



**PHNs OF THE
FUTURE**

SUMMARY

V1.0 04/11/20

PHN

Acknowledgement

All 31 PHNs support the directions and views expressed in this White Paper and have contributed through comments, case studies and revisions. Western Sydney PHN (WSPHN) was the lead PHN with key input from Adelaide PHN, WAPHA and ACT PHN via a CEO Cooperative Working Group.

We acknowledge the Darug people as the First Nations peoples and the traditional custodians of the land on which we work. We pay our respects to Elders, past, present and future and extend that respect to all Aboriginal and Torres Strait Islander people within Western Sydney.

PREAMBLE

On 1 July 2015, the Australian Government established 31 PHNs as independent primary health care organisations covering the whole of Australia. PHNs were established with the two key objectives of: (1) increasing the efficiency and effectiveness of medical services for patients, particularly those at risk of poor health outcomes; and (2) improving coordination of care to ensure patients receive the right care in the right place at the right time.

As independent not for profit (NFP) organisations, PHNs were designed to be embedded in their local communities, acting as planners, commissioners and integrators for services in their region, thereby fulfilling their role in regional commissioning and system integration. PHNs were initially set six priority areas – mental health, Aboriginal and Torres Strait Islander Health, population health, aged care, digital health and health workforce. As part of Program requirements, each PHN was required to have a skills based board and a governance structure that included Clinical Councils and Community Advisory Committees as fundamental components.

Since inception, PHNs have organisationally matured and evolved. As individual entities, PHNs have established their presence within their communities, engaged with key

stakeholders including consumers, and undertaken their expected functions in planning, commissioning and primary care support. Importantly, PHNs have established critical relationships with Local Hospital Networks (LHNs)¹ and state and territory health departments to help inform policy development, support innovation and drive improved integration and coordination across the continuum of care.

As a national network, the PHNs have also self-organised via the establishment of the PHN CEO Cooperative involving all 29 PHN CEOs.²

PHNs are committed to collaborating and driving a shared agenda, actioned through the PHN CEO Cooperative, which: (1) maximises opportunities to respond to, and influence, specific national health and PHN priorities; and (2) collectively demonstrates the PHN Program's value to, and transformative impact on, Primary Health Care capability and health system integration. Through the PHN CEO Cooperative, PHNs have agreed on a five-year strategic agenda:

1. Intelligent commissioning - based on evidence and local needs analysis, with stocktakes of available services, collaborative service re-design and commissioning of the services most appropriate to identified needs and local context.

2. Ambitious integration - multi-sectoral and extending beyond health to influence the socio-economic determinants of health.

3. Transformative change - going beyond quality improvement and requiring a sustained, coordinated approach to professional and system change.

It is envisaged that the PHN CEO Cooperative will progress this agenda by delivering on national PHN priority areas, collaborating on joint submissions of national importance, and participating in national level stakeholder engagement and high-level representative groups and committees.

To further enable this work, a PHN Unincorporated Joint Venture (UJV) has been established as a legal vehicle to oversee PHN collaboration across a range of priority areas. The first of these is Primary Health Insights, a major project aimed at delivering upgraded PHN information and communications technology, data governance and data analytic capabilities at regional, state and national level.

Five years from their initial establishment, PHNs have matured into uniformly capable entities driving change in primary care. PHN capability and agility has been well demonstrated by responses to recent events: bushfires and floods, closely followed by the COVID-19 pandemic.

¹ LHNs as the collective term for state-based networks such as the Local Health Districts in NSW and Hospital and Health Services in Queensland

² The three WA PHNs are combined under one CEO and are collectively known as WA Primary Health Alliance (WAPHA)

BACKGROUND

A Program evaluation in 2018 showed PHNs were well progressed in achieving early outcomes against the initial objectives. Now, PHNs have taken a leadership position within their communities to foster the development and performance of the primary care sector while working strategically towards true integration across sectors. Unlike peak / professional bodies in the primary care space focussed on a particular constituency, PHNs are uniquely placed in taking a holistic and independent view of the totality of the primary care system and its connections in their respective regions.

Despite significant progress, key challenges remain for PHNs in realising their full potential as primary care system managers, regional commissioners and change agents. These challenges include the absence or lack of formal recognition of jurisdictional and national governance structures, the absence of an agreed national health policy and strategy ordered towards attaining valued-based regionalised care, the overall capabilities of the PHN network, primary health care sector and Non-Government Organisation (NGO) sector

at large, and finally, the operational constraints placed upon the PHN Program (the 'Program').

At a national level, the 2020-25 National Health Reform Agreement (NHRA) Addendum has set out updated Program strategic objectives³ agreed between the Commonwealth Department of Health and PHNs. However, PHNs have already moved well beyond the Addendum objectives, for example working across sectors to influence socio-economic determinants of health, and responding to recent bushfires, floods and the COVID-19 pandemic, with demonstrated capability and agility.

PHNs are well positioned to bring their collective strengths to bear via a visionary PHN Program strategy intended to influence future policy and enable PHNs to reach their full potential in addressing the jurisdictional, financial, structural and professional challenges to the provision of equitable, efficient and effective services across the full continuum of care.

A further PHN Program evaluation is scheduled for 2020/21. Given

the Commonwealth's current consideration of PHNs' future nature and shape, now is an opportune time for PHNs to assist this process by drawing on their collective depth of experience to clearly articulate the nature of the future PHN Program, the challenges inhibiting PHNs' potential and the solutions that will enable PHNs – individually and as national-state networks, to realise and expand upon shared Commonwealth-state strategic reform objectives, ultimately influencing future policy direction.

Informed by the Australian PHN experience and best practice examples from the global literature, this White Paper sets out a proposed future for the PHN Program over the next five years to be used as a catalyst for further discussion within the network. The paper incorporates a preliminary PHN Program purpose and principles, definition of current, emerging and potential future PHN roles and responsibilities, current barriers and challenges, and key opportunities for the realisation of PHNs' full potential in achieving ambitious outcomes aligned to the Quadruple Aim.⁴

³ Addendum to National Health Reform Agreement 2020-2025

⁴ The Quadruple Aim outcomes encompass quality and population health, improved provider experience, sustainable cost and patient experience of care

PROPOSED PHN ROLES

Based on current PHN scope of operations, the international literature and the implications emerging from the NHRA Addendum, the following core roles are proposed for PHNs:

- 1. System coordination and integration:** to reduce fragmentation and enhance coordinated, integrated care by working collaboratively across services and sectors.
- 2. Regional commissioning:** bridging the jurisdictional, hospital-community-primary and cross-sector divides through collaborative commissioning and co-design.
- 3. Primary care system stewardship and management:** progressively improving system quality, access and

equity, working as an impartial broker within their regions.

4. Primary healthcare education, training and workforce development: building the general practice/primary care workforce of the future.

5. Health system transformation and reform: providing input at national and state-territory levels, contributing to nationally agreed system reform objectives and progressing the strategies required to achieve these objectives.

Figure 1 outlines the proposed future of the PHN Program; while

Figure 2 elaborates on PHN roles and associated activities.

ENABLERS

The system enablers found to be critical in facilitating PHN performance:

- 1. Effective governance** – to set clear strategic directions facilitate a coordinated approach from planning to evaluation.
- 2. Collaborative relationships and alliances** – within and across services and sectors.
- 3. The use of health/system intelligence** – embedded data
- 4. Sufficient investment/financing** – adequate investment that leverages existing funding and reflects the integrated nature of care.
- 5. Freedom to innovate** – autonomy to adapt system elements to meet regional need, reduce barriers and eliminate perverse incentives.

KEY OPPORTUNITIES

To address the current challenges in the Australian PHN experience, the following opportunities have been identified in enabling PHNs to deliver

on the Program strategic objectives and proposed core roles, as set in this White Paper (Figure 3).

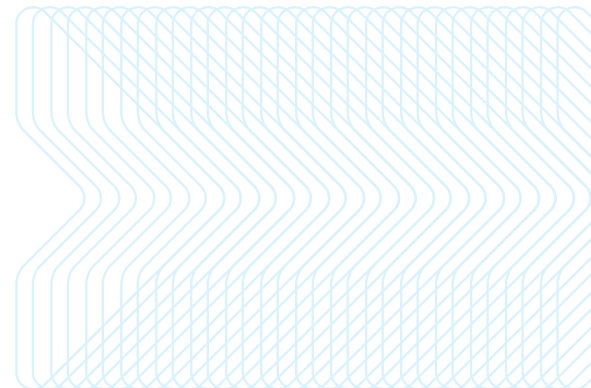
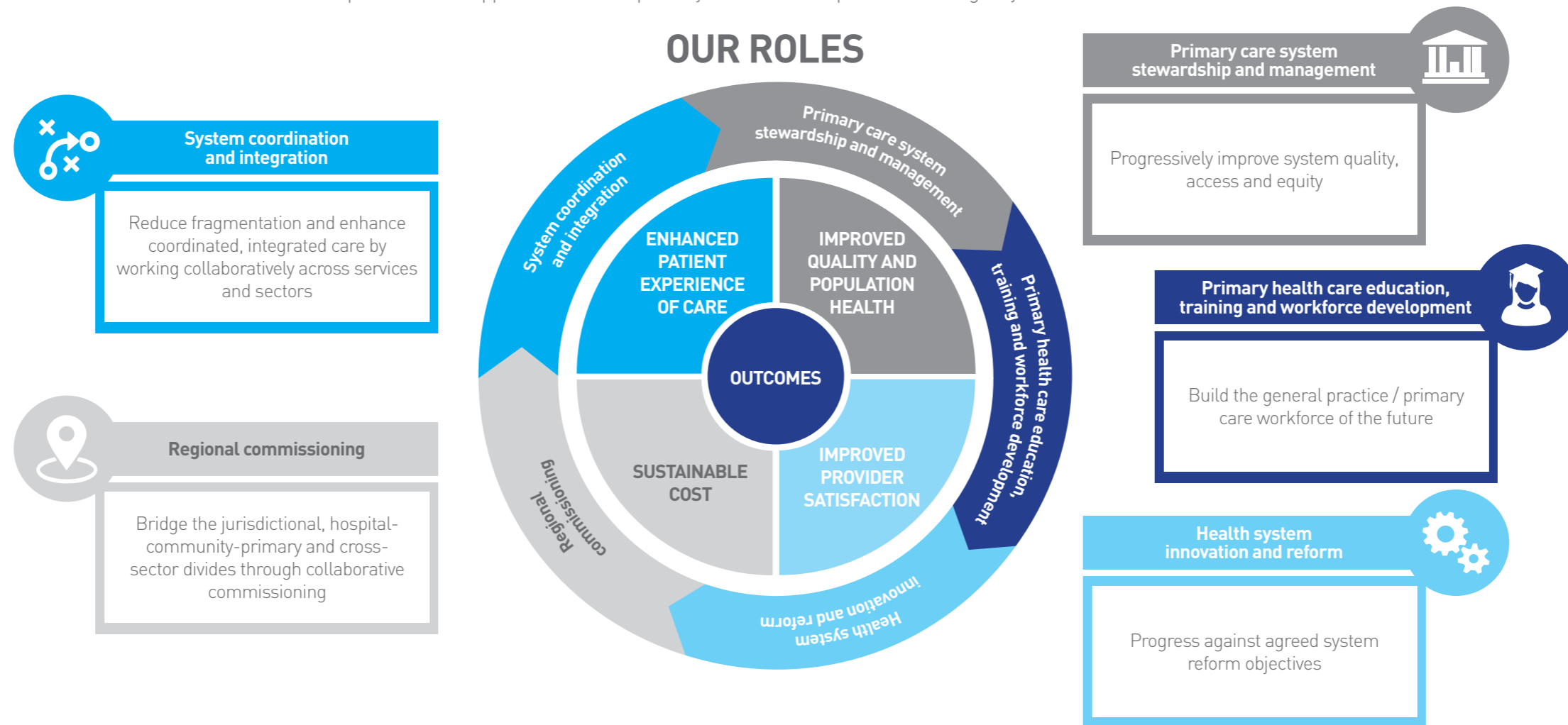


Figure 1. The future PHN Program

NATIONAL PHN NETWORK PURPOSE STATEMENT (PRELIMINARY):

The PHN Program furthers an integrated, coordinated primary health care system that delivers high quality, patient centred care. PHNs are the experts on the primary health needs of their region and the central drivers for reform, integration and equitable access across its health and social care system. As regional commissioners, they reduce fragmentation and address unmet needs working with Local Health Networks, Local Health Districts and other partners through innovative and consistent service delivery. PHNs support the health care workforce to build capacity and capability and are positioned to support coordinated primary health care responses to emergency and natural disasters.¹



OUR ENABLERS

GOVERNANCE
Effective and inclusive governance that facilitates a coordinated approach from planning to evaluation

RELATIONSHIPS AND ALLIANCES
Enduring relationships within and across sectors, and all levels of government

HEALTH AND SYSTEM INTELLIGENCE
Embedded data to support commissioning drive continuing quality improvement and demonstrate outcomes

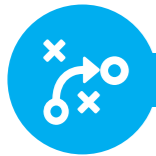
INVESTMENT AND FINANCING
Adequate investment that leverages existing funding and reflects the integrated nature of care

FREEDOM TO INNOVATE
Autonomy to adapt system elements to meet regional need, reduce barriers and eliminate perverse incentives

¹) Department of Health

Figure 2. Proposed future PHN roles

OUR ROLES



System coordination and integration

- Identify and build relationships with key regional stakeholders including LHNs, Clinical and Consumer Councils, other sector services (Families and Community Services, Education, Police, Local Councils), consumers and communities (local/condition group communities, Aboriginal, CALD and other disadvantaged communities).
- Engage with relevant stakeholders to collaboratively develop evidence based, integrated, coordinated care pathways appropriate to local needs.
- Incorporate advances in science, technology and health systems research into practice such that person centred, continuing, comprehensive care is strengthened.
- Close the Health-Social Care services gap and progress place-based initiatives to build individual, family and community health literacy and capability, thereby influencing the social determinants of health.
- Plan, develop and maintain agile, comprehensive primary health care pandemic and disaster management capabilities.



Regional commissioning

- In collaboration with LHNs and relevant key stakeholders undertake needs assessment and planning processes to identify unmet needs, gaps, duplication and fragmentation.
- Incorporate Patient Reported Measures (PRMs) in all relevant processes to embed the patient/consumer voice and track patient experience of care and health outcomes.
- Commission services on behalf of regional partners and Commonwealth-state-territory jurisdictions to provide integrated high value care, with priority placed on those with complex needs and at risk/disadvantaged groups.
- Progressively build provider capability and monitor performance over time to ensure best use of funds and achievement of outcomes-focused, value-based care.
- Collaboratively design innovative co-commissioning strategies to overcome jurisdictional and system barriers, reverse quality disincentives and demonstrate sustainable system gains.
- Disseminate learnings and scale up successful models across state and national PHN networks.



Health system innovation and reform

- Provide ongoing strategic and policy advice to commonwealth and state governments to influence health system decision making and reform directions.
- Work with regional GP Leaders to advance quality care and to design, implement and evaluate new service and care models.
- Build on successful PHN-LHN re-design and co-commissioning initiatives to trial service, infrastructure and financing reforms in consultation with commonwealth and state governments.
- Underpin PHN and government reform-related decisions with advanced data analytics capacity at local, regional, state and national level.
- In collaboration with academic departments of general practice, colleges, RTOs and others, develop and trial regional PHN hubs integrating primary health care service planning, implementation and evaluation, with research, education and training.
- Act as an informed advocate for the local community, drawing on local relationships and knowledge to inform policy and practice.



Primary care system stewardship and management

- Embrace PHNs' primary social purpose in pursuing whole-of-community health, wellbeing and equity through collaborative system re-design and system stewardship.
- Ensure PHN governance and operational arrangements accord with both PHNs' core purpose and contemporary best practice.
- Co-design and commission services, monitor performance and evaluate against Quadruple Aim objectives to progressively improve system performance and outcomes.
- Provide comprehensive business and Quality Improvement support services to General Practice and Allied Health according to their needs and change readiness.
- For the change ready, facilitate practice transformations to Patient Centred Medical Homes (PCMH) networked with Health Care Neighbourhoods (HCH).
- Support primary care system performance and act as the primary care system steward (the voice of regional primary care providers with LHN, ensuring primary care gains and potential are understood and utilised at regional, state and national levels and improving the quality and safety of primary care services).
- Share models of care, learnings and resources at all levels to progressively enhance PHN and Network effectiveness.



Primary health care education, training and workforce development

- Provide needs based ongoing professional development oriented towards future quality practice for GPs, practice teams and Allied Health Professionals.
- Provide intensive practice transformation support for GPs and practice teams pursuing Patient Centred Medical Home (PCMH) goals.
- Support professional transitions into and out of regional practice and service settings.
- Collaborate with colleges, universities and regional training providers to enhance student education, GP registrar training and GP mentor-supervisor support.
- Work with general practice vocational training providers to better integrate training into networks (PHNs, general practices, hospitals, community health services and Aboriginal Health Services) with emphasis on quality future practice.
- Work with governments, colleges, universities, LHNs and others to map and plan for the future primary health care workforce.

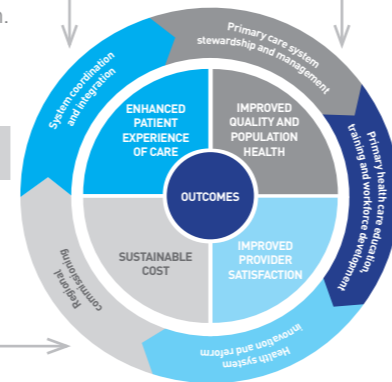







Figure 5. Key opportunities in realising PHN roles and Program objectives

OPPORTUNITY AREAS	OPPORTUNITIES	PHN OBJECTIVES & ROLES
 <p>JURISDICTIONAL GOVERNANCE ISSUES Commonwealth and jurisdictional barriers in policy, strategy and financing, constitute long standing, well recognised barriers to integration of care and wider health system reform.</p>	<p>The NHRA Addendum represents a major step forward that should lead to:</p> <ul style="list-style-type: none"> • Progressive resolution of Commonwealth-state relationships, responsibilities and financing processes. • Increased clarity re state – territory government relationships with PHNs and State Health Department expectations of LHNs working with PHNs. (example: NSW-PHN statement now in final stages of development). • Creation of a PHN consultative body to liaise with peak bodies and as a critical vehicle for stakeholder engagement to deliver system consistency and efficiency. 	<p>Strategic objectives (National Health Reform Addendum 2020-25)</p> <ul style="list-style-type: none"> • Identifying the health needs of local areas and development of relevant focused & responsive services. • Commissioning health services to meet health needs in their region. • Improving the patient journey through developing integrated and coordinated services. • Providing support to clinicians and service providers to improve patient care. • Facilitating the implementation of primary health care initiatives and programs; and • Being efficient and accountable with strong governance and effective management. <p>...are compatible with and incorporated into...</p> <p>Proposed core roles in this white paper</p> <ol style="list-style-type: none"> 1) System coordination and integration. 2) Regional commissioning. 3) Primary care stewardship and management. 4) Primary care education, training and workforce development. 5) Health system reform.
 <p>NATIONAL HEALTH POLICY AND STRATEGY The absence of agreed national health policy, principles and strategic priorities results in a lack of unifying integration pathways across jurisdictions and services impacting providers, patients / consumers and communities.</p>	<p>Implementation of the NHRA addendum should lead to:</p> <ul style="list-style-type: none"> • Development of an agreed vision and principles for the Australian Health System including a national PHC strategy and primary care transformation blueprint. • A PHN consultative body to provide primary care inputs and regional perspectives to ongoing policy and strategy development. • Review of current funding model with the aim to move toward blended funding models, through PHNs and LHD regional partnerships, incorporating value and outcomes-based funding rather than solely focussing on activity based funding. • Formalising collaborative commissioning governance structures at national, state and regional level, in partnership with LHNs as regional joint system funders and managers. • Increasingly address workforce availability at a national and regional level. 	
 <p>PHN CAPABILITIES PHN capability has grown rapidly over the last five years, and overall the Network capacity is considerable. However, consistency across regions is yet to be achieved, representing a functional and political weak point.</p>	<ul style="list-style-type: none"> • Revision of the PHN Program Performance and Quality Framework to create a fit-for-purpose framework to guide the ongoing development of PHN capabilities drawing on current PHN experience and operational challenges. • Development of a core capability set for all PHNs, which acts to define baseline requirements and ensure consistency across all PHNs - recognising that ultimate capability will enhance regional decision making and flexibility of response to identified regional needs. • Use of the National CEO Cooperative as a champion of regional responsiveness underpinned by core consistency across the network and – providing a vehicle for shared learning at state and national level to showcase and promote local innovation. 	
 <p>PHN OPERATIONAL CONSTRAINTS These are well recognised and have been documented in earlier reports (refs). Their impact on PHN operations and effectiveness as system managers and change agents is substantial.</p>	<ul style="list-style-type: none"> • Enhance the assessment process against an updated PHN Program Performance and Quality Framework to focus on metrics that matter and add value. • Move to a triennial cycle to allow PHNs to forward plan and more strategically address needs and engage consumers. • Streamline AWP processes including the timing of lodgement dates, template releases, approvals and removal of duplication in reporting. • Progressively move away from reporting inputs and activity to reporting value and outcomes. • Improve the flexibility of funding across all contracts and programs to allow for patient centred culturally appropriate co-design with consumers, health professions, providers and the community. • Improve the capacity of PHNs to address rural place-based issues adversely impacting access to health care and health outcomes. • Recognise the importance of building cross-sector regional health and social care systems in the delivery of value and outcomes through explicit allowances for pooled regional funding. • Address challenges with the current PHN funding model – in particular the disconnect between core funds (fixed cost) and operational charges (variable costs) to allow for streamlined PHN accounting, improved consistency across the network and efficient growth (as per the roles and responsibilities). • Empower PHNs to lead health reform where there is a clear joint acknowledgement of what a high performing PHN and regional health and social care system looks like, the barriers that exist in each region to achieving that system and an understanding of risk appetite and escalation pathways. 	
 <p>PRIMARY HEALTH CARE CAPABILITY Multiple reviews have demonstrated that primary health care does not operate as a coordinated, integrated system⁽¹⁾. General practice is constrained by this and other factors, most importantly by financing that still predominantly rewards volume rather than quality.</p>	<p>Primary Health Care-General Practice capability will be improved with:</p> <ul style="list-style-type: none"> • Vision of, and transformation blueprint for the future PHC system agreed between jurisdictions, relevant peak bodies and other key stakeholders. • The high performing Patient Centred Medical Home (PCMH) networked within its Health Care Neighbourhood (HCN) is recognised as forming the strong foundations of the future integrated primary health care system. • PHNs are resourced – and have sufficient leverage, to work collaboratively with peak bodies, jurisdictions, LHNs and GP Leaders in pursuit of agreed improvements in patient outcomes including : <ul style="list-style-type: none"> - Support for regional-to-local system change and PCMH practice transformations. - Investment in data that drives quality improvement and supports planned system change. - Development and trialling of new integrated practice/service models with GP financing modifications that recognise and reward quality improvement and outcomes. - Better aligned General Practice vocational training with regional PHN-university Departments of general practice functions to achieve both synergies and efficiencies. through shared roles, resources, and ultimately infrastructure. - Joint PHC workforce planning, professional and team development and career pathway options. 	

⁽¹⁾ Australian Government Productivity Commission, 2017, Shifting the dial, 5 year productivity review, Supporting paper no.5 – integrated care



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