



# Can Price Be a Quality Indicator?

## *On the Nature of Indicators in Support Service Quality*

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### Overview

In support service systems, quality is often evaluated using sets of indicators. These may include measures related to safety, participation, continuity, responsiveness, and other aspects of service delivery.

Within such multi-indicator approaches, a recurring question arises:

#### **Can price be included as one of the Quality Indicators?**

At first glance, this appears reasonable. Price could be defined within an acceptable range and considered alongside other indicators. In many fields, cost is routinely included in evaluation frameworks.

However, within support services, this assumption must be examined in light of a fundamental structural condition:

#### **Quality and funding are structurally separated.**

Within the AMSI framework, quality is defined by the **work performed and the results produced** relative to defined Quality Outcome Criteria. Price, as a function of funding, belongs to the economic domain that shapes service delivery, but does not define service quality.

This publication examines whether price meets the definition of a Quality Indicator, and what occurs when variables from different domains are combined within the same indicator set.

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# 1. The Nature of Quality Indicators

Quality Indicators serve a specific function:

- to identify **what is to be examined** in the service
- to describe aspects of **work performed** or **results produced**

They operate within the domain of the service itself.

Examples include:

- whether assistance is provided safely
- whether daily functioning is supported effectively
- whether participation increases
- whether outcomes remain stable over time

Each indicator refers directly to **observable service performance or outcomes**.

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## 2. The Proposal: Price as One Indicator Among Others

It may be proposed that price can be included as one of several Quality Indicators, particularly if:

- it is defined within an acceptable range
- it does not dominate the evaluation
- it is considered alongside other indicators

In this view, price becomes one variable within a broader assessment framework.

This proposal appears practical, especially in systems where cost efficiency is a concern.

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## 3. Why Price Does Not Meet the Definition of an Indicator

Despite this intuition, price does not meet the defining criteria of a Quality Indicator.

Price does not describe:

- the work performed
- the results achieved
- the lived experience of the person receiving support

Instead, price reflects:

- funding structures and reimbursement rules
- labor and market conditions
- organizational cost models
- geographic variation

Price therefore belongs to the **funding domain**, not the **quality domain**.

Within the AMSI framework, these domains are structurally distinct. Quality is defined through work and results, while price reflects the economic architecture under which services are delivered.

Because price does not identify what is to be examined in service performance or outcomes, it cannot function as a Quality Indicator.

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## 4. Why “Acceptable Range” Does Not Resolve the Issue

Defining price within an acceptable range does not change its nature.

A service may fall within a defined price range and still:

- fail to achieve intended outcomes
- provide inconsistent or inadequate support

Conversely, a service may exceed a price range and still deliver high-quality results.

The presence of a range constrains cost, but does not measure quality.

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### 4A. Safety, Risk, and the Domain of Consequences

In support services, safety is an integral component of quality.

Within the AMSI framework, safety may be understood as **freedom from unacceptable risk**.

Risk in service delivery can be expressed as a function of:

- the probability of an event, and
- the magnitude of its consequences

Consequences in support services may include:

- deterioration of health
- loss of functional stability
- increased dependency
- crisis events requiring intervention

These consequences often extend beyond the immediate service domain and are frequently expressed in **economic terms**, such as:

- medical costs
- emergency response costs
- long-term care expenditures
- system-level financial burden

From this perspective, a conceptual chain can be observed:

- quality of work performed influences risk
- risk produces consequences
- consequences may be expressed as cost (price)

This chain creates the appearance that **price reflects quality**.

However, this relationship must be understood in structural terms.

Within the AMSI framework, three distinct domains are involved:

<b>Domain</b>	<b>What it Represents</b>
<b>Quality Domain</b>	Work performed and results achieved
<b>Risk Domain</b>	Probability and consequence of failure or harm
<b>Economic Domain</b>	Cost and price associated with consequences

Cost (price) appears only at the level of **consequences**, not at the level of **service performance**.

Therefore:

- price does not describe the work performed
- price does not describe the results achieved
- price reflects the **economic expression of consequences**, often after quality has already succeeded or failed

This distinction is critical.

Including price within the Quality Indicator set does not simply add another variable. It introduces a measure from the **economic domain of consequences** into the **quality domain of service performance**.

As a result, the evaluation framework no longer measures quality alone, but combines:

- service performance (quality), and
- consequence-related economic effects (cost)

Price may therefore be relevant for understanding **impact, efficiency, or value**, but it cannot function as a **Quality Indicator**, because it does not describe what is done or what is achieved within the service itself.

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## 5. Structural Consequence: Collapsing the Boundary Between Quality and Funding

Including price within a set of Quality Indicators introduces a variable from the funding domain into the definition of quality.

This collapses the structural distinction between:

- quality (work and results), and
- funding (economic conditions and price)

As a result, the evaluation system no longer measures quality alone. It becomes a mixed system that simultaneously:

- evaluates service performance, and
- regulates cost

This is not a neutral expansion of indicators. It is a structural shift in what the system measures.

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## 6. From Measurement to Trade-Off

Once price is included, the role of the indicator set changes.

Instead of measuring quality, the system begins to balance:

- quality-related indicators, and
- cost-related constraints

Improvements in quality often require:

- more time
- higher skill levels
- greater continuity

These typically increase cost.

Price therefore begins to function not as an indicator, but as a **counterweight** to quality within the same evaluation structure.

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## 7. System Behavior Under Mixed Indicators

Over time, systems adapt to the structure of their indicators.

As observed by Charles Goodhart:

*When a measure becomes a target, it ceases to be a good measure.*

When price is embedded within the indicator set:

- service models adjust to remain within cost expectations
- workforce structures shift toward lower-cost configurations
- service intensity may be reduced
- standardized approaches may replace individualized support

These changes improve alignment with cost constraints, but do not necessarily improve quality.

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## 8. Observable Effects in Support Systems

When price is treated as part of quality evaluation, common patterns emerge:

- reduced continuity of care
- increased workforce turnover
- emphasis on efficiency over responsiveness
- stable or declining outcomes despite controlled costs

These are structural effects of combining variables from different domains within a single indicator set.

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## 9. Separation of Indicator Types

To maintain conceptual and operational clarity, different types of variables must be distinguished:

<b>Category</b>	<b>What it describes</b>
<b>Quality Indicators</b>	Work performed and results achieved
<b>Economic Indicators</b>	Cost, price, funding
<b>Value Metrics</b>	Relationship between cost and results

Each category is valid, but they must not be combined within a single indicator structure.

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## 10. From Definition to Verification

When Quality Indicators are limited to work and results, quality can be:

- clearly defined
- consistently evaluated
- supported by evidence

This enables structured approaches to:

- identifying observable indicators
- assessing outcomes
- verifying service performance independently of funding structures

In such a system, price remains relevant—but only within a separate analysis of value.

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## Conclusion

Price cannot function as a Quality Indicator—not because it is unimportant, but because it belongs to a different domain.

Quality Indicators describe what is done and what is achieved. Price describes the economic conditions under which services are delivered and the economic consequences of outcomes.

Within support services, **quality and funding are structurally separated**, and consequences introduce a third, distinct economic layer.

The frequent association between price and quality arises not because price measures quality, but because it reflects the **economic consequences of quality**, often after outcomes have already materialized.

Including price within the Quality Indicator set collapses these distinctions and transforms quality evaluation into a balance between cost and outcomes.

For this reason, within the AMSI framework, **Quality Indicators must be limited to work performed and results produced.**

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