



Australian Government
Department of Health

Performance Monitoring for Primary Health Networks:

**A working example of
performance measures in primary health**

Mark Booth
First Assistant Secretary
Primary and Mental Health Care Division

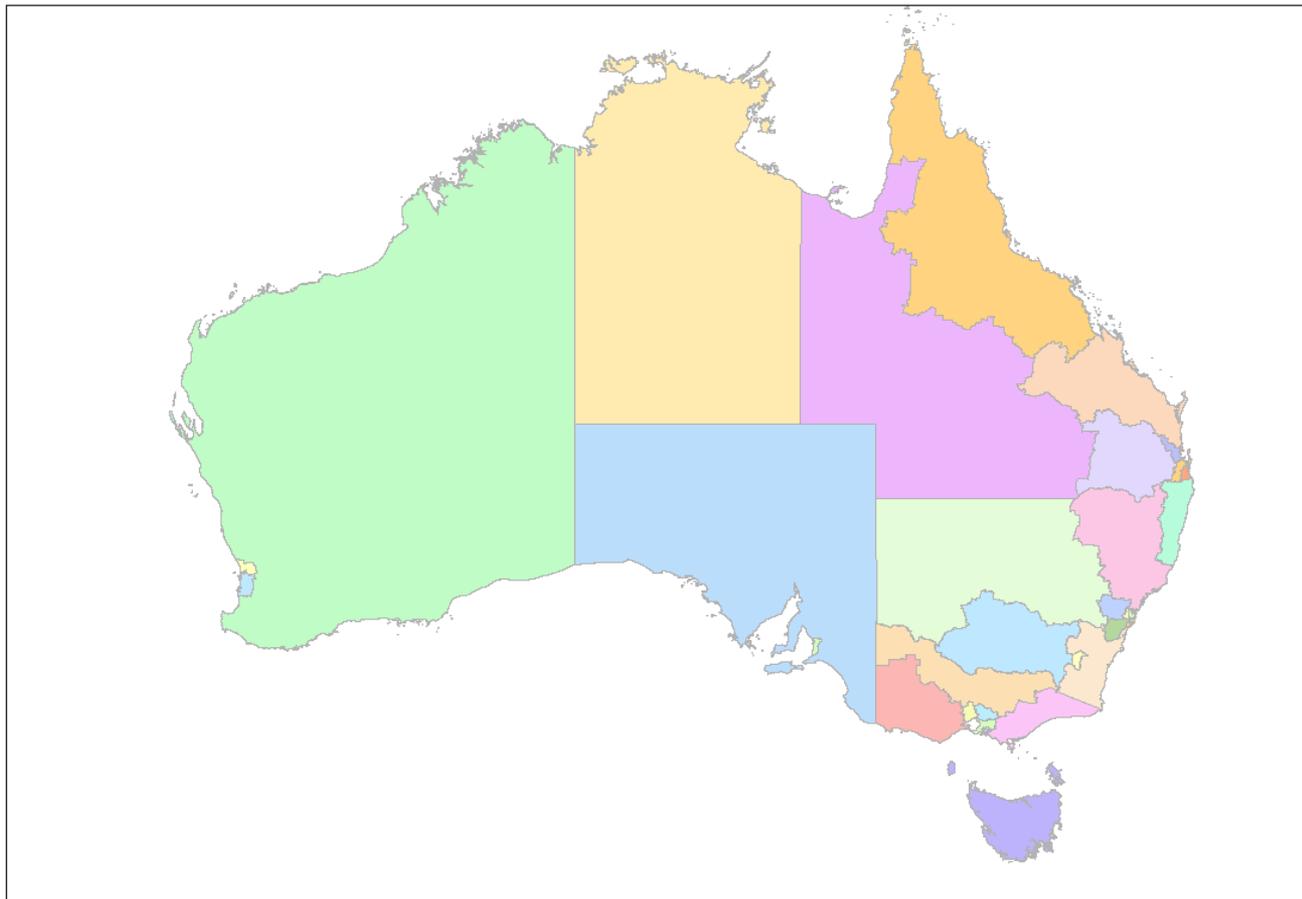


Primary Health Networks (PHNs) – current status

- On 11 April 2015, the Minister announced the preferred applicants for 28 of the 31 PHNs, subject to successful contract negotiations. Arrangements for the remaining three PHNs will be announced soon.
- An additional PHN was created by splitting the Western NSW PHN into two. Albury is also now included in the Murray PHN in Victoria.
- Contract negotiations are underway with the 28 preferred applicants.
- PHNs will become operational from 1 July 2015.
- Many of the preferred applicants are new companies formed by, or partnered with, Medicare Locals and private organisations including universities, private health insurers and current health providers.



Primary Health Networks





Role of Primary Health Networks

Key Objectives



Efficiency and effectiveness of medical services for patients, particularly those at risk of poor health outcomes.



Coordination of care to ensure patients receive the right care in the right place at the right time.



How PHN objectives will be achieved

PHNs will achieve these objectives by:

- working directly with general practitioners, other primary health care providers, secondary care providers and hospitals to ensure improved outcomes for patients;
- understanding the health care needs of their communities;
- responding to identified national and PHN specific priorities;
- having a local purchasing or commissioning role; and
- being outcome focused and performing a critical function in networking health services.

PHNs Boards will be informed by GP-led Clinical Councils and Community Advisory Committees.



What is PHN Commissioning?

- **Commissioning** is a strategic approach to purchasing that seeks to ensure that services meet the health needs of the population and contribute towards service and system improvement and innovation.
- The Commonwealth's expectations are that commissioning will assist PHNs in meeting their objectives of improved efficiency, effectiveness and coordination in primary health care.
- Commissioning is new to primary care in Australia and the Department is drawing on international expertise and experience in commissioning to ensure PHN commissioning will support and take into account other key parts of Australia's health care system.
- The PHNs' commissioning role is described in the PHN Programme Guidelines.



Moving towards PHN commissioning

- PHNs will be purchasers and commissioners of health services. In the event of demonstrable market failure, PHNs may also act as the service provider, following Departmental agreement.
- During 2015-16 the Department will work with PHNs and others to:
 - understand the scope and purpose of local needs assessment and planning
 - establish commissioning strategies
 - identify and develop the competencies required to manage commissioning
 - monitor and manage contract performance to assess the quality, efficiency and effectiveness of services and value for money
 - apply the monitoring and review of commissioned or purchased services to inform ongoing planning and commissioning decisions
 - identify and use appropriate data



Key areas for PHN commissioning

- PHNs will move to commissioning by the second year of operations.
- The Government has agreed to six key areas for targeted work by PHNs: mental health; Aboriginal and Torres Strait Islander health; population health; health workforce; eHealth and aged care.
- Use of PHN flexible funding will be driven by the needs assessment
- PHNs will not subcontract core functions:
 - governance structures
 - stakeholder relationship management and engagement
 - supporting general practice
- PHNs will monitor and evaluate their purchasing and commissioning activities.



PHN Performance Framework

- The PHN Performance Framework is a system for supporting, monitoring, assessing and reporting on performance.
- The PHN Performance Framework is being developed in order to establish PHNs with clear performance expectations and to build PHN capacity to improve health outcomes.



Requirements for the PHN Performance Framework

- Key requirements for the PHN Performance Framework:
 - focuses on health outcomes aligned with national priorities;
 - utilises existing data;
 - reduces the reporting burden on PHNs;
 - enables benchmarking of PHNs; and
 - supports public reporting of performance information.



Consultation

- In developing the PHN Performance Framework the department has consulted with:
 - A number of Commonwealth agencies with existing roles and responsibilities in collecting and reporting health data;
 - State health departments;
 - A number of primary health care stakeholders; and
 - Key general practice stakeholders.



PHN Performance Framework

- The Framework will encompass three tiers of performance:
 - National;
 - Local; and
 - Organisational.



National

Headline performance indicators - reflecting outcomes that are broadly aligned with PHN objectives will be used to monitor and assess performance.

- Headline Performance Indicators approved by Government:
 - Potentially preventable hospitalisations;
 - Childhood immunisation rates;
 - Cancer screening rates; and
 - Mental health treatment rates.

Population indicators - provide contextual information on the health status of each PHN community. These indicators will not be used to assess PHN performance.

- Example national population indicators are:
 - Prevalence of lifestyle risk factors such as smoking;
 - High level health outcomes such as prevalence of long term conditions and mortality rates; and
 - Demographic and population characteristics information.



Local & Organisational

Local – performance indicators selected by PHNs through priority setting and formal planning processes.

- Selected from nationally agreed indicators where available.
- PHNs will propose qualitative or process indicators where nationally agreed indicators are inappropriate for describing progress.

Organisational – performance indicators focus on compliance in the key areas of:

- Governance;
- Financial management;
- Stakeholder management; and
- Delivery of contracted services and direct services.



How will reporting on the Performance Framework work?

National Performance

- PHNs are not required to collect data or report to the department on National Headline Performance Indicators.
- PHN performance against National Headline Performance Indicators will be assessed using existing data collections.

Local Performance

- Where local performance indicators are based on nationally agreed indicators, PHNs will not be expected to formally collect data or report to the department.
- PHNs will be responsible for collecting and reporting on qualitative or process indicators via 6 or 12 monthly reports.

Organisational Performance

- Reporting against organisational performance indicators will also be via standardised 6 or 12 monthly reports.



PHN Performance Framework - timeline

Year 1 – 2015-16

- Organisational performance
- Baseline data established for national and local performance.

Year 2 – 2016-17

- National and local performance commences



Innovation and Incentive funding

- Innovation funding will enable the Government to invest in new innovative models of primary health care that, if successful, can be rolled out across PHNs
- Incentive funding will be made available for high performing PHNs that are able to meet specific performance targets and/or for their contribution to system development and sharing of innovations and best practice



PHN Performance Framework – next steps

- Specification of performance indicators
- Methodology for performance assessment
- Roles and responsibilities

Questions and discussion