

**Western Victoria Primary Health Network
Rural Allied Health Flexible Funding: 2017-18
Context Paper**



An Australian Government Initiative

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Overview of Western Victoria Primary Health Network (PHN) and objectives

Western Victoria PHN, established on the 1st of July 2015, is a not-for-profit organisation responsible for delivering the following two objectives set by the Federal Government:

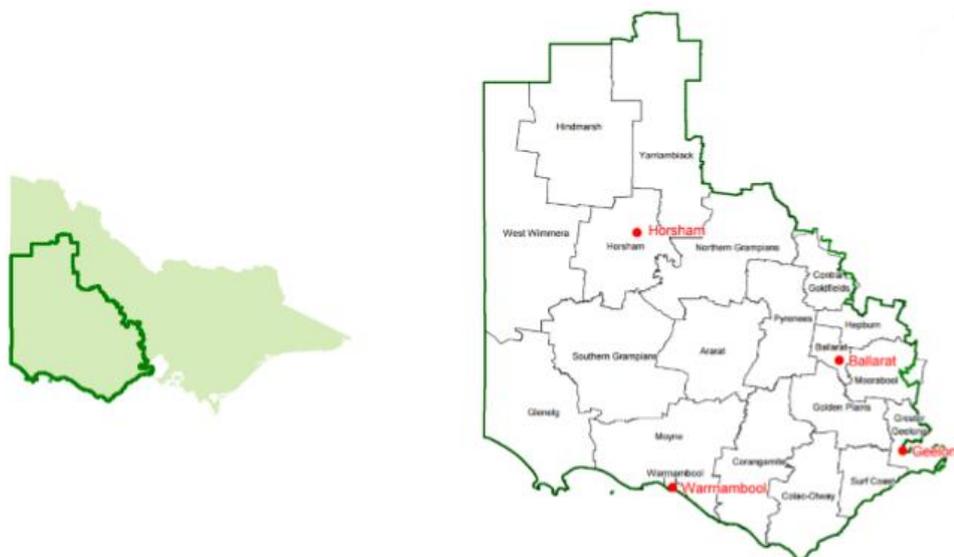
- Increase the efficiency and effectiveness of health services for patients, particularly those at risk of poor health outcomes; and
- Improve coordination of care to ensure patients receive the right care, in the right place, at the right time.

A set of National Headline Performance Indicators have been established and will be used to measure PHNs' progress on health outcomes. The current performance indicators are;

- Potentially preventable hospitalisations;
- Childhood immunisation rates;
- Cancer screening rates; and
- Mental health treatment rates.

Western Victoria PHN is committed to quality and accessible primary health care for Western Victoria.

Figure 1 –Western Victoria PHN region



Flexible funding

Western Victoria PHN receives flexible funding from the Federal Government to improve access to primary health services in accordance with needs identified in the 2016-18 Baseline Needs Assessment and the four key indicators established for all PHNs. The existing Allied Health Service funding which has historically been allocated to rural communities makes up a large component of the flexible funding received by Western Victoria PHN. A place-based approach will be undertaken in regions that currently receive Allied Health Service funding to align future service delivery with the objectives of the flexible funding program. This process will be undertaken in collaboration with currently funded providers, general practices, stakeholders and community members to determine appropriate services and delivery methods. Western Victoria PHN has undertaken extensive preparatory work since its formation in July 2015 to understand the high level health needs of the region. This preparation, along with the proposed activities will provide the information required to ensure funding is targeted towards the health needs of communities and reaches those people with chronic condition/s and those most vulnerable.

Identified needs from the 2016-18 Baseline Needs Assessment

The 2016-18 Baseline Needs Assessment prepared by the Western Victoria PHN identified eight key health and service needs. This summary does not describe all health needs and service gaps in the Western Victoria PHN. It is also important to note that health needs vary across the region. Western Victoria PHN recognises the needs presented below are complex and interrelated, and do not exist in a vacuum.

Chronic conditions

The prevalence of chronic conditions such as type 2 diabetes, cardiovascular disease, and chronic obstructive pulmonary disease, are key health issues in the Western Victoria PHN. The MBS definition of a chronic medical condition is 'one that has been (or is likely to be) present for six months or longer, for example, asthma, cancer, cardiovascular disease, diabetes, musculoskeletal conditions and stroke' (1). There is no list of eligible conditions; it is up to the discretion of the general practitioner (1). Chronic conditions are behind most potentially preventable hospitalisations in the Western Victoria PHN (2). Furthermore, chronic conditions are a major contributor to death and disability in Australia (3).

Health behaviours

Maintaining positive health behaviours is important, given they can help contribute to a range of chronic health conditions, such as type 2 diabetes, cardiovascular disease, and certain cancers (4). Across the Western Victoria PHN, most people do not meet national guidelines for physical activity or fruit and vegetable consumption (5). These modifiable behaviours can contribute to poorer health outcomes including overweight and obesity (4). More than half of the population in the Western Victoria PHN aged two years or older are overweight or obese (5). The proportion of the population who smoke daily is also above the Victorian rate in a number of local government areas in the Western Victoria PHN (6).

Social determinants of health

The social determinants of health concern the social and environmental conditions in which people live their lives, and the impact these have upon peoples' health (7). This is a particular issue in the Western Victoria PHN, which has numerous localities in the most disadvantaged quintile in Victoria (8). At stakeholder consultations, participants identified access to health services in rural and remote areas can be impacted by inadequate public transport and the distance between towns.

Aboriginal and Torres Strait Islander health

Compared with the non-Indigenous population, Aboriginal and Torres Strait Islander persons and/or households are generally disadvantaged on various indicators relevant to the social determinants of health, such as unemployment rates, levels of educational attainment, and household incomes (10, 11). There is a need to ensure health services are culturally secure and accessible to Aboriginal and Torres Strait Islander persons. Chronic disease is also a key issue within the Aboriginal and Torres Strait Islander population. Almost one-in-two Aboriginal and Torres Strait Islander persons living in the Western Victoria PHN have two or more long-term health conditions (12).

Communication and service coordination (digital health)

Consultations with stakeholders revealed health service providers experience numerous obstacles when it comes to communicating and coordinating appropriate and timely care for health consumers. For example, the ability of providers to share information can be constrained by incompatible systems; practitioners may not have the resources to identify optimal care pathways for health consumers; and health services might not possess the technical equipment and/or knowledge to provide telehealth and digital health services. Results for some items from the Patient Experience Survey 2013-14 also appear to suggest there is scope to improve the coordination of care in the Western Victoria PHN (13).

Health workforce

For many health professions, the workforce is not evenly distributed across the Western Victoria PHN (14), and there is a shortage of practitioners in certain disciplines and locations, such as general practitioners in more rural and remote areas (15). In addition, stakeholder consultations identified many health services experience difficulties attracting and retaining practitioners across a range of disciplines. Furthermore, Australian Institute of Health and Welfare (AIHW) statistics (14) suggest in many localities certain health services are delivered by a small number of providers and/or an ageing workforce. This has the potential to reduce service availability now and in the years ahead.

Mental health and suicide

The prevalence of mental health conditions and access to mental health services are important issues in the Western Victoria PHN. In most local government areas within the Western Victoria PHN, the proportion of adults who report having ever been diagnosed with depression or anxiety exceeds the overall Victorian rate (6). The same observation can be made in relation to persons experiencing high or very high levels of psychological distress (16). However, consultations with stakeholders suggested access to mental health services is limited in certain localities, particularly in rural and regional areas. AIHW statistics (14) indicate psychologists are distributed unevenly across the Western Victoria PHN, and psychiatrists are generally in short supply (15). In addition to the above, deaths from suicide and self-inflicted injuries in most local government areas across the Western Victoria PHN exceed the overall Victorian rate (17).

Ageing population

Australian Bureau of Statistics (ABS) data indicates (10) that, relative to Victoria and Australia, a greater proportion of the Western Victoria PHN population is aged 65 years and over. Furthermore, the population is projected to continue ageing, which is especially an issue in rural and remote communities. By 2031, it has been projected that more than one-in-three residents in some local government areas in the Western Victoria PHN will be aged 65 years or older (18). This has many practical implications for the primary health care system. For example, chronic conditions typically associated with ageing, such as arthritis, dementia, and diabetes, will likely become more common and increase the demand on health services across the system (4).

Need for services in rural areas

Evidence suggests there are challenges faced by rural communities in accessing allied health services that meet their needs including the range and availability of services. In rural and remote areas there are generally higher hospitalisation rates and higher prevalence of health risk factors relative to metropolitan areas (19-22).

Rural areas experience difficulty in recruiting and retaining an allied health workforce. Despite the higher level of need for allied health services in rural communities, there is a shortage of allied health professionals, with access decreasing as remoteness increases (24). In Australia, metropolitan communities receive more than double the level of allied health service provision (22-24).

Workforce issues and the need for health services have meant that current allied health service delivery models in rural communities have become difficult to maintain. Therefore, further investigation into alternative ways in which health services can be delivered in rural areas is required (25-26).

Placed-based approaches

The commissioning of services using the available Western Victoria PHN flexible funding will be broadly based on the principles and methodology behind place-based approaches. Place-based approaches are where people and agencies collaborate to address issues within a defined geographical location and/or for particular population groups (27-28). A place-based approach is most effective in addressing complex issues that require approaches that are highly flexible and adaptive to local conditions (27) and typically focus on areas and communities that are disadvantaged (28).

Effective place-based approaches are underpinned by the following principles (27);

- Defined geographical areas where the programs involve a small community or a larger region (27-28).
- Programs need to have an appropriate focus on specific populations, such as people living in rural areas (28).
- Community engagement to ensure the community is empowered and has ownership in the development of solutions (27-28).
- Ensuring collaboration between service providers and consumers in the design of services, based on the understanding that people's needs are better met when they are involved in service design (27-28).
- Focus on service system coordination and/or community support. Programs are based on well-developed linkages between relevant services needed to directly and indirectly support those with identified needs living in the community (27).
- Actions are flexible and are adapted to local needs to ensure the program reflects local conditions and needs and that health services and the health system is responsive to the emerging concerns within the community (27-28).
- Use a multi-level approach to address multiple determinants which impact upon the health of the community and consider the local context and culture of the community. Multi-level approaches should include engagement with a broad range of stakeholders to ensure effective service delivery (27-28).
- Capacity building within the community to build on community strengths and bring local people together to address locally identified needs and tackle social and health problems to make communities stronger (27-28).
- Collaboration between services and across sectors within local communities to develop strong partnerships between organisations (28).
- Proposed programs to address community needs should be evidence-based (27).
- Ensuring programs have a long term focus and sustained investment in recognition that improving health outcomes and achieving change is a long term goal (28).

Collaboration and partnership

The effectiveness of placed-based approaches rely heavily on the quality of existing relationships and partnerships and the development of new partnerships and the work done through these partnerships (27). To improve health outcomes within a community a partnership must choose actions and strategies that are capable of making a difference in this space (27). Placed-based partnerships and collaborations are considered a mechanism through which programs can be developed and implemented to address the health needs of people within the community to ultimately achieve better health outcomes (27). Placed-based approaches utilise the following program logic (27):

- Build partnerships with all relevant stakeholders and gain a commitment to an agreed set of goals for the community.
- Develop an action plan that improves the health and wellbeing of the community and provide the community with direct services that address their needs.
- Implement the action plan in partnership with the community and in a way that continuously evolves and adapts to emerging community needs.
- Implement programs that aim to build the capacity of the community and the services within them to provide the community with the care needed to improve overall health and wellbeing.

There are several advantages of using a place-based approach. Existing relationships and partnerships are enhanced and new ones developed creating a sense of ownership within the community, which improves participation in the identification of health needs and in the development of programs to address these needs (29). This sense of ownership also provides an incentive for organisations to work together more effectively (29). Through the development of such partnerships and the involvement of the local population, place-based approaches can improve the efficiency and effectiveness of program planning and implementation by reducing the time taken to identify local needs and the potential solutions (29).

Collaboration and partnership is also essential to ensure health needs are met within the region. Western Victoria PHN aims to make a difference across the health care system by working closely with local communities and system partners to deliver new and innovative models of health care through the commissioning process. As part of the commissioning model, Western Victoria PHN aims to bring together health consumers, clinicians, and the community to inform the way services and initiatives are designed, procured and reviewed to improve the system of health care.

Policy influence on primary care

There are a range of national policy directions in primary care and chronic disease management that impact how services are being delivered, affecting both health services and consumers. Including;

- Health Care Homes (Healthier Medicare package)
- My Aged Care [Commonwealth Home Support Programme (CHSP) and Home Care Packages]
- National Disability Insurance Scheme (NDIS)
- Contributing Lives, Thriving Communities

Each of these programs aims to place the person at the centre of care, with services planned and delivered based on and in response to the person and/or their carers' needs and the changing health or care needs of the person. This is a major shift from how services have been delivered, based on the service provider offering. Funding is allocated to the person not the service provider for Health Care Homes, Commonwealth Home Support Programme, Home Care Packages, and National Disability Insurance Scheme

The Healthier Medicare package was released in response to the Primary Health Care Advisory Group Review. The primary care package will be trialled through creating 'Health Care Homes' that will be responsible for the ongoing co-ordination, management and support of a patient's care (30). One of the aims is to reduce the barriers that patients with chronic diseases and complex illnesses face across fragmented health services, with the goal of keeping them well at home and out of hospital. 'Health Care Homes' will co-ordinate all of the medical, allied health and out-of-hospital services required as part of a patient's tailored care plan (30). As part of the Healthier Medicare package it is expected that there will be greater co-ordination between Primary Health Networks (PHNs) and Local Hospital Networks (LHNs) in the planning and procurement of health services for their local communities. The proposed bundling of payments into regular quarterly payments is to encourage providers to be flexible and innovative in delivering care and to help ensure the patient's health care needs are regularly monitored and reviewed (30).

My Aged Care is the main entry point to Australia's aged care system. It is a central point to record and coordinate information on the client's needs and provides connections to appropriate services (31). These services include the Commonwealth Home Support Programme (CHSP) which provides support for people aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander people) to provide living assistance to enable independent living within their homes and communities (31). Additionally, Home Care Packages provide a range of support services and clinical services tailored to meet the individual needs of frail older Australians (32). Western Victoria PHN will aim to complement these programmes through the commissioning of health services for people with chronic conditions that may also be receiving support through the CHSP and Home Care Packages.

NDIS will provide support to those under the age of 65 years (their families and carers) with significant and permanent disability to achieve their goals to participate within the community. This scheme assists people with a disability to access mainstream and community services and supports; maintain informal support arrangements and receive reasonable and necessary funded supports (33). Western Victoria PHN are aware of the important links between NDIS and health services within our region, which will be taken into account when commissioning health services for chronic conditions.

The Federal Government's response to the national mental health review proposed system-level changes (34). These changes focus on care around the individual; with a national framework that is tailored locally; a stepped care approach to ensure consumers are receiving the most appropriate care for their needs; providing intervention for people early; utilising digital technology; which will be completed within a partnership approach. Western Victoria PHN's commissioning of mental health services aligns directly with these system changes. Additionally, the Victorian 10-year Mental Health Plan aims for everyone to have the best possible mental health and wellbeing which includes providing ways for people to lead fulfilling lives whether or not they experience mental health issues (35). The Victorian 10-year Mental Health Plan proposes the importance of a system that is appropriate (and supports an appropriate workforce) for the range of populations of people accessing it, along with the need to work collaboratively with Commonwealth funded services to deliver a coordinated mental health system (35). Western Victoria PHN also prioritises the importance of providing an integrated system that provides the best possible mental health services for those in need. Therefore, Western Victoria PHN's commissioning of services will complement other national and state mental health services to ensure a continuum of care for consumers.

Overview of commissioning

According to the PHN Needs Assessment Guide, "Commissioning' is a continual and iterative cycle involving the development and implementation of services based on planning, procurement, monitoring, and evaluation" (36). Commissioning is a powerful tool, allowing Western Victoria PHN to shift the focus of human, financial and place based resources within the health system to the identified areas of greatest need.

Western Victoria PHN's strategic intent as a commissioner of services includes:

- Rebalancing health care access to reduce health inequities for the Western Victoria region.
- Improving the experience for health consumers and communities in the region utilising evidence based practice to inform the way Western Victoria PHN designs services and builds commissioning intentions within the health system.
- Increasing the focus on achieving outcomes for patients through leveraging off the current system and creating opportunities for innovative new ways of working.
- Empowering health consumers by promoting a shared and collaborative approach to engagement, providing a platform to be heard.
- Creating opportunities for co-investment and co-commissioning of services through regional alignment of other Federal Government policy initiatives, State Government and private sector.
- Fostering improved working relationships between general practice and the broader primary care system to ensure patients can access quality services closer to their home.

Decommissioning is the process by which certain contracted or commissioned (procured) services cease being delivered by the provider, which may comprise all or some of the services provided by that provider, as a result of withdrawal of funding from the provider organisation. With the funds subsequently used to recommission services or systems improvement in a different format.

As a commissioner of services, Western Victoria PHN will maintain robust internal processes underpinned by honesty, integrity and open transparent communication with the community, and

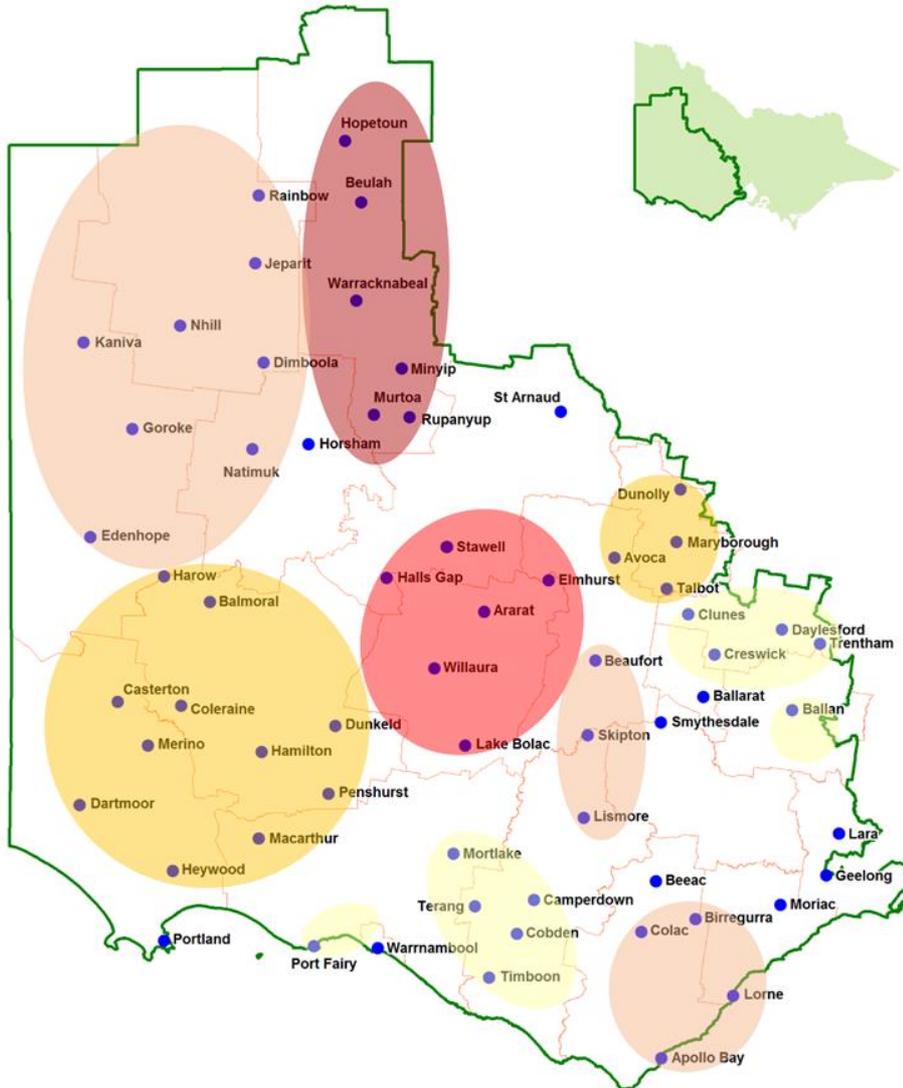
health system stakeholders. This system wide approach favours inclusion by actively pursuing partnerships across the health system.

Commissioning model

The following is a diagrammatic representation of the Western Victoria PHN commissioning model. The model depicted is not dissimilar to commissioning models implemented around the world used to describe the cyclical nature of needs and solution identification, procurement, contracting and performance management and evaluation.



The circles on the map below highlight the proposed towns and areas that will be included in each of the place-based consultations. The colour of the circle represents the funding range that is provided to the area.



Amount of funding within area	
	\$0-\$250,000
	\$250,000-\$500,000
	\$500,000-\$750,000
	\$750,000-\$1,000,000
	Over \$1,000,000

Timelines

The following information explains the process and estimated dates for the collection of information. This process will include individual phone/video conference interviews with currently funded health providers to understand how the allied health services being provided at present meet the health needs of communities. Broader stakeholder consultations will also include currently funded health providers and other stakeholders. Stakeholder consultations will provide an in-depth understanding of the local service issues, potential solutions for delivering services and an understanding of the broader health system in which services are currently funded.

Timeline	Activities
Week beginning the 8 th of August 2016	Western Victoria PHN will publish an overview of the current funding to rural health services and the process for procurement.
25 th Aug - 9 th Sept 2016	Individual interviews with organisations receiving funding for services through Western Victoria PHN (via phone or video conference).
19 th Sept – 7 th Oct 2016	First round of stakeholder consultations within local communities. <i>This is to obtain input from a range of people working in health and community members within the local areas.</i>
10 th Oct - 14 th Nov 2016	Evidence from multiple sources will be reviewed to explore potential service delivery options that meet local health needs.
14 th Nov - 2 nd Dec 2016	Second round of stakeholder consultations in local communities. <i>Western Victoria PHN will present potential service delivery options to local communities that aim to meet local health needs and elicit feedback.</i>
Week beginning the 16 th of Jan 2017	Send out specifications and Request For Proposals (RFP).
16 th - 27 th Jan 2017	Information sessions on specifications for service providers, and possible workshops to assist in preparing for tender.
Week beginning the 20 th of February 2017	Request for Proposals (RFP) close.
20 th Feb - 24 th March 2017	Negotiate contracts with successful applicants. Contracts signed and returned.
Week beginning the 27 th of March 2017	Successful applicants publicised.
April - June 2017	Provision of training and support for reporting requirements.

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