AHHA Submission to the PHN Business Model Review

Submission

29 January 2024

OUR VISION

The best possible healthcare system that supports a healthy Australia.

OUR PURPOSE

To drive collective action across the healthcare system for reform that improves the health and wellbeing of Australians.

OUR GUIDING PRINCIPLES

Healthcare in Australia should be:

Outcomes-focused
Evidence-based
Accessible
Equitable
Sustainable

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INTRODUCTION

The Australian Healthcare and Hospitals Association (AHHA) welcomes the opportunity to contribute to the PHN Business Model Review and Mental Health Flexible Funding Stream Review.

This submission builds on consultation undertaken with health system leaders in developing a blueprint for health reform towards outcomes-focused, value-based health care, and AHHA's operating model of continuously listening to and engaging with the experiences and evidence from our members and stakeholders, as we contribute to the evolution of our health system.

We encourage the Department to ensure that the PHN Business Model Review adopts a whole-of-system lens that enables all stakeholders to come together with certainty and security in improving outcomes, sustainably and equitably into the future.

ABOUT THE AHHA

For more than 70 years, AHHA has been the national voice for public health care, maintaining its vision for an effective, innovative, and sustainable health system where all Australians have equitable access to health care of the highest standard when and where they need it.

As a national peak body, we are uniquely placed, in that we do not represent any one part of the health system. Rather, our membership spans the system in its entirety, including – public and not-for-profit hospitals, PHNs, community, and primary healthcare services.

Our research arm, the Deeble Institute for Health Policy Research connects universities with a strength in health systems and services research, ensuring our work is underpinned by evidence.

In 2019, AHHA established the Australian Centre for Value-Based Health Care, recognising that a person's experience of health and health care is supported and enabled by a diverse range of entities, public and private, government and non-government. The Centre brings these stakeholders together around a common goal of improving the health outcomes that matter to people and communities for the resources to achieve those outcomes, with consideration of their full care pathway.

Through these connections, we provide a national voice for universal high-quality health care. It is a voice that respects the evidence, expertise, and views of each component of the system while recognising that siloed views will not achieve the system Australians deserve.

OUR RESPONSE

PROGRAM OBJECTIVES AND ACTIVITIES

Q1. Are the roles of Primary Health Networks clear and understood by stakeholders, including your own organisation? How will the relative importance of the different roles need to evolve to meet broader changes in health policy and delivery?

AHHA continuously engages with our members and stakeholders from across the system. This includes a majority of Australia's 31 Primary Health Networks (PHNs), providing a clear understanding of their important role within the health system, including:

- working to improve the efficiency and effectiveness of care in their regions,
- prioritising those at risk of poor health outcomes, and
- improving care coordination in the primary care sector.

The collective activities of PHNs aim to achieve the best outcomes for the costs of achieving those outcomes, using local knowledge and relationships within the community. This is delivered through the mechanism of commissioning; a continual and iterative cycle involving needs assessment, planning, co-design, procurement, monitoring and evaluation.

The 2018 Evaluation of the Primary Health Networks Program highlighted that the initial understanding of the role of PHNs was limited to their resourcing, shared goals and priorities, which impacted trust, perceived credibility, and willingness of stakeholders to engage to advance effective healthcare delivery[1]. However, as PHNs have become established within Australia's healthcare system, AHHA has observed the understanding of the role of PHNs by stakeholders has improved, helping to strengthen stakeholder relationships.

Unfortunately, improvements in understanding of the PHN role has been brought about more from an understanding of the limitations of PHNs in effecting meaningful change within the primary care system rather than from their strengths. This is likely due to the absence of levers that PHNs are able to utilise, such as incentives to influence general practice (given their independent small business model and operation within a fee-for-service system)[2]. Again, this was recognised in the 2018 evaluation, which found that:

> *"It is difficult for PHNs to achieve their objectives without stronger incentives and disincentives to encourage LHNs, and other key stakeholders, to truly engage with PHNs in regional planning, and to support integrated service delivery at the local level."*[3]

This difficulty for PHNs is compounded by the lack of clarity by some stakeholders on how best to advocate for the changes required to address these limitations appropriately, particularly given the diverse government departments and agencies influencing how services can be delivered and range of reviews that have identified challenges but have lacked action on their recommendations. This includes, but is not limited to the:

- Strengthening Medicare Taskforce Report[4]
- Mid-Term Review of the National Health Reform Agreement[5]
- Unleashing the Potential of our Health Workforce – Scope of Practice Review[6]

Nevertheless, AHHA believes that there are opportunities for PHNs to have a strengthened role in achieving their stated objectives and that this is a critical investment for the Federal Government; recognising that demand for care is continuing to increase, without the funding or workforce expansion necessary to meet that demand.

Using value-based health care (VBHC) as a framework, PHNs can meet their objectives by reorienting healthcare services through a data-driven approach to achieve the best possible improvements in the outcomes that matter to people and communities for the cost of achieving those improvements, across the care pathway. Several PHNs have already begun using VBHC approach, for example, as they pursue collaborative commissioning for integrated care pathways. However, success will require strengthened accountability and transparency mechanisms, particularly in the reporting and evaluation of PHNs and the primary care sector more broadly in addressing health outcomes.

Q1.1 What are the key roles played by Primary Health Networks, and how should the balance between local insight and national consistency be managed for each role?

Established in 2015 with the key objectives of '*increasing the efficacy and effectiveness of medical services for patients, particularly those at risk of poor health outcomes, and improving coordination of care to ensure patients receive the right care in the right place at the right time'*, PHNs are well placed to serve as regional stewards of primary care reform[7]. As identified, this requires achieving the balance between local insight and national consistency to fully realise these objectives and drive the outcomes that matter to people and communities.

AHHA proposes that the PHN program drive a Learning Health System based around a common outcomes framework to unite the breadth of stakeholders engaged with PHNs around a shared goal, informing the balance between local insight and national consistency.

<u>Driving a Learning Health System</u>

The Australian healthcare system is a complex ecosystem that must respond to relentless demands and shifting pressures. Greater recognition of the intensive resources required for effective communication and engagement with stakeholders, at both a local and national level, is needed. Effectively identifying health system priorities, without such a burden on collaboration, consultation and engagement, requires a structured mechanism, independent of government, to enable holistic exploration of policy across sectors and levels.

Learning Health Systems have been identified globally as 'the next stage in quality improvement' and 'what is required to find a sustainable way out of the current crisis' for health systems[8]. They are defined as 'a systematic approach to iterative, data-driven improvement', where a learning community is 'formed around a common ambition of improving services and outcomes'[9]. AHHA recognises the value of a Learning Health System approach to meet this challenge of scoping data, experience and ideas to facilitate the effective planning necessary to achieve a nationally consistent yet locally responsive health system that achieves the outcomes that matter to people and communities through an equitable and sustainable use of resources available.

PHNs should have the role of facilitating a learning health system for the primary healthcare system based around a shared outcomes framework.

A shared outcomes framework for health and wellbeing

Outcomes frameworks have been used in various complex contexts across the world to build a comprehensive picture of activity, track progress, change and impact, and aggregate and compare (where appropriate) to understand impact at a national scale.

To be useful, such an outcomes framework needs to be co-produced around the outcomes that matter to people and communities – concise and consistent in structure and content, providing clarity to stakeholders about their role in achieving the outcomes, facilitating meaningful collection of data locally, and enabling integration into day-to-day activities. This would be distinct from the outcome frameworks currently used for individual programs and initiatives.

Australia already has the basis for such an outcomes framework for the PHNs – the Federal Government's Measuring What Matters Framework (MWM Framework)[10]. The NSW Government has also explored the prospect of a cascading wellbeing framework, adapting the Federal Government's MSM framework for NSW Government service delivery and performance reporting[11]. Building on this work, the Federal Government should pursue the development of an aligned outcomes framework for the PHNs.

The outcomes framework would support national consistency, underpinning local needs assessments, and helping provide a mechanism for ongoing communication between service delivery partners, system stewards, and policy makers in driving solutions. It would focus attention on the outcomes that matter to people and communities in the most cost effective and equitable way, beyond the outcomes of individual programs or initiatives. This would help to support the understanding and assessment of innovative models of care and initiatives that are achieving value, by connecting outcomes, resources and context through the triangulation of data.

Learning from the work done to date, the Federal Government would need to support implementation of the outcomes framework, including providing clarity in the introduction of outcome measurement and use of the framework in decision-making. AHHA proposes that the vast international and local experience in VBHC provide the framework for implementation.

Current application

Use of a common outcomes framework and VBHC as an implementation framework is already being explored by AHHA, in collaboration with diverse and extensive stakeholders and service structures (including PHNs), across various geographies, and to address different clinical areas of focus, to advance health care reform. Examples of key areas of recent activity occurring in primary care include:

- Application of the Australian Government's Measuring What Matters wellbeing framework as the basis for a local outcomes framework in remote Queensland, to drive investment and activity, and help support communication between all stakeholders – service providers, system stewards, funders and policymakers.
- Exploration of global models of VBHC from a systems perspective, across metropolitan, rural and remote areas, brought together from the perspective of 'place'. For example, reflections for an Australian context are published in the Deeble Perspectives Brief no.30 *Transforming for VBHC: Lessons from NHS Wales*[12].

- Mapping of primary care initiatives across the End of Life Directions for Aged Care (ELDAC) Model, as aligned with VBHC care pathway mapping, to provide visibility to services, stewards and policymakers on the contexts underpinning the models and innovations influencing palliative care. The final framework provides the basis for driving a learning health system for outcomes that matter at end of life for the resources invested, while also highlighting considerations in context.
- Facilitation of a roundtable discussion to build a shared understanding between Government and service providers on the solutions toward aligning policies and programs for person-centred, place-based service delivery in rural and remote Australia. A Deeble Brief is in development.

Collectively these activities can inform the development of an outcomes framework for PHNs that would enable consistent measurement and communication of needs and initiatives that effectively balance local insights and national consistency.

AHHA would welcome the opportunity to discuss with the Department how these activities can inform future approaches to driving shared accountability to advance collaboration and achieve the outcomes that matter to people and communities.

PROGRAM GOVERNANCE

Q2. Is the governance of Primary Health Networks and the broader Primary Health Network Program appropriate, efficient and effective?

AHHA continues to recognise the premise of PHNs as independent organisations, as reinforced in the 2018 review:

"The premise of PHNs as independent organisations is that they provide an infrastructure which is not of the Department, but rather of the system. This aims to facilitate PHNs being embedded within their communities (including providers, particularly general practice and the broader primary health care sector) and their role as planners, commissioners and integrators of services for their region. PHNs are able to make local commissioning decisions independent from government(s), as well as establishing a more local presence."[13]

REGIONAL PLANNING, COMMUNICATION AND ENGAGEMENT

Q3. Does the Primary Health Network Program support regional planning, effective communication and engagement between relevant stakeholders?

Achieving effective primary care provision involves a complex interplay between public and private providers, health insurers, local, state and territory, and federal government departments and agencies, community and advocacy groups, and other commissioning bodies. Coherence is important in policy and investments across health, aged care, disability, education, and employment sectors, and

between state and national government. This creates a unique environment for PHNs to operate within.

Addressing the national contribution to local inefficiencies

For place-based, outcome-focused approaches to care to be achieved, there needs to be true codesign and collaboration within local communities, and between stakeholders from multiple sectors. While PHNs can and have effectively achieved this, leading to innovative and meaningful programs, maintaining the valuable relationships that underpin and enable collaboration is resource intensive, particularly when considering the number of stakeholders within and influencing the primary care sector – both at the national and local level.

At the national level, for example, the number of consultations held by the Department itself, and further across the aged, disability, education and employment sectors, that impact on the PHN program is extensive. Despite the inter-relatedness of policies across these sectors and levels, consultation continues to occur at a high frequency and often in silos according to a policy. This leads to significant operational and administrative burden to respond effectively, while also inhibiting the capacity for services to respond in a manner that recognises the inter-relatedness of policies.

The Department of Health and Aged Care should shift to planning and implementing consultations in a manner that recognises this inter-relatedness of policies. Consultations should be designed to enable PHNs and local stakeholders to engage and provide feedback on how they are impacted by policies more holistically against their objectives and the outcomes that matter to people and communities. This would create efficiencies for the Department, PHNs and the breadth of stakeholders impacted by the PHN program.

At the local level, for example, the number of entities with responsibilities in planning and commissioning at a regional level outside formal governance arrangements or common outcomes framework will also contribute to inefficiencies in engagement between stakeholders.

This was highlighted in the 2019 final report of the Senate Committee on the Accessibility and Quality of Mental Health Services in Rural and Remote Australia:

> "*The committee is of the view that the way mental health services are planned and commissioned needs serious review at a national, strategic level. It is not the role of any one PHN, government or organisation to be solely responsible for the planning and coordination of all mental health services in rural and remote Australia. Instead, frequent collaboration is needed between all stakeholders, including representatives of the community, to ensure that the right mental health services are available in the right place at the right time*."[14]

However, the challenge extends beyond mental health. AHHA commends the efforts to formalise governance arrangements between the Federal Government, local PHNs and state governments and services, for example in Queensland[15] and New South Wales[16], but suggests that the Department of Health and Aged Care also review whether the mechanisms for funding through its own programs and policies (beyond PHNs, using various commissioning approaches and entities) are exacerbating inefficiencies for PHNs and local stakeholders in planning, communication and engagement, and undermining their potential for meeting their stated objectives.

PHN PROGRAM FUNDING ARRANGEMENTS

Q4. Do the current Primary Health Network Program funding arrangements support effective delivery of the objectives?

PHN Program funding arrangements need to better enable responsiveness to locally identified needs and local solutions, including providing longer-term certainty and security through funding agreements and aligning reporting requirements around outcomes and value as part of a learning health system.

Funding arrangements from the Department of Health and Aged Care for PHNs often supports a response to nationally identified priorities. However, our observation is that this may not always be consistent with locally identified needs.

For example, in recent years, PHNs have received large amounts of Commonwealth funding for the delivery of mental health services, quarantined for the commissioning of Headspace services. The preselection of a service provider without accounting for whether the provider is the right service for the region undermines the role of PHNs in delivering care based on an in-depth understanding of local needs and communities. Evidence presented to the 2019 Senate Committee on the Accessibility and Quality of Mental Health Services in Rural and Remote Australia showed how the enforcement of the 'stepped care model' in PHNs role in mental health worked well in metro areas, but was not appropriate to some rural and remote areas[17].

Further, the short-term contracts between the Commonwealth and the PHNs limits the ability to engage local stakeholders in longer-term strategies for primary care in their region. With attracting and retaining a workforce critical to the success of initiatives, longer-term funding arrangements must be introduced for PHNs that will allow them to in-turn introduce longer-term contracts with commissioned service providers. The Department of Health and Aged Care should consider 10-year strategic partnerships to provide longer-term certainty and security for primary health care, consistent with the approach they have taken with the Royal Flying Doctor Service[18].

It has been observed that funding agreements for individual programs have misaligned reporting requirements as well as seek to incorporate prescriptive reporting on inputs. This can restrict the flexibility to use resources innovatively and increases the burden of reporting for both the PHN and their commissioned service providers.

Reporting requirements for all stakeholders should be directly linked within a transparent Learning Health System – bringing clarity to the purpose for data collection and commitment to its use for improvement in the outcomes that matter to people and communities (also see response to Q1).

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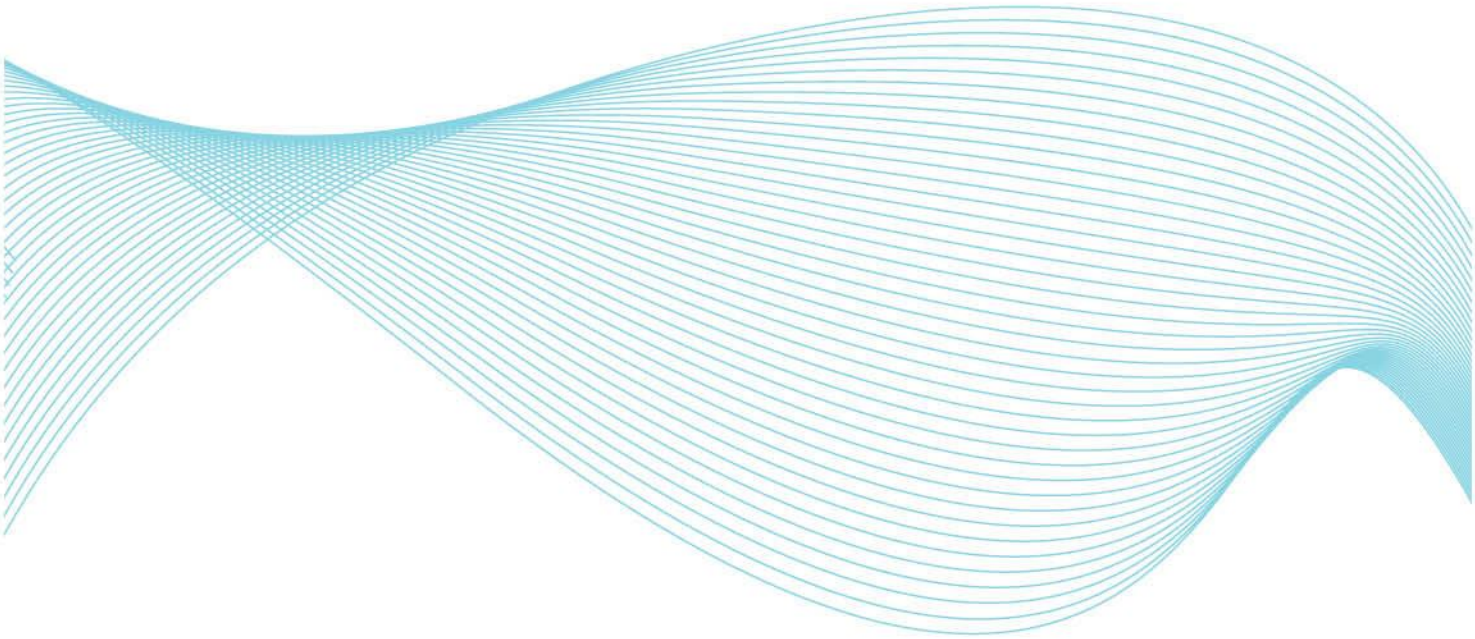

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