

HNECC COMMISSIONING STRATEGY

FEBRUARY 2019

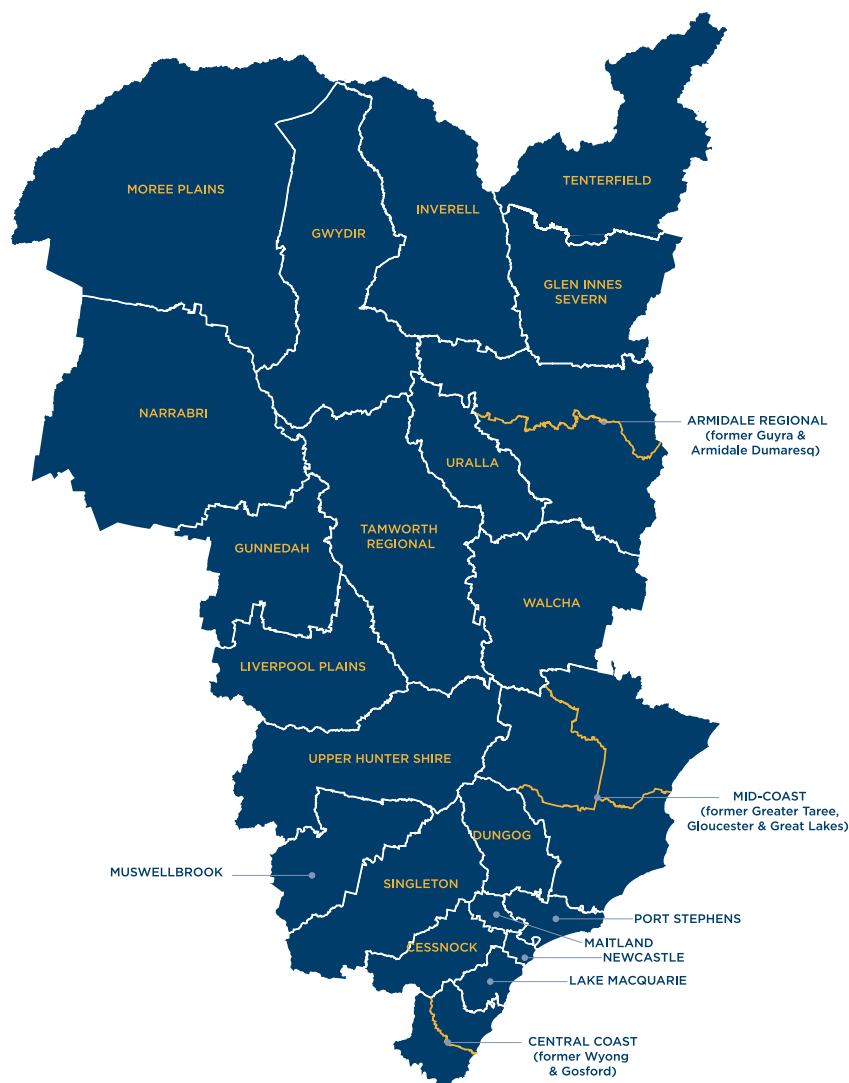


HNECC LTD OVERVIEW

HNECC Limited (Ltd) is a not for profit organisation funded by the Commonwealth government to operate a primary health network (PHN). It covers a vast geographical region with a diverse range of communities.

Covering an area of 130,000 square kilometres, it reaches from the QLD border in the north to Gosford in the south, and west past Narrabri and Gunnedah, incorporating 23 Local Government Areas. This region has a population of 1.2 million people who live and work in small rural and remote villages, regional towns and densely populated urban centres.

Fig. 1 - HNECC Regional Map



Like the diverse range of communities, the region's health needs are also very different. Part of HNECC responsibility is to increase the efficiency and effectiveness of health care services, and to improve health outcomes for patients.

HNECC respectfully acknowledges the traditional owners and custodians of the land in the region that it covers which include the traditional nations of the Anaiwan, Awabakal, Biripi, Darkinjung, Geawegal, Kamiliroi, Kuring-gai, Nganyaywna, Ngarabri, Wonnaru and Worimi people.

HNECC's values are respect, innovation, accountability, integrity, cooperation and recognition.

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1.0 DEFINITIONS

Consumer	<p>A Consumer in a health context refers to anyone who uses a health or health-related service.</p> <p>Consumer has a broader meaning than Patient because it includes services that are not clinical in nature and because it extends to the family and carers of those people receiving clinical care.</p>
Co-design	<p>Co-design is a way of improving health care services by bringing health care workers and people that use the service together to provide input into the service. Many service improvement projects have patient involvement, but co-design focuses on understanding and improving patients' experiences of services as well as the services themselves.</p>
Local Health Districts (LHDs)	<p>The State funded organisations that are responsible for managing public hospitals and health institutions and for providing health services to a defined geographical area across NSW.</p>
Patient	<p>A Patient is the person receiving clinical care from a doctor or another health professional. The term is usually limited to those currently undergoing some form of treatment.</p>
Primary Health Networks (PHNs)	<p>A Primary Health Network is a not-for-profit organisation established as a commissioners of health care services to improve access to primary care services for patients, as well as co-ordinate with local hospitals in order to improve the overall operational efficiency of the health system. PHNs identify local needs and priorities to decide which services should be provided and who should provide them. They also work closely with providers to monitor performance and implement change.</p>
Procurement	<p>The act selecting vendors, establishing payment terms and the negotiation of contracts that allows the actual purchasing of the goods or service.</p>
Quadruple AIM	<p>The HNECC business model has been developed around the quadruple aims of improving population health outcomes, improving the patient experience, providing value for money and improving the work-life of healthcare providers.</p>
Service Provider	<p>The Service Provider is the organisation contracted by HNECC to deliver a defined program(s) or service(s).</p>
Social Care	<p>Is the provision of social work, personal care, housing services, protection or social support to individuals in need or at risk, or arising from illness, disability, aging or poverty.</p>
Whole of system approach	<p>Considers all organizations, people and actions whose primary intent is to provide, promote, restore or maintain health. Health systems are complex and interlinked. To implements improvements, it is useful to analyse the entire health systems and how the functions related to each other before services can deliver effective and efficient care.</p>

2.0 INTRODUCTION

With a vision of *'healthy people healthy communities'* HNECC is an organisation that aims to be a leader in the delivery of locally relevant solutions that improve the health outcomes of the people and communities living in our region. Individuals remain at the centre of HNECC's processes, and achieving the health outcomes that are important these individuals remains a key focus for HNECC. The Strategic Plan (see Figure 2) outlines the key strategic areas, our priorities and objectives that align to our vision and purpose and guide the team to achieve the health outcomes that are important to people and communities living in our region.

Fig. 2 – HNECC Strategic Plan 2018 - 2023



HNECC is a commissioning organisation, which means that it does not directly deliver clinical primary health or social care services. Instead HNECC uses a range of information to identify where services are most needed. Through processes outlined in this document, HNECC contracts service provider organisations to provide the services that are identified as being needed with funding primarily from the Commonwealth Government. By working cooperatively with hospitals, general practitioners, specialists and allied health professionals within the local health system, HNECC can support and enable integrated health care and achieve the outcomes that are important to individuals.

This document highlights the range of commissioning activities undertaken by HNECC to achieve the vision of *'Healthy People Healthy Communities'*, and the progress towards being recognised as a leading commissioning organisation.

3.0 COMMISSIONING

Put simply, commissioning is an ongoing process of planning, purchasing and monitoring services to meet the needs of the local population. It includes a range of activities to assess the needs of the population, plan and prioritise services, purchase those services and monitor the quality of the services being provided¹.

Commissioning is a real-time change process, moving our local health system towards more sustainable models of care² by not only procuring new or additional services but also transforming, reorganising and modifying existing services. By working together with our system partners, including our contracted service providers, and considering the needs of the individual patients as part of the Quadruple AIM approach, HNECC can bring about this system change for the better, by delivering improvements in non-hospital-based and regionally relevant services³.

4.0 COMMISSIONING PRINCIPALS

Guiding principles are the key values that influences an organisation in decision making processes. HNECC uses the following national commissioning principles designed by PHNs in consultation with the Commonwealth Department of Health⁴ when commissioning health and social care services:

1. **Understand the needs of the community** by analysing data, engaging and consulting with consumers, clinicians, carers and providers, peak bodies, community organisations and funders.
2. **Engage with potential service providers well in advance** of commissioning new services.
3. Putting outcomes for users at the heart of the strategic planning process.
4. **Adopt a whole of system approach** to meeting health needs and delivering improved health outcomes.
5. **Understand the fullest practical range of providers** including the contribution they could make to delivering outcomes and addressing market failure and gaps and encourage diversity in the market.
6. **Co-design solutions**; engage with stakeholders, including consumer representatives, peak bodies, community organisations, potential providers and other funders, to develop evidence-based and outcome-focused solutions.
7. **Consider investing in the capacity of providers and consumers**, particularly in relation to hard-to-reach groups.
8. **Ensure procurement and contracting processes are transparent and fair**, facilitating the involvement of the broadest range of suppliers, including alternative arrangements such as consortia building where appropriate.
9. **Manage through relationships**; work in partnership, building connections at multiple levels of partner organisations and facilitate links between stakeholders.
10. **Develop environments high in trust** through collaborative governance, shared decision-making and collective performance management.
11. **Ensure efficiency, value for money, and service enhancement.**
12. **Monitor and evaluate** through regular performance reports; consumer, clinician, community and provider feedback, and independent evaluation.

¹Wenzel, L (2017) What is commission and how is it changing? The Kings Fund, London – available at <https://www.kingsfund.org.uk/publications/what-commissioning-and-how-it-changing>

²Rebbeck, J (2018) Commissioning Foundations Training Program, Sydney

³Hickie, I.B. (2015) Time to implement national mental health reform. Medical Journal of Australia 202 (10) – available at <https://www.mja.com.au/journal/2015/202/10/time-implement-national-mental-health-reform>

⁴HNECC (2016) Commissioning Health Care Services – Operational Guideline. Newcastle

Aligning with these commissioning principles, HNECC recognises the importance of working together with communities, service providers and local system partners.

To support commissioning of Aboriginal and Torres Strait Islander Health funds, HNECC have developed a set of principles – [Commissioning of Funding of Indigenous Services – Principles \(October 2016\)](#). These are informed by the *PHNs and ACCHOs Guiding Principles*⁵, that were developed by the Commonwealth Department of Health and The National Aboriginal Community Controlled Health Organisation (NACCHO). The principles that HNECC have developed to support our commissioning approach recognise and support that “...underpinning the Guiding Principles is a shared knowledge that will ensure:

- Respectful culturally sensitive consultation
- Recognition that Aboriginal and Torres Strait Islander health outcomes will be achieved when Aboriginal and Torres Strait Islander people control them, and
- Commissioned service delivery will be a strengths-based approach reflecting the United Nations Declaration on the Rights of Indigenous Peoples.”⁵

5.0 COMMISSIONING CYCLE

HNECC has developed a commissioning cycle (Figure 3) in line with the approach taken by the Commonwealth Government. It outlines a consistent approach that is focused on continual quality improvement underpinned by a four step ‘Assess, Plan, Do, Review’ approach, which is the basis for many quality control and continuous improvement programs.

Fig. 3 – HNECC Commissioning cycle²



⁵ Commonwealth Department of Health (2016) Primary Health Networks (PHN) and Aboriginal Community Controlled Health Organisations (ACCHOs) – Guiding Principles. Canberra

The framework depicts a wholistic approach which ensures HNECC can work as a strategic organisation at a 'whole of system' level while being guided by what is important to the consumers using the Quadruple AIM approach.

Commissioning encompasses the full range of activities outlined in Figure 3 and not simply purchasing (also known as procurement) or contracting of services. The activities occurring in the Commissioning cycle may not always occur in sequence, and at any one-time HNECC will be engaged in different parts of the cycle.

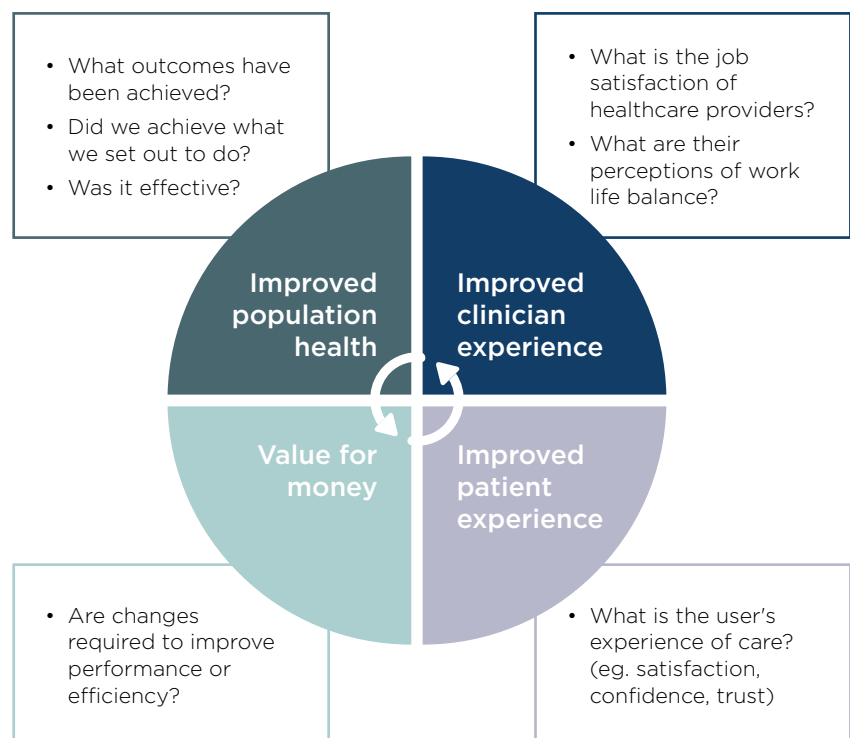
The HNECC's commissioning model is characterised by the fact that health and social care services are purchased or procured because of the planning and assessment of local needs. The information gathered by regularly undertaking and revising the regional needs assessment, along with information gained from contract management and the relationships with our system partners, is used to determine what services will be purchased, where they will be located and how many will be available.

Considering the consumers' need when designing services and using the Quadruple AIM approach to support evaluation and monitoring helps ensure services meet local health needs while enhancing consumer experience, improving population health, reducing costs and considering overall provider satisfaction.

6.0 QUADRUPLE AIM

The Quadruple AIM represents the best outcomes we are striving to achieve in health and social care. The Quadruple AIM approach remains at the centre of HNECC's commissioning process and underpins each step of the Commissioning cycle to ensure services meet the local health needs of our population. It is an important consideration when planning, designing, implementing and monitoring services.

Fig. 4 – Quadruple AIM Approach⁶





- **Improved Population Health:**

Population health refers to the health of all people living in the region. HNECC is committed to improving the health of our population through commissioning high quality, evidence-based health care services that are accessible, adequate and appropriate.

- **Improved Patient Experience:**

HNECC is committed to individualised care that supports and encourages patients to participate in decisions related to their care. Patients', consumers' and their carers' and families' experiences are influenced by many factors including how easily they can access the care they need, how well clinicians and other staff communicate with them, and how well clinicians and other staff respond to their needs. Measuring patient, consumer, carers and/ or family experience informs the provider and HNECC what is important to the individual, and in turn allows care to be more focused.

- **Value for money:**

Supporting high quality health care is dependent on achieving efficiency and value for money. HNECC's commissioning processes reflects our commitment to achieve value for money with the funding that is available to best support the needs of the population. HNECC recognises that price is not the sole factor in determining value for money and considers both financial and non-financial costs and the benefits of any alternatives throughout the commissioning process that will impact our assessment of value for money.

- **Improved Clinician Experience:**

Improving the work life of health care providers is crucial to achieving the above three aims. HNECC actively supports and seeks guidance from GPs and other clinicians to achieve a better health system for both consumers and providers. There is no doubt workforce satisfaction is an important input to any health or social care sector being able to achieve its activities effectively which, in turn, is a determinant of better health outcomes.

⁶ HNECC PHN (2018) Health and Wellbeing Outcomes Framework. Newcastle

7.0 OUTCOME MEASURES

Traditionally, evaluation of Primary Health services has been based on activity data (that is, the number of treatment sessions provided to patients or clients). While assessing HNECC funded services against the Quadruple AIM, HNECC's intent is to move from measures that only capture activity to other measures that are important to patients or clients. Measuring the outcomes achieved by the service is a more accurate measure to inform HNECC if a service is of good quality and meeting the needs of the patient or client.

The *HNECC Health and Wellbeing Outcomes Framework* (the Framework) assists HNECC to identify the outcomes we are seeking to achieve through our commissioned services and assists in monitoring the performance of these services towards intended outcomes. The Framework aims to outline the program objectives and identify appropriate outcome measurements, allowing HNECC and the services providers that work alongside HNECC to move from a focus on output or activity counts, to improved assessment of program and service effectiveness.

In line with national commissioning principles outlined previously, the HNECC Health and Wellbeing Outcomes Framework:

- Aims to assist in understanding the current and projected needs of the community through data monitoring and analysis;
- Puts outcomes for users at the heart of the strategic planning process;
- Adopts a whole of system approach to meeting health needs and delivering improved health outcomes;
- Informs and improves health service planning and development, program design and delivery, and investment decisions;
- Will assist to form rigorous evidence-based and outcome-focused solutions, to guide better resource allocation, and inform and improve health service development and program design;
- Aims to develop environments high in trust through collective performance management;
- Aims to ensure efficiency, value for money, service enhancement and improved quality of care.

While the *HNECC Health and Wellbeing Outcomes Framework* is a tool to support monitoring services in line with the Quadruple AIM, it will also support HNECC to develop an outcomes-based commissioning approach. Commissioning for outcomes is a way organisation can fund services to reward the outcomes that are important to the people using them, not simply activity being undertaken. Outcomes based commissioning aims to achieve better patient or client outcomes by taking a more person-centred approach to service delivery.

To date, HNECC has piloted moving the Integrated Team Care (ITC) and Primary Allied Health Services (PAHS) programs to an outcomes-based commissioning approach. The learnings from this pilot will inform HNECC's transition to outcomes-based commissioning for other commissioned services. By the end of the 2019/2020 financial year, HNECC is planning to have clear patient outcomes identified for each service program, with identified ways to collect and report outcomes, and in some cases, a proportion of contract payment based on patient outcomes.

With all commissioned services working toward outcomes-based commissioning, HNECC can fund services to reward the outcomes that are important to the people, while meeting local needs and supporting high quality health care that provides efficiency and value for money.



8.0 JOINT COMMISSIONING

To bring about local health system changes and reform, HNECC recognises that working with other health and social care partners is needed. Formal partnerships with others in the system can produce an approach known as joint commissioning (sometimes referred to as co-commissioning or collaborative commissioning). Joint commissioning is an arrangement when PHNs work with another organisation to jointly plan, fund and manage activities that are mutually important and make the best use of the available resources⁷. It allows HNECC and its partners to address local needs and priorities, while improving how services are coordinated across the different health sectors.

At times this arrangement may lead to opportunities where the partners organisations decide to pool the funds that are available across the 'whole of system' or co-invest in the activity to align their separate funds to activities with a common goal. These arrangements are often underpinned by a common contract with shared performance and payment arrangements.

It is recognised that joint commissioning is a relatively new concept in Australia⁸, however HNECC is well placed with existing relationships across the local regions, including formal Alliancing arrangements (Figure 5) with both Central Coast Local Health District (CCLHD) and Hunter New England Local Health District (HNELHD).

Joint commissioning acknowledges the overlaps that exist in responsibilities related to particularly groups or communities, where it is better to address the identified needs collectively rather than as an individual organisation working in isolation.

Under its Alliancing arrangements, HNECC currently partners to jointly commission services, and systems to improve care for people and providers in the region.

Fig. 5 – Alliancing Relationships



⁷ DOH PHNs: Commissioning Health Services Frequently Asked Questions – available at [http://www.health.gov.au/internet/main/publishing.nsf/Content/57DA4F780C7944D3CA25829E007C5906/\\$File/PHNs%20and%20Commissioning%20FAQ.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/57DA4F780C7944D3CA25829E007C5906/$File/PHNs%20and%20Commissioning%20FAQ.pdf)

⁸ Dickinson H. (2015). *Commissioning public services evidence review: Lessons for Australian public services* – available at https://government.unimelb.edu.au/__data/assets/pdf_file/0004/2654428/Commissioning_Public_Services_Evidence_Review.pdf

Examples of jointly commissioned activities undertaken by HNECC and its system partners are contained in Table 1:

Table. 1 – 2019 Joint Commissioning Service examples

SERVICE	System Partners	Shared Governance	Shared Needs Assessment and Service Design	Co-investment	Shared Performance Monitoring, Management and Evaluation	Shared Data, Analytics and System Measurement
Diabetes Model of Care	HNELHD	✓	✓	✓	✓	✓
	CCLHD	✓	✓	✓	Under development	Under development
Aged Care Emergency Service	HNELHD NSW Ambulance	✓	✓	✓	✓	✓
GP Access After Hours	HNELHD	✓	✓	✓	Under development	Under development
COPD	HNELHD	✓	✓	✓	✓	✓
CC Mobile Imaging	CCLHD	✓	✓	✓	✓	Under development

Table. 2 – 2019 Joint Commissioning System Enablers examples

SERVICE	System Partners	Shared Governance	Shared Needs Assessment and Service Design	Co-investment	Shared Performance Monitoring, Management and Evaluation	Shared Data, Analytics and System Measurement
Health Pathways	HNELHD	✓	✓	✓	✓	✓
	CCLHD	✓	✓	✓	Under development	Under development
SENT e-referral	HNELHD	✓	✓	✓	✓	✓
NE Dementia Partnership	HNELHD HealthWise	✓	✓	In-kind	✓	✓

9.0 KEY ACHIEVEMENTS

Since commencing operations in 2016, HNECC has worked hard to consolidate the foundations that were laid down and build on these to develop and implement processes that strive to be innovative, seek improved service models and provide better primary health care across the region. Through our commissioning activities, HNECC have created opportunities to design and implement initiatives that will bring about better health outcomes for our people and communities.

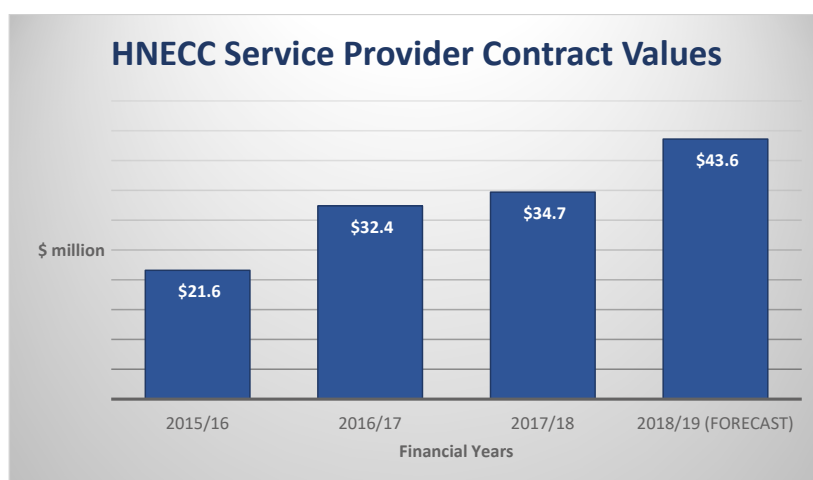
Graph 1 outlines the growth in Service Provider Contract Values that directly link to the growth in services being provided and highlights the increasing number collaborative relationships HNECC has developed with a range of organisations across the region that are responsible for delivering these services.

Some key achievements related to commissioning include:

- The sign off of formalized Alliance integrated care partnerships with Hunter New England and Central Coast Local Health Districts, supported by the adoption of the [HNE Integrated Care Alliance Operational Plan 2018-19](#)
- Because of our priority identification of Drug and Alcohol Treatment services, HNECC have commissioned:
 - 1260 new Drug and Alcohol Treatment places;
 - Six new Drug and Alcohol Treatment Services;
 - 20 additional residential rehabilitation beds;
 - A new Aboriginal Withdrawal Management Service; and
 - Additional supported Aftercare programs.

- We have provided more than 37,000 occasions of service across a variety of commissioned Mental Health programs including:
 - Primary Health Mental Health Clinical Services (PHMCS) for vulnerable and hard to reach populations;
 - *Headspace* Youth Mental Health Services and expanded outreach services
 - Aboriginal specific programs – Peer Navigation, Care Coordination, Counselling and group programs;
 - Suicide Prevention program including *Lifeline* counselling;
 - Aboriginal Suicide Prevention including the expansion of the Family Well-being Program, *We Yarn*, and suicide preparedness and postvention.
- We have funded the delivery of 12,500 Primary Allied Health sessions to small communities where there is often little of no access to specialist services; and
- Had over 350 people participate in face-to-face workshops to co-design Youth Complex Mental Health Services and Primary Mental Health Clinical Services.

Graph 1. – HNECC Service Provider Contract Values





- The development of several video reports (or vignettes) outlining the impact our jointly commissioned and/ or partnered work is having on people. These are available to view at:
- [Aboriginal Health Planning](#)
- [Diabetes Alliance](#)
- [Chronic Obstructive Pulmonary Disease \(COPD\) Alliance](#)
- [SENT eReferral](#)
- [Youth Complex Mental Health Service co-design](#)

NOTES:
