The supply chain delivers approximately 5% of the total contract volume, with the majority being delivered by directly employed staff of CHDA who have 1,400 employed HCPs. This is an important factor in the context of the supply chain; most of the supply chain provides sessional assessment services that fill gaps in capacity caused by staff recruitment and retention challenges, and by seasonal variation in volumes.

5. AREAS OF SIGNIFICANT STRENGTH

A number of significant strengths were identified during the Assessment and these are described below. The numbers in brackets refer to the criteria of the Standard:

Funding and payment arrangements remain a strength. Taking due account of their obligation to the commissioner to minimise costs incurred in the contract, CHDA nevertheless engages in robust dialogue with the Supply Chain Partners over funding rates and negotiate an agreed rate by the time of contracting. They remain open to challenge and review during the contracting period, and Supply Chain Partners say they are fair and open in their negotiation. Some examples of funding reviews were found where risk or volumes had changed, and reviews had been implemented in response. (4.1)

Payments of fees due to Supply Chain Partners remains a strength. No dissatisfaction or evidence of delayed or inaccurate payments was found. The process and systems used to manage claims and transfers of funding are efficient and reliable. The supply chain is very satisfied with the organisation's track record on processing claims. (4.2)

6. AREAS FOR DEVELOPMENT

A number of areas where further development would be beneficial were identified during the Assessment. These are for the Organisation to consider as a contribution to continuous improvement. The numbers in brackets refer to the criteria of the Standard:

There has been little consultation with the supply chain over the engagement of wider networks, although some individual Supply Chain Partners have engaged with other services themselves. CHDA has engaged with Veterans UK and with the Royal Association for Deaf people, demonstrating a level of engagement. It may be that by engaging in a wider conversation with the collective supply chain other needs, or benefits of engagement with wider networks would be identified, responding for example to some changes in working practices within the supply chain. Opportunities to add value and improve the customer experience could be missed because of a lack of proactive effort in research both within the supply chain and externally. (1.2, 1.3, 1.4)

Performance management is generally effective, and Supply Chain Partners confirmed that there is a strong focus on meeting contractual targets, which includes encouragement and support where appropriate. There is an opportunity to raise the bar in performance management by encouraging not only the meeting of targets but exceeding them. With a gradual change of culture over time, it may be feasible to engage some or all Supply Chain Partners in proactively improving performance. (6.5)

Although an annual continuous improvement plan has been brought into use since the last assessment, further development is required to make it effective. The plan is used as an internal management document and not shared with supply chain partners. If CHDA were to share the plan with the supply chain and provide a dialogue on its implementation, it is likely that this would better engage Supply Chain Partners in supporting continuous improvement. (6.7)

CHDA can take a more proactive stance on reducing the environmental impact of supply chain activities. Initial steps are already underway to collect meaningful data from Supply Chain Partners on their individual measures to improve sustainability. The next step would be to devise an approach whereby data from across the supply chain can be aggregated, and targets agreed for tangible improvements on a supply chain-wide basis. (7.4)

Assessments of the impact of the supply chain on intended customer groups, other stakeholders and wider communities, and on the wider policy intent of the commissioner are under-developed. It may be that finding a solution to these previously reported areas would be accelerated by consultation with Supply Chain Partners. CHDA's view of impact is relatively narrow, and more work is required to identify broader impacts and to celebrate achievements within the supply chain. (8.2, 8.3)

CHDA is recording and analysing data on equality and diversity of claimants, but to become recognised as a good or strong organisation in this respect, there is more to be done. The approach is relatively passive, in that CHDA monitor data for claimants, but they and their Supply Chain Partners say they cannot affect the make-up of claimants presenting for assessments. These remarks give the impression that nothing other than monitoring the proportion of claimants across different data categories is appropriate, but there are likely to be considerations of satisfaction levels, numbers of successful claims, and attributes of supply chain partners' own staff that could be proactively considered. There may well be specialist charitable organisations identifiable among wider networks that could contribute to developing a proactive use of equality and diversity data. (8.4)

During this Assessment, no Past Supply Chain Partners other than SEDs were interviewed, so there was limited opportunity to fully explore the criterion. SEDs who had exited had been satisfied by the arrangements they experienced. However, among the Present Supply Chain Partners organisations, there was not a clear understanding of what arrangements would be implemented at the point of contract closure. Processes have been developed by CHDA and should consider when is the appropriate time to be agreeing these across the supply chain. (8.5)

7. AREAS REQUIRING SIGNIFICANT IMPROVEMENT

The following areas were identified as needing improvement as there was limited or insufficient evidence found during the Assessment (a score of less than 3). The numbers in brackets refer to the criteria of the Standard:

Core principles and behaviours understood across the supply chain are only implicit and cannot be said to be agreed. Only limited evidence of compliance with this criterion was found. Although in a revision of the supplier handbook there is now a reference to “Mission, Values, Behaviours and Aim”, the values and behaviours are not defined. Supply Chain Partners did not recognise the handbook as a source of any mutually agreed principles or behaviours. Some Supply Chain Partners said there was synergy between their own corporate values and those of CHDA, but this could reasonably be expected for most large organisations regardless of any collaboration in a common purpose. This was identified as requiring significant improvement in the last Assessment. CHDA need to revisit the core principals and behaviours with its Supply Chain Partners, and mutually agree a set that will be engaging and memorable. (1.5)

CHDA have a default approach to the promoting of tender opportunities, which involves a transparent and fair online process in which Expressions of Interest are evaluated against published criteria. This process is used regularly in securing supplies of goods and services by the organisation. However, one Supply Chain Partner was appointed through a process other than this for reasons that could not be ascertained. There appeared to be no reason why the default procurement process was not used, and this demonstrates significant inconsistency in the application of the procurement process. CHDA needs to ensure that all future procurement of Supply Chain Partners is in accordance with its own procedures. (2.1)

Although there are strengths in the funding and payment arrangements, there remains a lack of transparency in the visibility of fees across the supply chain. Supply Chain Partners did not understand the link between their own fees and the funding model between CHDA and the commissioner. As reported in the last assessment, CHDA should ensure their Supply Chain Partners are aware of the relationship between contract costs and income received from the commissioner. (4.3)

There remains a view across the supply chain that collaboration is not appropriate because the nature of services delivered by different Supply Chain Partners are dissimilar. CHDA is encouraged to challenge and modify this view, to persuade the supply chain and potentially internal management in the organisation, that there is intrinsic value in sharing cases of practice. It should not be accepted that because two services may be different, nothing can be learned from sharing. Innovative approaches in business processes and working practices are often stimulated by applying specific methodologies in different settings, and this should be fostered by CHDA. This was also an area requiring significant improvement at the last Assessment. (6.6)

8. FINDINGS

The feedback below is reported against key criteria of the Merlin Standard, aligned with the "Plan-Do-Review" business cycle.

| PLAN |
|--|
| <p>Through planning an effective supply chain, the range of Partners and how they are engaged ensures there is a group of organisations that cover a diverse range of providers that all understand the requirements of the contract and their contributions to achieving the desired outcomes.</p> |
| <p>The supply chain was inherited from a predecessor organisation and was reviewed to ensure it is fit for purpose by CHDA when taking over the contract. The supply chain includes large and medium sized enterprises and a network of SEDs. The commissioner's objectives and contractual requirements had not significantly changed at the time CHDA was contracted, and it was, therefore, appropriate to maintain the incumbent supply chain.</p> <p>The supply chain has been reviewed annually, and some adjustment has been made to address the complexity of managing SEDs, with the effect that the number within this network has significantly reduced. It has been found that it was more effective to increase numbers of employed staff to deliver more assessments through direct delivery. Two years ago, a model in which a franchised business would provide audiology services was explored but found to be unworkable because of the absence of a central management function across the franchise. One Supply Chain Partner that had been providing Health Care Professionals on an agency basis left the supply chain because that delivery model became unsatisfactory, and in the last year a similar model has been resumed with another Supply Chain Partner. Some Supply Chain Partners were aware of the efforts made by CHDA to expand the range of organisations delivering the contract.</p> <p>There have been no cases of TUPE transfer, during the lifetime of the contract.</p> <p>All Supply Chain Partners are clear about performance expectations, and all believe they are achievable. Performance expectations are defined in the form of Key Performance Indicators (KPIs) and Service Level Agreements, for instance; submitting reports, contacting claimants, scheduling appointments and delivering volumes of appointments. There is agreement between CHDA and supply chain partners over data used to report against KPIs.</p> |

In the case of SEDs, there has historically been a level of tension over the rates payable, albeit these are clearly defined in contractual documentation, and were made know to all before they were contracted. CHDA is aware of the situation and recognises that there is a constraint imposed on them to manage rates in balance with other practitioners within the NHS. There is frequent and ongoing dialogue with the commissioner in this respect. For other Supply Chain Partner fees were negotiated and fixed before contracting and are accurately defined in contractual documentation. In some cases, there have been revisions of fees after negotiation.

DO

Supply Chain Partners are supported to develop their services to meet or exceed expected performance and quality assurance requirements.

CHDA collects and manages performance and delivery data for the contract, and delivery staff, including SEDs, input directly into CHDA systems. Some Supply Chain Partners have been able to use their own systems by choice, providing reports to CHDA as agreed. In these cases, CHDA has worked with Supply Chain Partners to identify appropriate information to be recorded and managed. There has been some recent consideration to the use of service credits, and this is expected to be simplified for some Supply Chain Partners. Discussions take place at least annually with all Supply Chain Partners to consider financial planning, based on CHDA's dialogue with the commissioner to anticipate future volumes. SEDs are coached and briefed locally by CHDA's Centre Managers in how to apply the various systems and procedures administratively.

All Supply Chain Partners confirmed there is an open and honest culture in their relationships with the organisation. The interactions between Supply Chain Partners and CHDA remain positive, and it was found that culture had improved notably in the view of SEDs since the last assessment. This may in part be attributable to some changes in personnel at CHDA, and in part to ongoing efforts on the part of CHDA to better engage with this group. The provision of a Sessional Doctors' Portal as an information and communications resource and online development modules has also contributed.

Performance review arrangements are bespoke to the nature of each Supply Chain Partner's delivery and are proportionate with the current risk. Frequency of performance reviews varies according to performance levels and quality of delivery, ranging from monthly to quarterly meetings at which performance data is reviewed, having first been validated by CHDA's operational staff. SEDs are managed in a less structured manner, commensurate with the way they are engaged, which is akin to employees. Each has an annual review when performance, including volumes of work, customer complaints, responsiveness and quality of reports submitted are considered. Communication channels allow for the raising and discussion of concerns, and recently an issue in the way a shared appointment booking system for translation services was being used was resolved with further training.

Management information is generated by either CHDA's own system or the Supply Chain Partners' systems, with data being consolidated by CHDA for the contract. The rationale for which approach is taken depends upon the integrity, accessibility and suitability of the available options, and in all cases the approach is agreed with individual Supply Chain Partners. Management data is used to identify trends in performance reviews and proves reliable and accurate in supporting claims for payment from Supply Chain Partners. Supply Chain Partners were aware of the overarching number of assessments CHDA were completing year on year.

The findings of quality checks on reports submitted after assessments by SEDs and the staff of another Supply Chain Partner are one of two key arrangements for monitoring the quality of delivery and customer experience. To supplement this and to cover services where reports are not submitted, an external customer survey is conducted, and the results of this are reviewed. One Supply Chain Partner delivering translation services collects feedback from customers after each service and shares any negative feedback with CHDA. A small number of incidents of slow response times were explored, and this led to improvements in the way a booking system was being used within the supply chain. The external customer satisfaction survey results are broken down geographically and by individual practitioner (SED or HCP) and shared with staff via local Centres. The survey contains 19 questions, having been extended since the last assessment. A peak level of satisfaction of 98% has been achieved, and the underlying satisfaction rate is between 97-98%.

REVIEW

Review and evaluation is used to demonstrate the impact of the services delivered and continuously improve service delivery.

The way in which the organisation assesses the impact of the supply chain on wider social objectives or policy intent of the commissioner remains under-developed. CHDA collect and analyse information about cost savings, which are shared between them and the commissioner, and this demonstrates a positive impact on the commissioner's objective of increasing value for money. Significant savings were made in the last reporting year, and full details of the analysis are shared with the commissioner. Supply Chain Partners, however, were unaware of the savings and could not provide measurable examples themselves of the impact of the supply chain's activities, although some said they understood that the commissioner had an objective of saving money.

Assessment of how the activities of the supply chain have a positive impact on intended customer groups and other stakeholders or the wider community is incomplete. CHDA relies on customer satisfaction surveys to demonstrate positive impact, and this links closely to the organisational mission of "*helping customers move forward with their lives by providing a quality, sensitive and respectful service*". There was anecdotal evidence from Supply Chain Partners of the positive impact they have assessed, such as relieving stress and anxiety among customers.

9. CONCLUSION AND CONDITIONS OF ACCREDITATION

As indicated by an improvement in the overall outcome from “satisfactory” to “good” compared to the last assessment, management of the supply chain has improved. In some areas it was disappointing to find areas that still require significant improvement but in others, such as Principle 5 (Develop), the scale of improvement has been impressive.

In conclusion, this assessment provided the opportunity to review the practices of CHDA against the Merlin Standard.

The senior leadership team should be mindful that any significant organisational or senior staff changes, and / or being awarded additional contracts using a significantly different supply chain may require a strategic review. Similarly, any decisions reached by the Independent Complaints Examiner may also result in a strategic review being required to ensure CHDA continues to operate in line with the Merlin principles.

Holders of the Merlin Standard Accreditation must:

- Maintain and continually improve upon their approach to Supply Chain Management.
- Cooperate with annual Reviews as required by Assessment Services Ltd
- Inform Assessment Services Ltd (merlin@assessmentsservices.com) or their Lead Assessor if the key contact name or contact details change.
- Inform Assessment Services Ltd of any significant changes made to the organisational structure, senior management or systems that may impact on their accreditation; email: (merlin@assessmentsservices.com)
- Inform Assessment Services Ltd immediately if they gain additional contracts.
- Inform Assessment Services Ltd of any serious complaint or rise in numbers of complaints received from Supply chain partners.
- Not undertake or omit to undertake any activity that may be misleading and/or may cause Assessment Services Ltd and/or the Merlin Standard to be brought into disrepute.
- Only use the Merlin Standard Quality Mark for the areas within the scope of the accreditation and in accordance with the guidelines.
- Ensure in cases where accreditation is withdrawn or where they do not come forward for Accreditation Review, remove from display any certificates or plaques issued by Assessment Services Ltd and do not display the Merlin Standard Quality Mark, nor refer to being a former holder of the Merlin Standard.
- Be aware that Assessment Services Ltd reserves the right to remove any accreditation and/or certification previously applied if payment is not received for services provided.
- Submit their Booking Form for re-accreditation to the Merlin Standard at least 4 months prior to the accreditation anniversary date ensuring all pre on-site activity is completed in a timely way including planning, payment, completion of the Self-Assessment Questionnaire (SAQ), Pre-Assessment Notes (PAN) and interview scheduling. Accreditation Reviews are due 2 years from the anniversary accreditation date; it is expected that organisations will be assessed by this date or will risk being de-accredited.

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