Commissioning for Better Health

April 2019

WA Primary Health Alliance
Better health, together

phn
PERTH NORTH, PERTH SOUTH, COUNTRY WA
An Australian Government Initiative

Contents

List of Acronyms

ACCHS	-	Aboriginal Community Controlled Health Service
AHCWA	-	Aboriginal Health Council of Western Australia
ATSI	-	Aboriginal & Torres Strait Islander
COPD	-	Chronic Obstructive Pulmonary Disease
HCC	-	Health Consumers' Council
HSP	-	Health Service Provider (State health service)
LGBTI	-	Lesbian, gay, bisexual, transgender, and/or intersex
MHC	-	Mental Health Commission
PHN	-	Primary Health Network
PPH	-	Potentially preventable hospitalisation
RAF	-	Resource Allocation Formula
RNI	-	Relative Needs Index
WAAMH	-	WA Association of Mental Health
WACHS	-	WA Country Health Service
WACOSS	-	WA Council on Social Service
WA DOH	-	Western Australian Department of Health
WANADA	-	Western Australian Network of Drug and Other Drug Agencies
WAPHA	-	WA Primary Health Alliance

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Foreword

Just over 4 years ago, I was pleased to lead the development of the WA Primary Health Alliance (WAPHA) as a unique arrangement, bringing all of Western Australia's Primary Health Networks (PHNs) under a single organisation.

We have grown rapidly since those early days, and I am proud of what we have been able to achieve to enhance primary care's role as the cornerstone of the Western Australian health system.

But there is much, much more to do.

WAPHA is in it for the long haul, and we recognise that to be successful as a commissioning organisation we need to develop our capability, our organisation and ourselves, working collaboratively with our partner funding agencies and commissioned services.

The *Commissioning for Better Health* program sets out a clear and compelling vision and program of action to guide WAPHA's future as a commissioner of primary care services on behalf of the Australian Government. Its aspiration is transformational.

On behalf of the WAPHA Board, I commit to working with WAPHA's partners, stakeholders, and staff to implement the program, and to ensuring WAPHA plays its full part in pursuing opportunities to improve health, and health equity, across our State.

Overall, Western Australians enjoy levels of health and access to health care that are high by international standards.

But we know that this is not true for every person living in Western Australia, and we also know that many in our community face daily challenges to access the health care services they need.

That is why, from the beginning, WAPHA set itself the challenge to work with others to improve health equity in the Western Australian community, targeting the most vulnerable and disadvantaged and building the capacity of primary care to respond.

By drawing a stronger alignment between needs and priorities, implementation of evidence- and patient/community-informed service design, capacity building, and rigorous monitoring and evaluation, the promise of commissioning is that it will enable WAPHA to stretch the available dollars further in pursuit of that aim.

The *Commissioning for Better Health* program has been developed through stakeholder and staff consultation.

It is designed to position WAPHA to mature and grow as a commissioning organisation, one focused on leading the development of a robust, sustainable, and fully engaged primary care sector in Western Australia.

Dr Richard Choong
Chair, WAPHA Board

9 April 2019

Adj Associate Professor Learne Durrington
Chief Executive Officer

9 April 2019

Executive Summary

The WA Primary Health Alliance (WAPHA) was established with a mandate to use Australian Government funding for the primary care sector to improve health equity in the Western Australian community.

The last 4 years has witnessed the growth of WAPHA as a commissioning organisation, commensurate with increased responsibilities. In that time, program funding available to WAPHA for the provision of primary health care services and to develop primary care in Western Australia has increased by 150%, from $40 million in 2015/16 to more than $100 million in 2018/19.

Commissioning of evidence-based primary care services to meet identified local needs is at the core of the Australian Government's Primary Health Network (PHN) program.

A still relatively unknown concept in the Australian health care context, the essence of commissioning refers to an iterative cycle of activities by which an ever-closer alignment is drawn between the identification of need, priorities, allocation of resources, and the design and implementation of services, all underpinned by robust monitoring and evaluation.

As the document highlights, commissioning, when done well, is a resource-intensive activity, requiring effective long-term planning, engagement with communities, consumers, families and carers, and relationship building. Alongside this, WAPHA like other PHNs is required from time to time to respond to new initiatives and funding commitments requiring immediate implementation.

In mid-2018 WAPHA decided to undertake a review of its commissioning activities, informed by consultation with WAPHA staff and stakeholders. The consultation provided clear direction as to where WAPHA's commissioning approach and processes need to be further strengthened and developed.

Informed by this consultation, WAPHA will implement a *Commissioning for Better Health* program to support its further development as a commissioning agency. The program defines actions WAPHA will take over the next phase towards that end, focused around four streams of activity:

- **Program Management** – WAPHA will strengthen its capacity to translate policy and program objectives in each Australian Government funded program into clear priorities for action.

  A key component is a commitment to develop a *Commissioning for Better Health 5 Year Health Plan*, drawing priorities from WAPHA's needs assessment and looking forward over a 5-year horizon.

- **Commissioning Process** – WAPHA will strengthen its procurement planning and contracting processes. It will aim to provide greater certainty to contracted services around contract renewals and processes and decisions for the allocation of new program funding.

- **Primary Care Development** – WAPHA will continue to lead and shape the development of the primary care sector in Western Australia, in partnership with other funding agencies, peak organisations and commissioned services.

  WAPHA will prepare a *Primary Care Workforce Development Strategy*, identifying gaps and risks in the primary care workforce, and committing to action, to build workforce sustainability and capacity.

  Similarly, WAPHA will develop a *Primary Care Digital Health Strategy* to build capacity to use and exchange data and information to support good health care planning and decision-making.

- **Performance Management & Evaluation** – WAPHA will prepare a *Performance Management Framework* to guide its risk assessment and contract management of commissioned services.

  WAPHA will also prepare an *Evaluation Framework* to ensure that longer-term assessments of service and program impacts is incorporated into service design and contracts.

As context for this work, this *Commissioning for Better Health* statement sets out the background to WAPHA, and profiles some of the key health challenges in each of Western Australia's PHNs – Perth North, Perth South and Country WA.

The document also provides some background to commissioning, and what it means in the primary care context, discusses the key messages from WAPHA's consultation on developing the *Commissioning for Better Health* framework and program, and identifies what good commissioning looks like.

WAPHA looks forward to working with partners across the diversity of stakeholders in primary care to deliver this forward-looking program.

1. Introduction

The Australian Government's Primary Health Network (PHN) program is now into its 4th year.

The program is delivering increasing amounts of Australian Government funding – more than $100 million in 2018/19 in Western Australia – to primary care, supporting integration between primary and acute care services, and building the capacity of the primary care sector to contribute to the health and well-being of Australians.

The Australian Government's funding contribution to WAPHA complements other sources of primary care funding by the Australian Government and from the Western Australian Government, including by the Mental Health Commission (MHC), Western Australian Department of Health (WA DOH) and Health Service Providers (HSPs).

In fact, in 2016/17, Government expenditure on primary health care in Western Australia totaled $3.7 billion. The Australian Government provided $2.55 billion (of which approximately $1.9 billion was for payments under the Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS), and $115 million was for primary care services for veterans) and just over $1.15 billion came from the State and local governments.[1]

In Western Australia, a unique arrangement exists whereby a single organisation – the WA Primary Health Alliance (WAPHA) – oversees the activity of the three PHNs in the State.

PHNs are commissioners of services in the primary care sector on behalf of the Australian Government.

The concept of commissioning is relatively new in the Australian health care context but in its essence refers to an iterative cycle of activities whereby investment in services is aligned to needs and evidence of what works, services are developed and shaped accordingly, and accountability for service delivery is underpinned by monitoring and evaluation.

Commissioning represents a stepped shift from traditional approaches to service procurement, particularly as regards the extent to which proactive collaboration between funders, service providers and service users is incorporated into the process of service design, procurement and evaluation.

Particularly in the health care context, the success of commissioning critically depends on the strength of relationships between funders and providers of services, and on incorporating the voice of the community, patients and their families and carers in service design.

Co-design of services, and stakeholder engagement throughout the process, is at the heart of commissioning.

[1] Australian Institute of Health and Welfare (2018) *Health expenditure Australia 2016–17*. Health and welfare expenditure series no. 64. Cat. no. HWE 74. Canberra: AIHW. Page 73.

Relationships flourish where there is trust and mutual respect based on a clear understanding of roles and responsibilities, good and timely communication, consistency and predictability in engagement, transparency and accountability in decision-making, and a shared commitment to common goals.

The PHN Commissioning Framework is mandated by the Australian Government for use by all PHNs, and informs how WAPHA operates as a commissioning organisation.

WAPHA has committed to critically reviewing how it delivers against the framework and where activities and processes may need to be changed and strengthened in the future. This review has been undertaken in consultation with WAPHA staff and external stakeholders, inclusive of commissioned services, partner agencies and clinical and community representatives.

A key element of the review has been to define how WAPHA's role as a commissioning agency using the PHN Framework will evolve in the context of the Western Australian health care landscape. Specifically, what further steps can be taken with partner agencies including the MHC, WA DOH and HSPs to further integrate planning and commissioning activities so that these are seen as relatively seamless from a service provider's and consumer's perspective.

1.1 Objectives of the WAPHA *Commissioning for Better Health* Framework

This *Commissioning for Better Health* Framework defines how WAPHA's commissioning activities will evolve, based on staff and stakeholder consultation, and has the following objectives:

1. To provide a statement of WAPHA's commitment to use commissioning of services in pursuit of its vision to improve health equity in Western Australian communities.
2. To provide a clear and comprehensive statement of WAPHA's approach and processes for the commissioning of primary care services across Western Australia.
3. To enable WAPHA to take a consistent approach in its needs assessment, service planning, service specification, contracting, performance management and evaluation activities.
4. To recognise WAPHA's role in leveraging commitment and action through partnerships with other funding agencies and service providers.
5. To support WAPHA and commissioned services in demonstrating:
    a. Strong alignment between the assessment of need and service delivery and outcomes, targeting improved equity.
    b. Service design and delivery incorporates evidence-based best practice and delivers value for money.
    c. Monitoring and evaluation of commissioned services is professional, robust, transparent and supports strong relationships.

2. WA Primary Health Alliance

2.1 About the WA Primary Health Alliance

The WA Primary Health Alliance was formed in 2015 as a company limited by guarantee in response to Australian Government reforms of primary care, a key element of which created Primary Health Networks (PHNs).

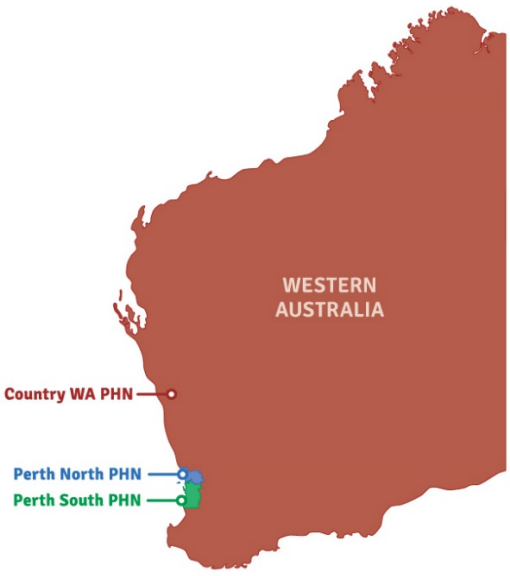
PHNs are responsible for identifying and addressing the primary health needs of their region through strategic planning, commissioning services, supporting general practice and other primary health care providers, and supporting the integration of local health care services.

The PHN program has two overarching objectives and seven priority areas (sometimes referred to as "pillars") for targeted work (Table 1).

Table 1 – PHN Program, Objectives and Priority Areas

PHN Program Objectives	PHN Priority Areas ("Pillars")
• Increase the efficiency and effectiveness of medical services, particularly for patients at risk of poor health outcomes • Improve the co-ordination of care to ensure patients receive the right care in the right place at the right time	• Aboriginal and Torres Strait Islander Health • Aged Care • Alcohol and Other Drugs • Digital Health • Mental Health • Population Health • Workforce

Figure 1 – Western Australian Primary Health Networks



There are thirty-one PHNs across Australia, including three in Western Australia: Perth North PHN, Perth South PHN and the Country WA PHN (Figure 1).

The Western Australian PHNs are geographically aligned with Western Australia's Health Service Providers (HSPs) (Table 2). This alignment is intended to support the development of integrated care across the full spectrum of health care services.

Table 2 – PHN – Health Service Provider Alignment

Western Australian PHN	Western Australian Health Service Provider (HSP)
• Perth South PHN	• East Metropolitan Health Service (part) • South Metropolitan Health Service
• Perth North PHN	• East Metropolitan Health Service (part) • North Metropolitan Health Service
• Country WA PHN	• WA Country Health Service

Uniquely within the PHN program, WAPHA was established as the accountable entity and organising body for all Western Australian PHNs following the Australian Government's acceptance of WAPHA's innovative proposal to align all three Western Australian PHNs under a single organisation.

2.2 WAPHA's Vision

WAPHA is committed to building the capacity of the primary care sector to contribute to the health and well-being of Western Australians, and to working in partnership across the spectrum of community, primary and acute services to make a difference.

Since its establishment, WAPHA's development and work has been guided by a clear vision, mission and set of strategic priorities, illustrated in Table 3.

The Vision, Mission, Values and Strategic Priorities define WAPHA's ambition for the primary care sector in Western Australia and how WAPHA will pursue it, including how it will evolve its role, capacity and organisational capability.

First and foremost, WAPHA is committed to improving health equity in Western Australian communities, targeting opportunities to improve access to services and health outcomes where the need is greatest.

WAPHA pursues this aim in an environment where the availability and range of services is highly variable across the State, with particular challenges of service supply and sustainability in rural and remote parts of Western Australia.

Capacity and relationship building across the sector are critical to WAPHA's ability to succeed.

Table 3 – WAPHA's Vision, Mission, Values and Strategic Priorities

Vision				
Improved health equity in Western Australia				
Mission				
To build a robust and responsive patient-centred primary health care system through innovative and meaningful partnerships at the local and State-wide level				
Values				
Humility	*Courage*	*Respect*	*Integrity*	*Wisdom*
Strategic Priorities				
Health Equity and Access	*Person-Centred Models of Care*	*Integrated and Outcomes Focused Commissioning*	*Strong Partnerships*	*Primary Care Capability*
WAPHA will identify barriers to access by applying an evidence-based monitoring and evaluation approach to prioritise the commissioning of services in the greatest area of need	WAPHA will address the priority health gaps and inequities identified by developing contextualised, person-centred models of care	WAPHA will commission services with a focus on quality and value-based outcomes	WAPHA will build sustainable relationships with clinicians, communities, providers and other stakeholders to improve coordination across the patient journey	WAPHA will uplift the capacity and capability in the primary care environment to support the development of a skilled and sustainable workforce

Table 4 – Program Expenditure by Western Australian Primary Health Network (PHN), 2017/18

Program	Program Expenditure by PHN				Program Purpose
	Perth North ($'M)	Perth South ($'M)	WA Country (S'M)	Total ($'M)	
Mental Health:					Mental health funding is provided to build and enable the capacity of PHNs to lead mental health and suicide prevention planning, commissioning, and integration of services at the regional level to improve outcomes for people with, or at risk of, mental illness and/or suicide.
Mental Health & Suicide Prevention	18.0	10.8	17.4	46.2	
Aboriginal Mental Health	1.0	1.2	2.4	4.6	
Flexible Funding	2.5	2.5	14.2	19.2	Flexible funding is provided to enable PHNs to respond to national health priorities as determined by the Australian Government, and local health priorities identified in the PHN's Needs Assessment.
Drug & Alcohol:					Drug and Alcohol funding is provided to support: drug and alcohol treatment services to reduce the impact of substance misuse on individuals, families, carers and communities; prevention and early intervention activities; development of drug and alcohol data; and service linkages – drug and alcohol, mental health, social, educational and vocational long-term support.
Drug & Alcohol Treatment Services	4.1	2.5	2.5	9.1	
Aboriginal Drug & Alcohol Treatment Services	0.2	0.2	1.7	2.2	
Integrated Team Care	1.5	2.6	4.7	8.8	Integrated Team Care funding provides Aboriginal and Torres Strait Islander people with access to effective, high quality health care services in urban, regional, rural and remote locations across Australia.
Innovation Funding	0.5	0.5	0.1	1.1	Innovation funding enables the Australian Government to invest in new and innovative models of primary care delivery that, if successful, can be rolled out across PHNs to become sustainable and scalable.
After Hours Primary Care	1.6	1.5	3.3	6.4	After hours primary care funding addresses gaps in After Hours service arrangements and improve service integration within each PHN Region.
Health Care Homes	0.2	-	-	0.2	Health Care Homes funding is provided to general practices that coordinate team-based care for enrolled patients with chronic or complex conditions. The Perth North PHN is a trial site for the program.
TOTAL	**29.6**	**21.9**	**46.3**	**97.8**	

2.3 What funding is available?

WAPHA channels Australian Government funding support for the primary care sector in Western Australia, and is wholly funded by the Australian Government for this purpose.

Funding is allocated by PHN and by program, as illustrated by Table 4 for program expenditure in 2017/18. Except within pre-determined limits, WAPHA is unable to vary allocations by PHN or program except with the approval of the Australian Government Department of Health.

Australian Government funding through WAPHA for primary care services in Western Australia has increased substantially since WAPHA's establishment.

Expenditure on services and programs was $40 million in 2015/16, increasing to $67.8 million in 2016/17 and $97.8 million in 2017/18. In 2018/19 Australian Government funding support for primary care through WAPHA will exceed $100 million.

Approximately 50% of program expenditure is on mental health services and a further 13% on drug and alcohol treatment support.

Approximately 20% of program expenditure is through flexible funding, allowing WAPHA to respond to national priorities and local needs through commissioning services. Other key programs include the Integrated Team Care program, facilitating access by Aboriginal Western Australians to health care services across the spectrum of care, and support for people to access After Hours Primary Care arrangements.

Table 5 illustrates where increased funding was applied between 2016/17 and 2017/18.

Table 5 – Program Expenditure, All Western Australian PHNs, 2016/17 to 2017/18

Program	**Program Expenditure, All Western Australian PHNs**			
	2016/17	**2017/18**	**Change, 2016/17 to 2017/18**	
	($'M)	**($'M)**	**($'M)**	**(%)**
Mental Health	37.5	50.8	13.3	35.5%
Flexible Funding	13.9	19.2	5.3	38.1%
Drug & Alcohol Treatment	3.6	11.3	7.7	213.9%
Integrated Team Care	8.0	8.8	0.8	10.0%
After Hours Primary Care	3.0	6.4	3.4	113.3%
All Other Programs	1.8	1.3	- 0.5	-27.8%
TOTAL PROGRAM EXPENDITURE	**67.8**	**97.8**	**30.0**	**44.2%**

3. Better Health for Western Australians

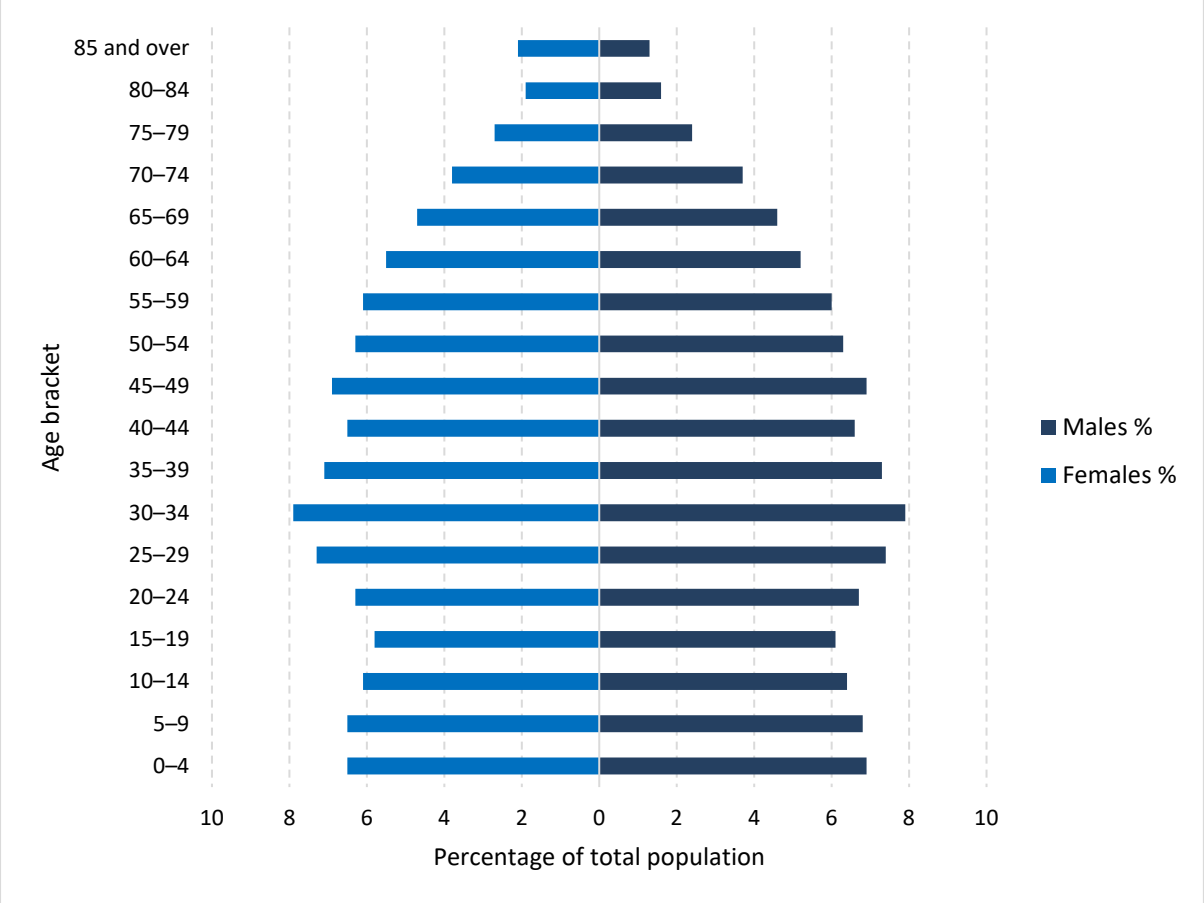
WAPHA's vision is to improve health equity in Western Australian communities. In commissioning services, WAPHA is committed to ensuring that the available funding is directed towards priorities which are informed by in-depth understanding of health needs and service supply, and where investment in services can improve health equity.

The following health and service supply data is sourced from WAPHA's Needs Assessments for the period 2019-2022.

3.1 Population characteristics

Western Australia has a population of 2.6 million people,[2] accounting for 10.4% of the Australian population. The State occupies one-third of the Australian continent, covering a geographical area of 2.5 million square kilometres. Most of the population resides in the Perth metropolitan area while approximately 500,000 people (19%) live in regional and remote areas.

Figure 2 – Western Australian population, age and gender structure, 2016



[2] Commonwealth of Australia (2018) *Australian Demographic Statistics.* Australian Bureau of Statistics. March 2018 Quarter update.

The median age of people living in Western Australia at the time of the 2016 Census was 36 years. Children aged 0-14 years made up 19% of the population and people aged 65 years and over made up 14% of the population (Figure 2).

Aboriginal and Torres Strait Islander (ATSI) people make up 3.1% of the population with a median age of 23 years. In contrast to the non-Aboriginal population, 58% of Aboriginal Western Australians live in regional and remote areas.

At the time of the 2016 Census, 65% of people living in Western Australia were Australian-born. The top 10 countries accounting for people who were born overseas were the United Kingdom (10%), New Zealand (3.4%), India (2.1%), South Africa (1.8%), The Philippines (1.3%), Malaysia (1.3%), China (1.2%), Italy (0.9%), Ireland (0.8%) and Vietnam (0.7%).[3]

Between 2001 and 2016, Western Australia's population grew by a third, and its changing composition is illustrative of changing patterns of migration.

Overall, the percentage of people living in Western Australia who were born in Australia declined from 71% to 65% between those two years, and the contribution to overall population growth by migration from the United Kingdom also declined (although the United Kingdom remained the largest single source of overseas migration to Western Australia over that period).

3.2 Health status

Like other Australians, Western Australians overall enjoy among the best health status in the world, as measured by life expectancy at birth. Western Australian children born between 2014 and 2016 could expect to live 80.3 years (boys) and 84.8 years (girls).[4]

However, this overall picture masks significant areas of disadvantage in the Western Australian community as health status is strongly influenced by socio-economic characteristics and where people live.

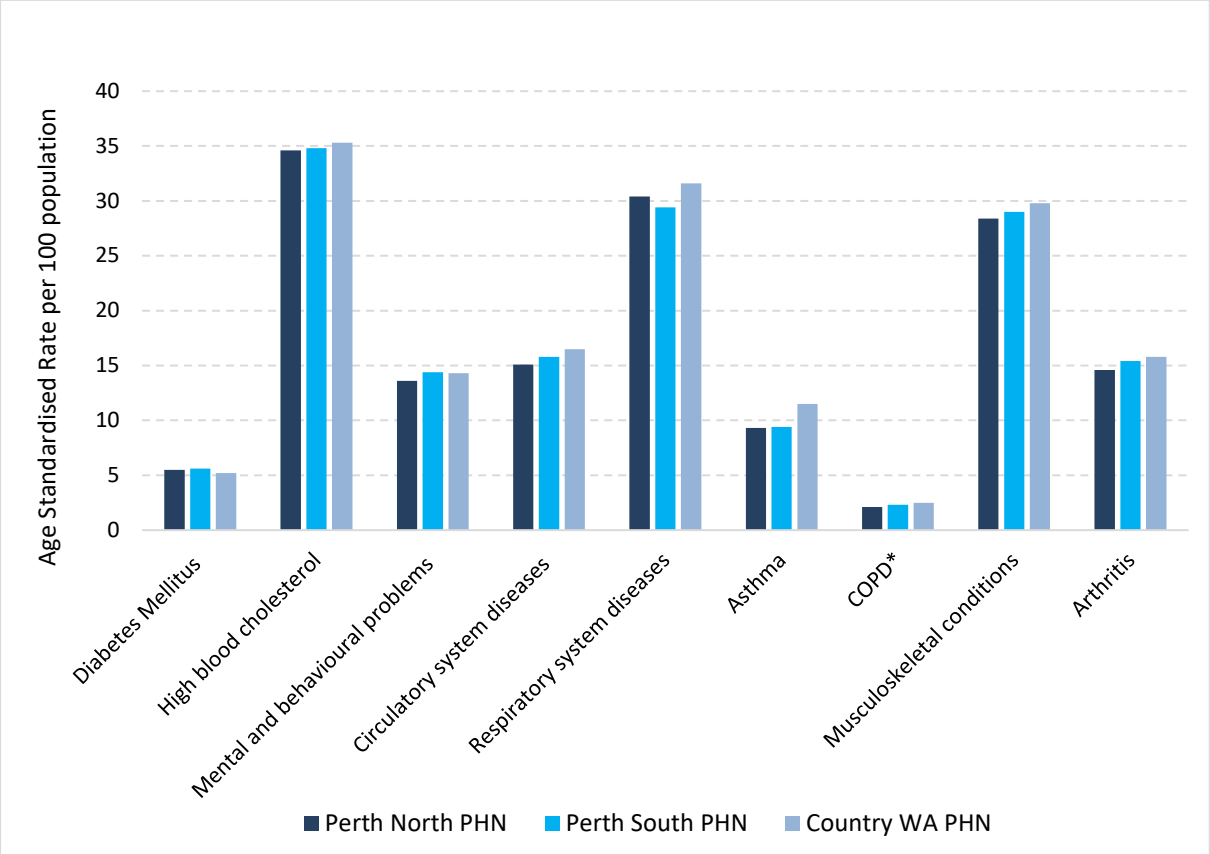
3.2.1 Chronic disease prevalence

Chronic diseases and lifestyle risk factors are major issues across the State and are prevalent in both affluent and lower socio-economic communities. Hospitalisations for chronic conditions continue to be high, particularly in regional and rural areas.

High blood cholesterol levels (as a marker for risk of coronary artery disease), respiratory system diseases (e.g. asthma, bronchitis, emphysema) and musculo-skeletal conditions are the most prevalent chronic diseases across all three Western Australian PHNs, followed by circulatory diseases and mental health conditions (Figure 3).

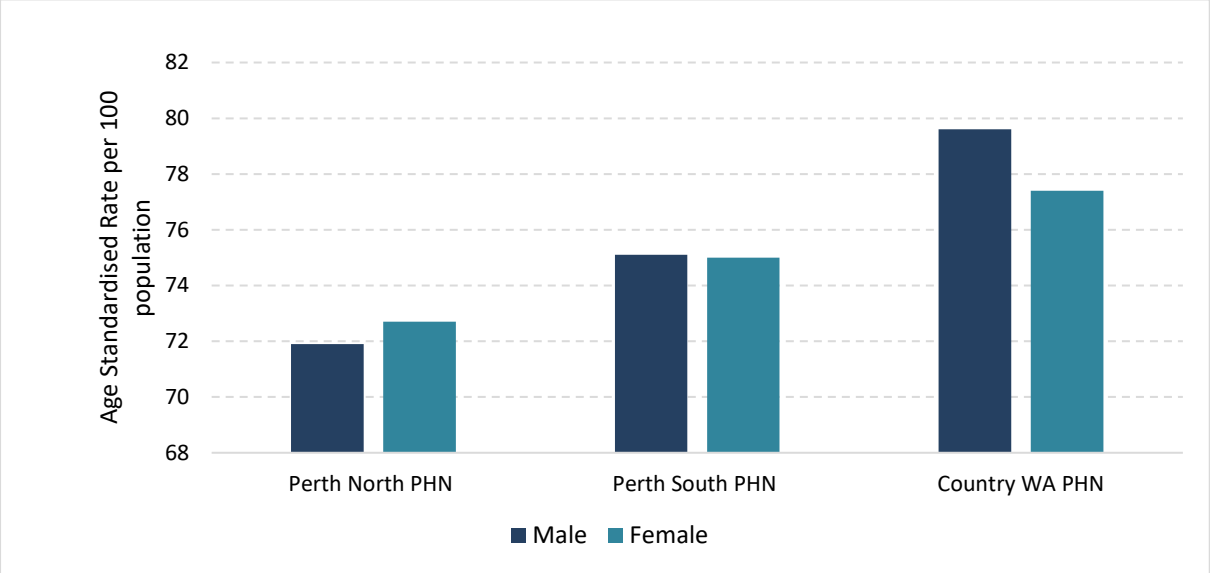
[3] Commonwealth of Australia (2018) *Migration, Australia, 2016/17.* Australian Bureau of Statistics. Catalogue Number 3412.0. October 2018 update.
[4] Commonwealth of Australia (2018) *Life tables, States, Territories and Australia, 2014-2016.* Australian Bureau of Statistics.

Figure 3 – Chronic disease prevalence, age-standardised rate per 100 people, 2011-2012[5]



*Chronic Obstructive Pulmonary Disease

Figure 4 – One of four risk factors for adults aged 18 years and older (age standardised rate per 100) by PHN, 2014-2015[6]



[5] Public Health Information Development Unit (2018) *Social Health Atlas of Australia.* July 2018. Torrens University Australia.

[6] Public Health Information Development Unit (2018) *Social Health Atlas of Australia.* July 2018. Torrens University Australia.

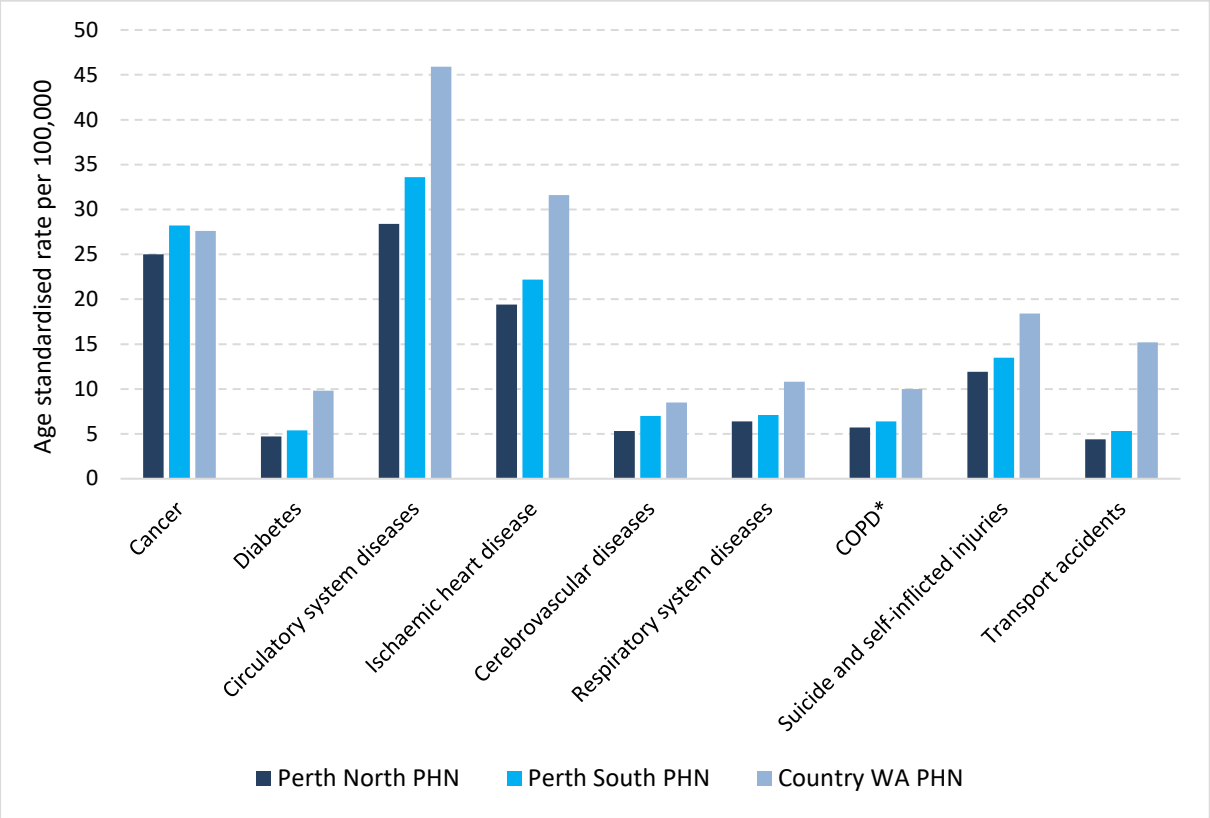
As Figure 4 illustrates, in country WA nearly four in five adult men have at least one of the following risk factors for chronic disease: current smoker, high alcohol intake, obese, low or no exercise. Three-quarters of adult men and women in the Perth South PHN have at least one of these chronic disease risk factors.

3.2.2 Avoidable mortality

The term avoidable mortality refers to deaths from conditions that are potentially preventable through individualised care and/or treatable through existing primary or hospital care.

The main conditions contributing to avoidable mortality in the Western Australian community are cancers, diseases of the circulatory system (e.g. high blood pressure, pulmonary heart disease), and ischaemic heart disease (Figure 5).

Figure 5 – Age-standardised rate of avoidable mortality by cause, people aged 0-74 years, by PHN, 2010-2014[7]



*Chronic Obstructive Pulmonary Disease

For almost all leading causes of potentially avoidable mortality, the highest rates are evident in the Country PHN, with markedly higher rates apparent among country residents for circulatory system diseases, ischaemic heart disease, and transport accidents.

[7] Public Health Information Development Unit (2018) *Social Health Atlas of Australia.* July 2018. Torrens University Australia.

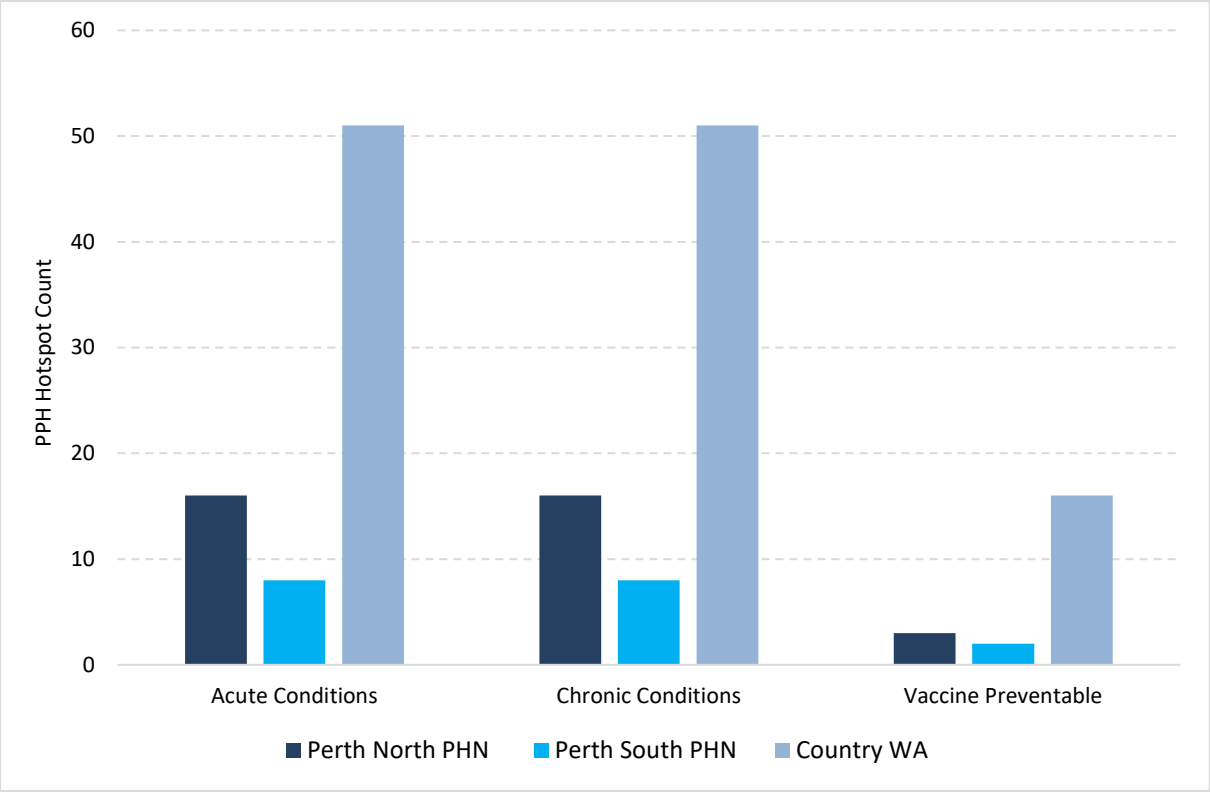
3.2.3 Hospitalisation

Most people who are living with chronic conditions require access to hospital care as inpatients or outpatients at some point as their disease progresses. This may be necessary for assessment and treatment using diagnostic and treatment technology only available in a hospital setting or periodic review by a specialist team.

However, many hospital presentations are potentially preventable. This is a key area of interest for WAPHA, as they indicate where there is potential to shift the focus from acute to primary care to provide better continuity of care for patients who require ongoing support and education.

The *Lessons of Location* report[8] prepared jointly by WAPHA and the WA Department of Health, highlighted geographical hotspots associated with potentially preventable hospital admissions. Hotspots are geographical areas with a hospitalisation rate at least 1.5 times higher than the State average for a specific condition.

Figure 6 – Potentially preventable hospitalisation hotspots by PHN, 2013-14 to 2015-16



As Figure 6 illustrates, the majority of potentially preventable hospitalisation hotspots are located in the Country WA PHN.[9]

[8] WA Department of Health & WA Primary Health Alliance (2017) *Lessons of Location: Potentially Preventable Hospitalisation Hot Spots in Western Australian 2017.*

[9] Acute conditions include dental conditions, urinary tract infections, ear, nose and throat infections, cellulitis, convulsions and epilepsy. Chronic conditions include diabetes complications, chronic obstructive pulmonary disease, angina, chronic heart failure and iron deficiency anaemia. Vaccine preventable conditions include instances of influenza and pneumonia that were vaccine preventable, and diseases that could have been prevented through childhood vaccinations.

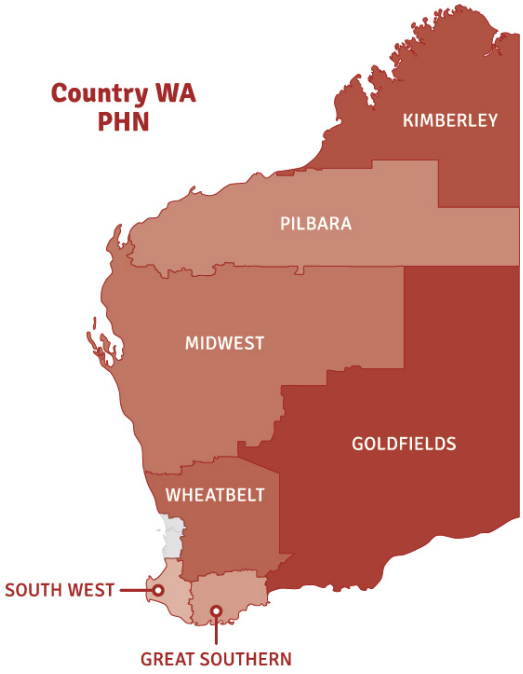
The Kimberley is a PPH hotspot for acute, chronic and vaccine preventable conditions. As an example, ear, nose and throat hospitalisations in the Kimberley occur at a rate that is more than nine times the State average. Other country regions, notably the Pilbara and the Mid-West, are similarly hot-spot locations for conditions such as cellulitis, chronic heart failure, and angina.

3.3 Country WA Primary Health Network

Covering an area of nearly 2.5 million square kilometres, the Country WA PHN is the largest PHN in Australia in terms of geographical coverage, being nearly twice the size of the Northern Territory PHN, the second largest.

The Country WA PHN is fully aligned with the boundaries of the State's WA Country Health Service (WACHS), and reflects the same regional structure, with minor variation to regional boundaries (Figure 7).

Figure 7 – Country WA Primary Health Network



Each country region has a unique character and experiences different health needs and service availability.

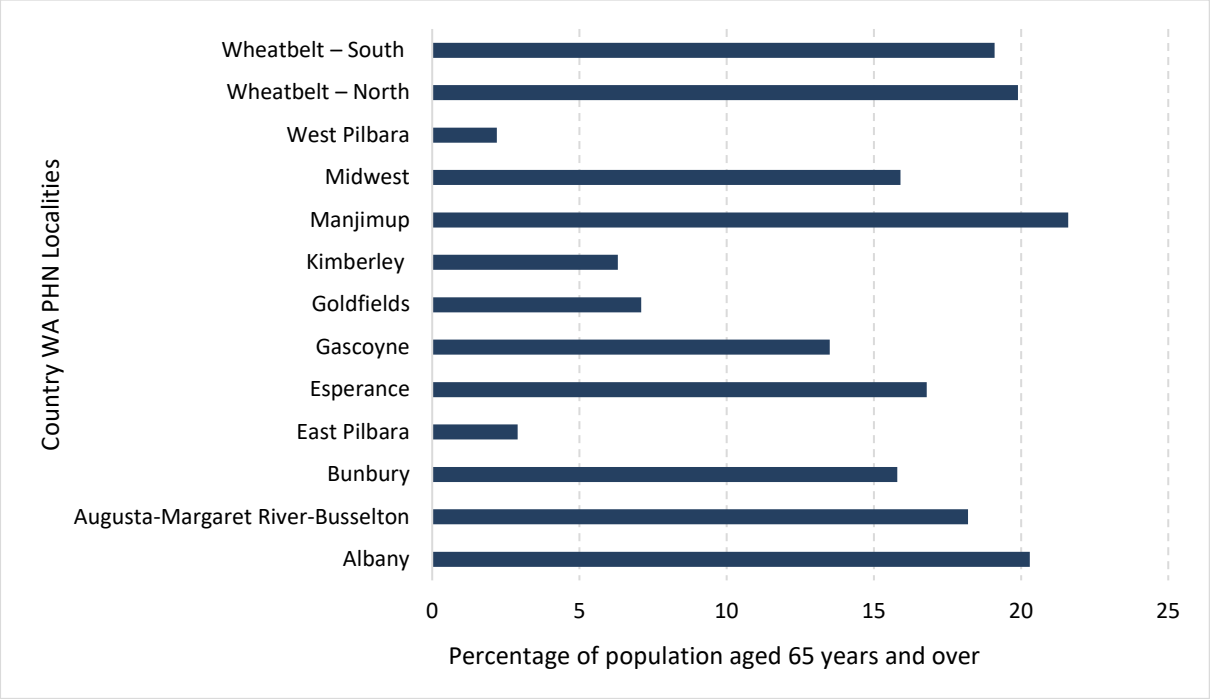
Country WA PHN's remoteness and rurality are contributing factors to poorer health outcomes and poorer levels of service access. In fact, four of the seven regions in the Country WA PHN – Kimberley, Pilbara, Mid-West and Goldfields – are classified as very remote according to the Accessibility/Remoteness Index of Australia (ARIA).

3.3.1 Population characteristics

People identifying themselves as Aboriginal or Torres Strait Islander account for a significantly higher proportion of the population in country (9%) than across the State as a whole (3%). Six percent of the Country WA PHN population were born in predominately non-English speaking countries.

The South West regions (Great Southern, South West and the Wheatbelt) have a larger proportion of older residents than the very remote regions of the State (Kimberley, Pilbara, Goldfields and Mid-West) (Figure 8).

Figure 8 – Persons aged 65 years and over, by locality in Country WA PHN, 2016[10]



The older populations are expected to grow in the South West region with currently limited access to residential aged care facilities and primary health care providers, particularly allied health. Country WA PHN has some of the lowest socio-economic localities in the State, with particular disadvantage evident in the Kimberley, Pilbara and Mid-West regions.[11]

3.3.2 Health status

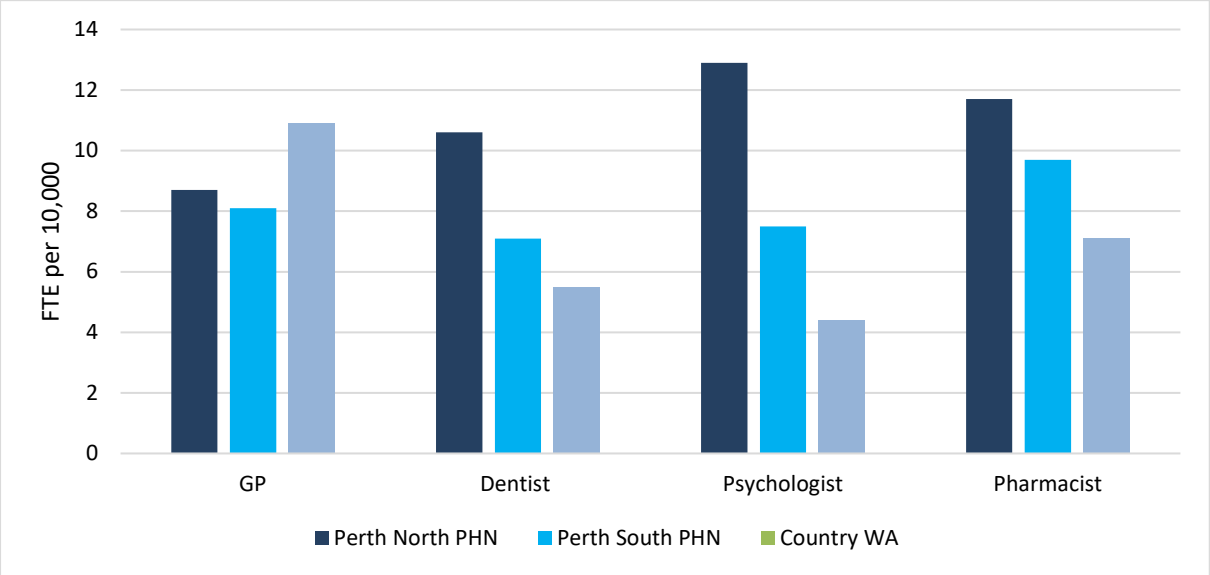
People living in Country WA experience high rates of PPHs and high rates of avoidable death.

Country WA has a relatively high supply of general practitioners compared to Perth North and Perth South PHNs. However, this supply is maldistributed.

[10] Public Health Information Development Unit (2018) *Social Health Atlas of Australia.* July 2018. Torrens University Australia.
[11] Public Health Information Development Unit (2018) *Social Health Atlas of Australia.* July 2018. Torrens University Australia.

Despite higher health needs in Country WA, access to primary health practitioners (other than GPs) is lower compared to the metropolitan region. The Wheatbelt had the least access to primary health practitioners followed by the Pilbara.

Figure 9 – Health practitioner FTE per 10,000 residents, by PHN, (2016)[12]



The Kimberley has the poorest health outcomes in the State with the highest hospitalisation rates and avoidable death. Compared to other regions in Country WA, the Kimberley has more health practitioners, however utilisation of these services is low.[13]

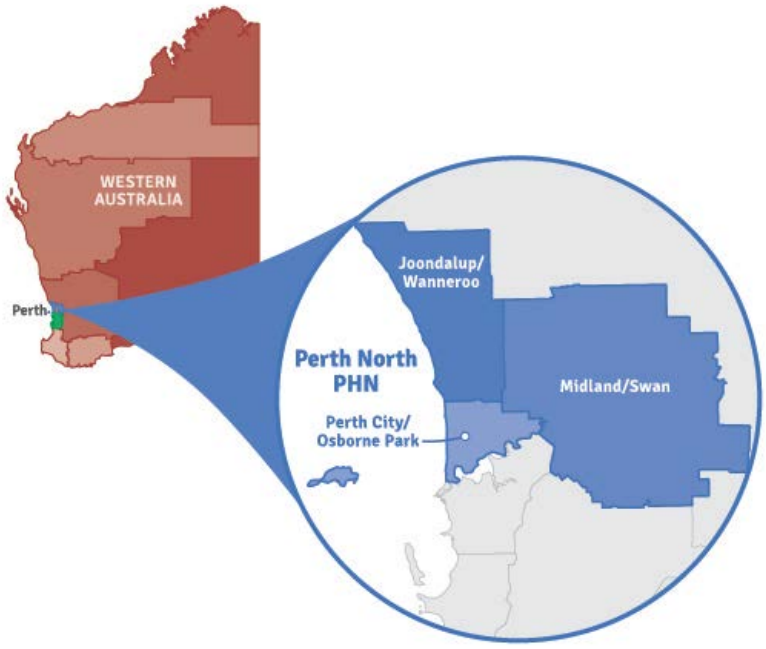
The Kimberley also has the largest homeless population in the State and is the region with the lowest socio-economic index.[14]

3.4 Perth North Primary Health Network

The Perth North PHN covers 2,975 square kilometres, and has a population of more than a million Western Australians. The communities served by the Perth North PHN are mixed, comprising inner city high density living and outer metropolitan suburban and agricultural areas (Figure 10).

[12] Commonwealth Department of Health. *National Health Workforce Dataset* (2016)
[13] WA Primary Health Alliance (2018) *Country WA Primary Health Network Needs Assessment 2019-2022.*
[14] WA Primary Health Alliance (2018) *Country WA Primary Health Network Needs Assessment 2019-2022*

Figure 10 – Perth North Primary Health Network



3.4.1 Population characteristics

There are an estimated 14,000 people who identify themselves as Aboriginal or Torres Strait Islander in the Perth North PHN catchment, and approximately 18% of the population were born in non-English speaking countries.

3.4.2 Health status

Perth North PHN has a relatively healthy population, however there are areas with poorer health outcomes. These areas are in lower socio-economic communities and areas with higher Aboriginal and migrant populations, being the localities of Bayswater-Bassendean, Kalamunda, Mundaring, Perth City, Stirling, Swan and Wanneroo.

Perth North PHN residents living in inner city areas and along the coastal corridor have better access to health services compared to other areas in Western Australia with four major public hospitals located in these regions (Sir Charles Gairdner Hospital, Royal Perth Hospital, Joondalup Health Campus and the St John of God Midland Public Hospital).

The rate of General Practitioner FTE per 10,000 residents for Western Australia is 8.7 FTE per 10,000 residents. However, in Perth City it is 18.8 FTE per 10,000 residents and in Cottesloe-Claremont it is 13.9 per 10,000 (Figure 11).

Older adult populations are typically high users of health services. Most older adults within Perth North PHN live in inner suburban areas with adequate access to health services (Figure 12). However, the number and proportion of older people are projected to rise in Mundaring and Kalamunda, an outer metropolitan area with limited access to primary care services and residential aged care facilities.

Figure 11 – General practitioner FTE per 10,000 residents, Perth North PHN, 2016

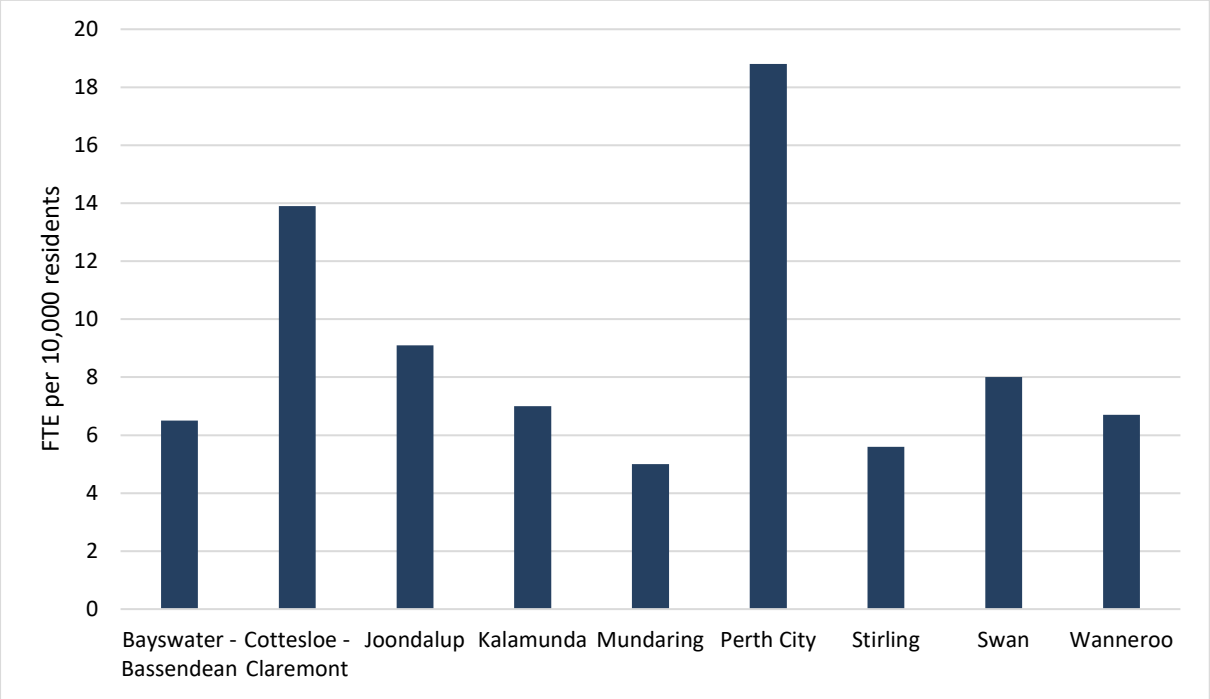
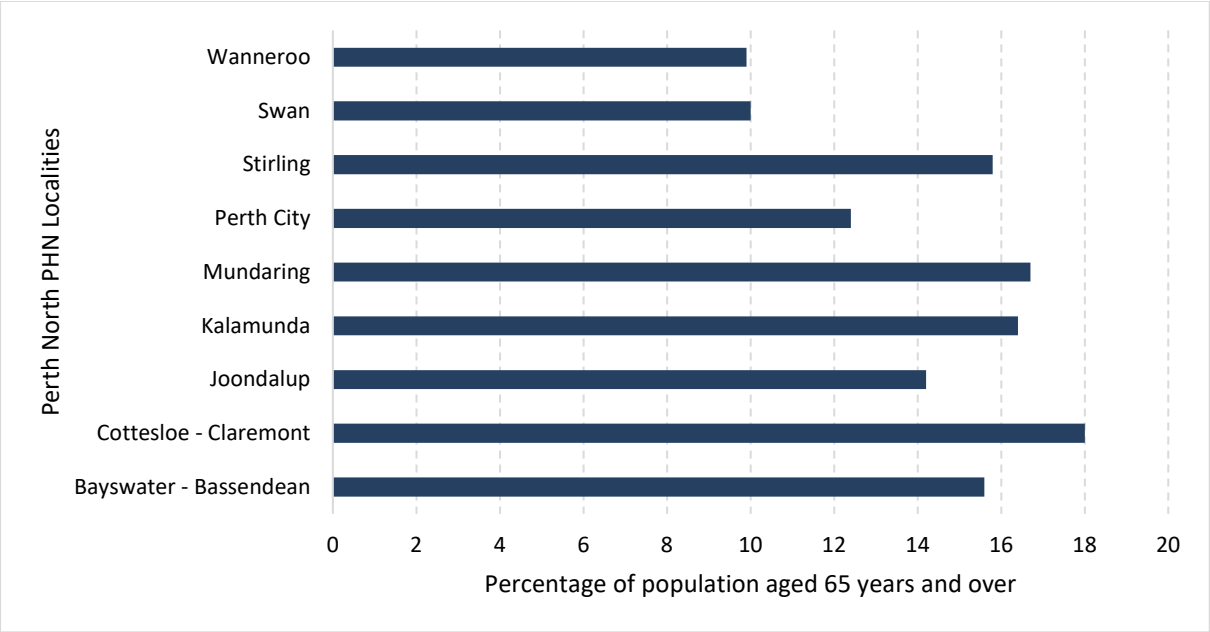


Figure 12 – Persons aged 65 years and over by Perth North PHN Localities, 2016[15]

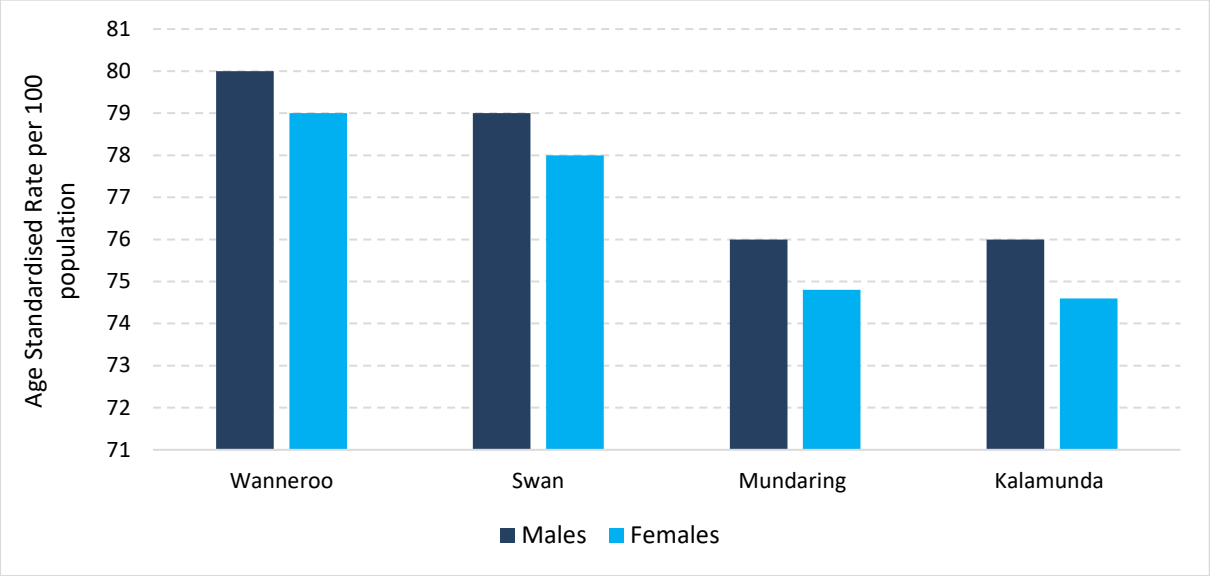


The main chronic diseases affecting residents of the Perth North PHN are respiratory and musculo-skeletal conditions followed by ischaemic heart disease and mental health conditions.

There is a high prevalence of known risk factors for chronic diseases, with four in five men and women in the Wanneroo and Swan localities having at least one of the following chronic disease risk factors: current smoker, high alcohol intake, obese, low or no exercise (Figure 13).

[15] Public Health Information Development Unit (2018) *Social Health Atlas of Australia.* July 2018. Torrens University Australia.

Figure 13 - One of four risk factors for adults aged 18 years and older (age standardised rate per 100) by PHN, 2014-2015 in selected Perth North PHN Localities, 2014-2015[16]



3.5 Perth South Primary Health Network

About 900,000 people live in the Perth South PHN catchment area making up 35% of the Western Australian population. This population lives in a 5,000 square kilometer area comprising inner suburban high density and outer metropolitan and agricultural communities (Figure 14).

3.5.1 Population characteristics

There are an estimated 17,000 people identifying themselves as Aboriginal or Torres Strait Islander in the Perth South PHN catchment, with the highest numbers found in Gosnells, Mandurah, and Rockingham. Approximately 20% of the population were born in non-English speaking countries.

The Perth South PHN has some of the lowest socio-economic areas in the Perth metropolitan region, being Armadale, Belmont, Kwinana and Mandurah. These localities have increased lifestyle risk factors for chronic disease, a higher prevalence of chronic disease, and higher hospitalisation rates.[17]

[16] Public Health Information Development Unit (2018) *Social Health Atlas of Australia.* July 2018. Torrens University Australia.
[17] WA Primary Health Alliance (2018) *Perth South Primary Health Network Needs Assessment 2019 – 2022.*

Figure 14 – Perth South Primary Health Network

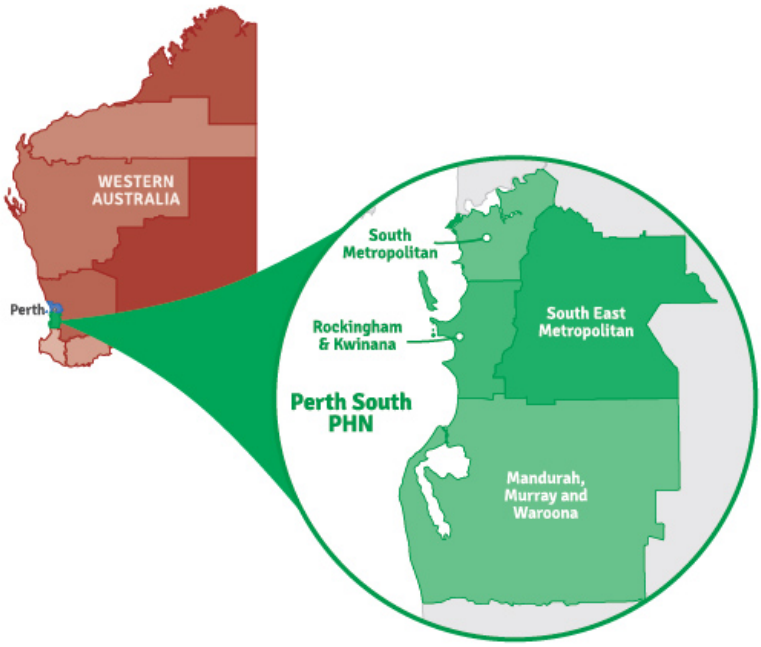
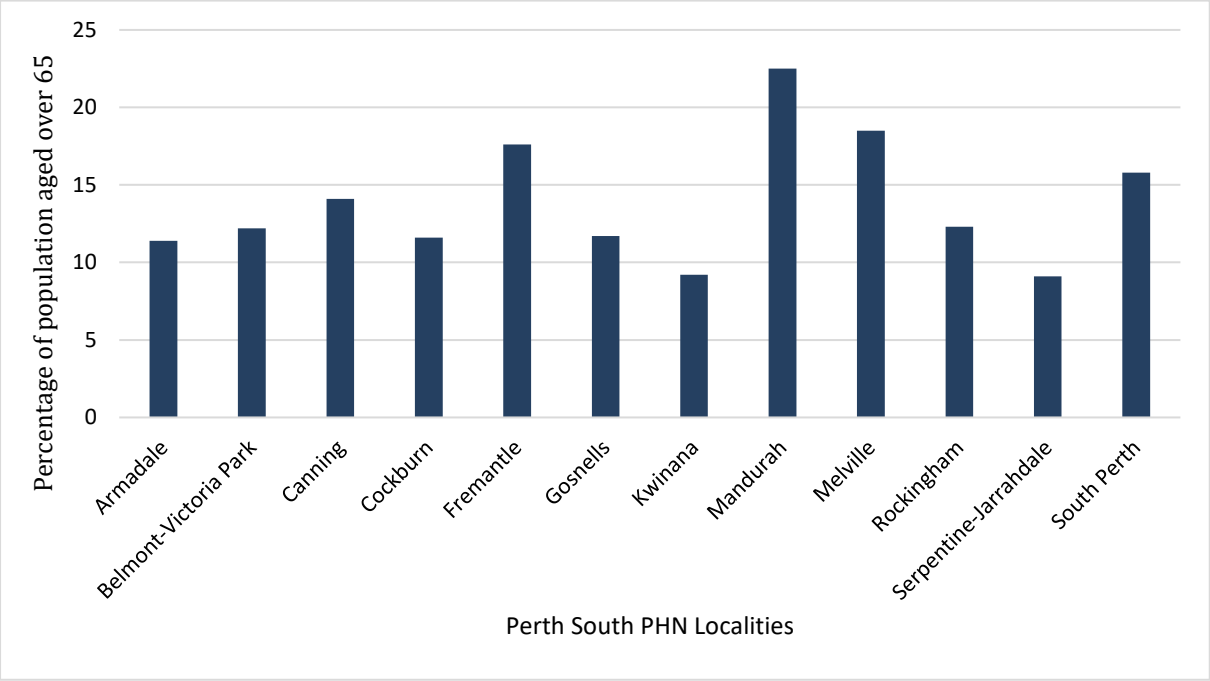


Figure 15 – Persons aged 65 years and over by Perth South PHN Localities, 2016[18]



[18] Public Health Information Development Unit (2018) *Social Health Atlas of Australia.* July 2018. Torrens University Australia.

3.5.2 Health status

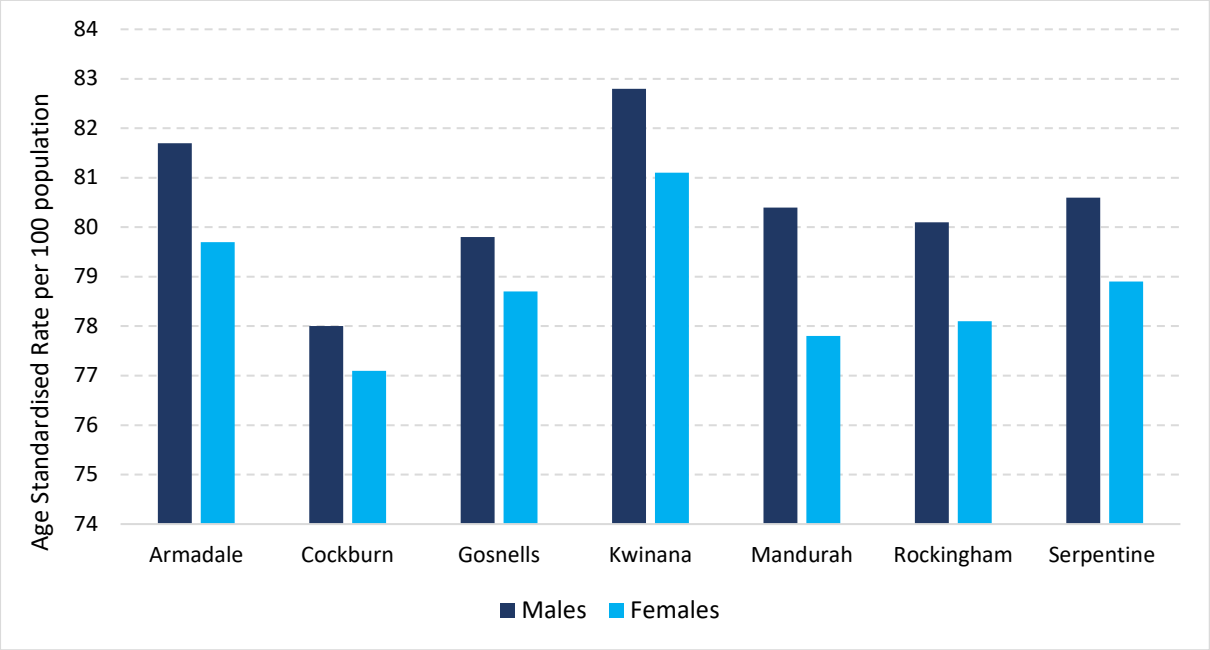
In WAPHA's needs assessment, health and service needs were consistently identified in Armadale, Belmont-Victoria Park, Canning, Cockburn, Fremantle, Gosnells, Kwinana, Mandurah and Rockingham.

Mandurah had among the highest rates of chronic disease in Perth South PHN with a large and growing older adult population with limited access to residential aged care facilities, low overall GP attendance, and higher hospitalisation rates.

The main chronic diseases affecting residents of the Perth South PHN are respiratory diseases and musculo-skeletal conditions followed by ischaemic heart disease and mental health conditions.

There is a high prevalence of known risk factors for chronic diseases, with four in five men in the Armadale, Kwinana, Mandurah, Rockingham and Serpentine localities having at least one of the following risk factors: current smoker, high alcohol intake, obese, low or no exercise (Figure 16).

Figure 16 – One of four risk factors for adults aged 18 years and older (age standardised rate per 100) by PHN, 2014-2015 in selected Perth South PHN Localities[19]



[19] Public Health Information Development Unit (2018) *Social Health Atlas of Australia.* July 2018. Torrens University Australia.

4. Commissioning in Primary Care

4.1 What is Commissioning?

A working definition of commissioning is:

> *"The act of committing resources, particularly but not limited to the health and social care sectors, with the aim of improving health, reducing inequalities, and enhancing patient experience."*[20]

Commissioning is frequently confused with procurement but actually encompasses a broader range of activities, of which service procurement is just one component.

Commissioning is often visualised as an iterative cycle of activities, involving the alignment of priorities and needs through service planning, engagement with end users and service providers to design interventions and build capacity, and monitoring and evaluation to assess impact and adjust service delivery accordingly.

While the concept of commissioning in health care incorporates and draws on market-based approaches to service procurement (including notions of competitive tendering, competition among providers, and service contracting to drive accountability and performance), the practice of commissioning in health care is strongly dependent on the effectiveness of relationships between funders and service providers:

> *"Commissioning tends to be a labour intensive process often undertaken in partnership with providers … The amount of work and extent of partnership working required is considerable."* [21]

Commissioning is a long-haul activity, not a quick fix.

It involves the commitment of considerable resources, in terms of scoping services aligned to evidence and incorporating a deep understanding of context and user experience. This can only be made possible through investment in partnership-building activities between funders, service providers and people accessing primary care.

In practice, commissioning involves a constant process of monitoring, review and re-design, adjustment to services, and relationship management often over a period of several years. Key success factors in commissioning have been identified from the international literature by work undertaken on behalf of the Australian Government (Table 6).

Commissioners must tread a careful path between competing tensions: pursuing market-based solutions while strengthening and building sector capacity through commitment to longer term relationships; and aligning interventions to evidence of what works, while supporting local flexibility in deployment in consultation with stakeholders.

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[20] Sobanja M. Cited in Commonwealth of Australia (2016) *Challenges and lessons for good practice. Review of the history and development of health service commissioning.* PwC, the King's Fund, and Melbourne University.
[21] Commonwealth of Australia (2016) *Challenges and lessons for good practice. Review of the history and development of health service commissioning.* PwC, the King's Fund, and the University of Melbourne.

Table 6 – Success factors in health service commissioning[22]

"Commissioners must have a defined role in strategic planning and purchasing at a local level, with sufficient influence and autonomy to undertake their responsibilities"
"Clinicians and the public should be actively engaged in commissioning and strategic planning to ensure that decision-making reflects the needs of patients and the population"
"Commissioning and contracting are not substitutes for establishing trust across stakeholders and investing in high quality relationships, particularly with clinicians and the public"
"Commissioning systems need to allow for local flexibility, local commissioners must be able to adapt depending on a range of factors including the quality of local relationships and the degree of competition between providers"

Ultimately, commissioning for primary care services is a relational and not a transactional activity. It values and focuses on building and continually developing strong partnerships as the basis for providing person-centred care.

4.2 What's in the PHN Commissioning Framework?

The PHN program was established by the Australian Government with commissioning at its core. The PHN Commissioning Framework (Figure 17) has been developed to help PHNs ensure that their commissioning approaches are consistent with the approach adopted for the PHN Program as a whole.

Figure 17 – PHN Commissioning Framework

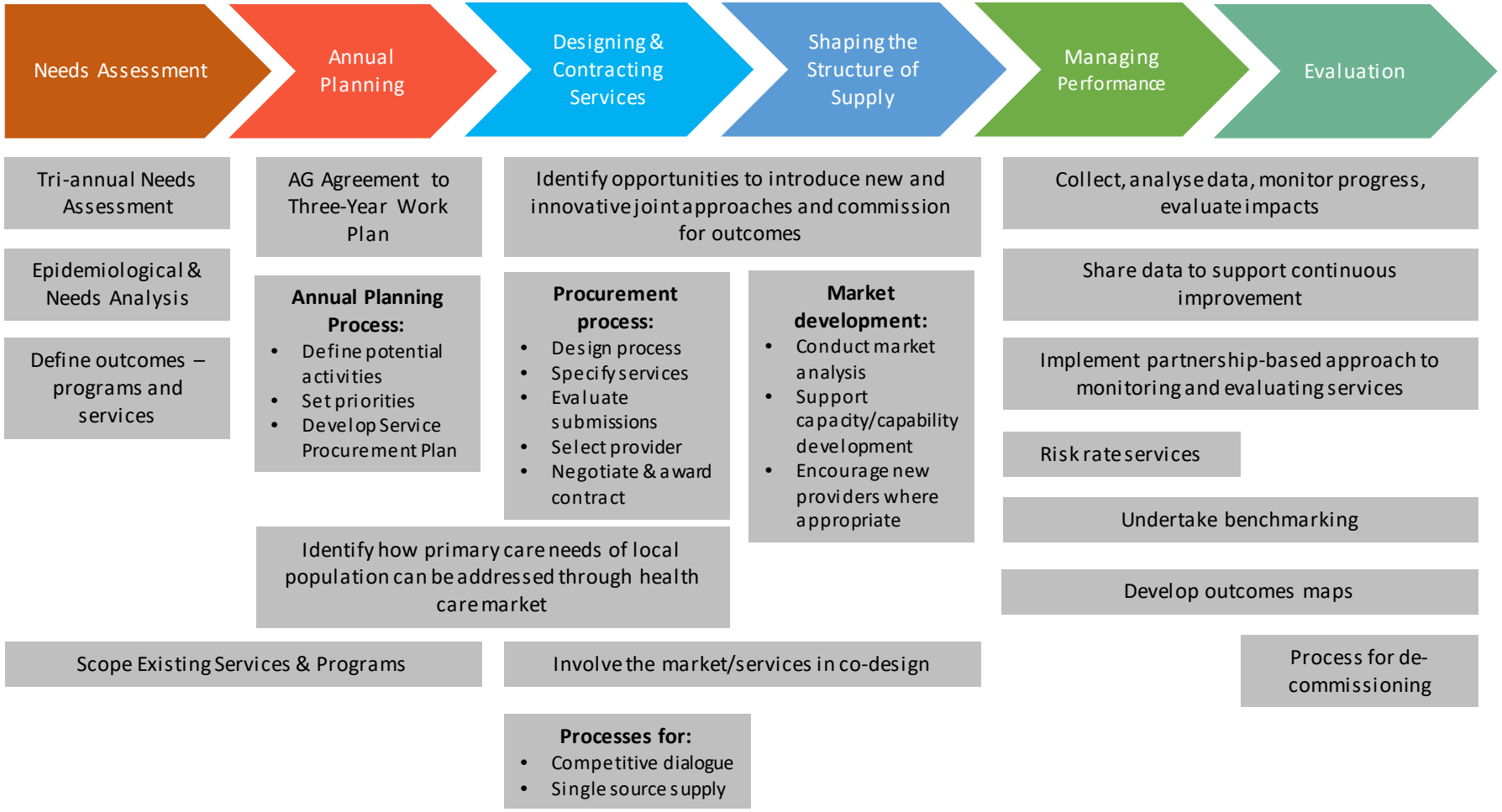
The key activities WAPHA undertakes in each component of the Commissioning Framework are illustrated in Table 7 and Figure 19.

[22] Commonwealth of Australia (2016) *Challenges and lessons for good practice. Review of the history and development of health service commissioning.* PwC, the King's Fund, and Melbourne University.

Table 7 – Commissioning activities

Framework Component	Activities
Needs Assessment	• Population health analysis at State, PHN and locality levels • Clinician and community engagement around priorities • Consultation with service providers and partner agencies (e.g. Mental Health Commission, WA Department of Health) • Community consultation
Annual Planning	• Setting the policy context and determining key priorities reflecting information gathered in the needs assessment • Approval and acquittal of annual work plans involving the Australian Government • Identifying health inequities and gaps • Mapping services, including services provided by other funding organisations • Developing partnerships
Designing and contracting services	• Identifying and implementing evidence-based and innovative solutions • Co-designing services with funding partners, service providers and consumers • Exploring opportunities to coordinate and integrate services • Exploring co-commissioning opportunities, and defining shared accountability for outcomes • Designing and approving accountable contracts, focused on quality, outcomes and value for money • Determining preferred procurement options and payment models
Shaping the structure of supply	• Supporting and building capacity in general practice and the primary care sector • Implementing key capacity builders, e.g. Comprehensive Primary Care, Health Care Homes, Health Pathways, My Health Record • Using procurement practices to shift the system as a whole
Managing performance	• Relationship management of service provider contracts • Managing performance and addressing performance issues
Evaluation	• Evaluating outcomes against the parameters in the Quadruple Aim for Health Care • Assessing quality, effectiveness, and value for money

Figure 18 – Commissioning Framework Process Map



4.3 Quadruple Aim in Health Care

In its approach to commissioning and engaging with service providers, WAPHA is guided by the objectives of the Quadruple Aim in Health Care, as illustrated in Figure 19.

Figure 19 – Quadruple Aim in Health Care[23,24]

The Triple Aim in Health Care was originally proposed in 2007 by the US Institute for Healthcare Improvement as a tool to aid the future planning and development of health services. The Triple Aim held that health system development should focus on three primary outcomes: improving the individual's experience of health care, improving the health of populations, and reducing the per capita cost of health care.[25]

More recently, a fourth outcome is increasingly being recognised as an additional dimension, namely improved clinician experience, thus making it a Quadruple Aim. The Quadruple Aim explicitly recognises that the health and well-being of the health workforce is foundational if the other aims are to be achieved.

[23] Illustrative figure taken from Australian Government Department of Health (2018) *Health Care Homes Team Care Handbook.* December 2018.
[24] Bodenheimer T & Sinsky C (2014) *From Triple to Quadruple Aim: Care of Patient Requires Care of Provider.* Annals of Family Medicine November/December 12: 573-576.
[25] Berwick D. *The triple aim: care, health and cost.* Health Affairs, 2008: 27: 3: 759-769.

The Quadruple Aim philosophy and approach are a lynchpin in contemporary PHN policy, adapted into the design of WAPHA's Outcomes Framework (Figure 20) and reflected in the design of key programs, such as the Comprehensive Primary Care program.

Figure 20 – WAPHA's Outcomes Framework objectives

Domain	Outcome Objective
• Person	• Improve patient experience
• Clinical	• Improve clinical/health outcomes
• System	• Improve collaboration and coordination across services
• Provider	• Improve clinician/staff experience

4.4 WAPHA's Commissioning Environment

PHNs operate as part of the broader health system, and collaborate with health system partners to support the delivery of seamless health care to the maximum extent possible. The health care landscape differs across Australia, and the evolving roles of PHNs in each State and Territory will be influenced by these differences.

The need to provide a strong organising focus around primary care acknowledges the fragmentation in the Australian health and social care system.

Without strong and coordinated action directed at building pathways and linkages between all services involved in responding to an individual's health and social care needs, people who often have complex care needs are left having to negotiate between different service providers, funding streams and care systems.

The ideal of seamless, person-centred care ultimately requires coordinated action and support for individuals across the full spectrum of their care needs.

4.4.1 Mental Health Commission

In Western Australia's case, commissioning roles and responsibilities for many community-based mental health and drug and alcohol services are shared between WAPHA and the Western Australian Mental Health Commission (MHC).

As WAPHA channels Australian Government funding support for primary mental health and drug and alcohol services in Western Australia, so does the MHC for State funding for the community sector.

In 2017/18, the MHC provided $20.5 million for prevention activities, with a significant focus on suicide prevention activities in schools and community settings, and $44.8 million for community support services working in the mental health and alcohol and other drugs sector.[26]

[26] Mental Health Commission (2018) *2017/18 Annual Report*.

As expenditure on mental health and drug and alcohol services accounts for two-thirds of WAPHA's total expenditure on services, a high priority is placed on integrated planning and service mapping, joint commissioning of services and the definition of mutual roles and responsibilities between WAPHA and the MHC. Mutual recognition between the two commissioning agencies is supported by a Memorandum of Understanding and joint working arrangements on a range of issues.

Through the Fifth National Mental Health and Suicide Prevention Plan, the Australian and all State and Territory Governments committed to joint regional planning for integrated mental health and suicide prevention services.[27]

Governments require PHNs and Health Service Providers (HSPs) to jointly develop and publicly release joint regional mental health and suicide prevention plans by mid-2020. These joint plans will provide a regional platform for addressing many problems which people with lived experience of mental illness or suicide and their carers and families currently face. This includes fragmentation of services and pathways, gaps, and duplication and inefficiencies in service provision.

4.4.2 WA Health

The State health system comprises the Western Australian Department of Health (WA DOH) and five board-governed Health Service Providers (HSPs) – the Child & Adolescent Health Service, East Metropolitan Health Service, North Metropolitan Health Service, South Metropolitan Health Service, and the WA Country Health Service.

The WA Health budget for 2018/19 is $8.8 billion[28] most of which is allocated for public hospital inpatient, emergency department, outpatient, and mental health treatment services.

A key area of focus in the developing relationship between WAPHA and the WA health system is on the provision of integrated care for people with chronic diseases, e.g. chronic heart failure, and chronic obstructive pulmonary disease (COPD). General practice has a leading part to play in the community management of patients with chronic disease, including local coordination and leadership of multidisciplinary care, and managing the transition of care at referral and discharge.

Properly structured and supported, primary care-led chronic disease early intervention and management can make a big contribution to reducing the large number of potentially preventable hospitalisations for these conditions.

The *Lessons of Location* report, prepared jointly by WAPHA and WA DOH, estimated that potentially preventable hospitalisations (PPHs) for vaccine-preventable illnesses, chronic and complex conditions, and the exacerbation of acute medical conditions, accounted for approximately 6% of all hospital admissions in the period 2010-2014.

[27] Council of Australian Governments Health Council (2017) *Fifth National Mental Health and Suicide Prevention Plan* (available from the COAG Health Council website: www.coaghealthcouncil.gov.au)
[28] Government of Western Australia (2018) *Western Australian State Budget 2018/19. Budget Paper No.2*

The report estimated that PPHs cost the State health system over $350 million per annum.[29]

Integrated care planning is a key strategy for addressing the potential of primary care to make a bigger contribution in chronic disease management. An illustration of what can be achieved is evident in NSW where Integrated Care Strategies, jointly developed between PHNs and their partner health services, are now guiding practical, patient-oriented health care integration activities.

4.4.3 Aboriginal Community Controlled Health Services

Aboriginal Community Controlled Health Services (ACCHS) provide dedicated primary care services for Aboriginal people. ACCHSs are directly funded by the Australian Government for the provision of these services.

In Western Australia, there are 22 ACCHSs, part of a national network of 144 such services across Australia.

The Aboriginal Health Council of Western Australia (AHCWA) provides a range of advocacy, governance support, and service support functions for ACCHSs across the State.

ACCHSs emphasise the importance of Aboriginal people receiving primary care in the context of their community – the health and well-being of Aboriginal people is best promoted and maintained by the whole community working together.

There is also a strong emphasis on primary care delivery in disease prevention and health promotion, through programs including child and maternal health, oral and dental health, men's and women's health, eye and ear health, and preventative programs focused on smoking cessation and healthy eating.

A strong and mutually respectful and supportive partnership between WAPHA, AHCWA and the ACCHS sector promotes understanding, and helps to ensure that the two main Australian Government funding streams for primary care support in Western Australia can have maximum impact. This shared commitment is reflected in the Memorandum of Understanding agreed by WAPHA and AHCWA setting out guiding principles for working together in the interests of all Aboriginal Western Australians.

[29] WA Department of Health & WA Primary Health Alliance (2017) *Lessons of Location: Potentially Preventable Hospitalisation Hot Spots in Western Australian 2017.*

4.4.4 Partner organisations

WAPHA seeks to build strong and collaborative partnerships with organisations operating in and around the primary care sector in Western Australia in advocacy, policy development and supporting roles.

All have a part to play in strengthening the sector and ensuring that the full potential of primary care services is developed to maximise their contribution to the health and well-being of Western Australians.

Key partners, in addition to AHCWA, include the WA Council on Social Service (WACOSS), Health Consumers' Council (HCC), WA Network of Alcohol and Other Drug Agencies (WANADA), the WA Association of Mental Health (WAAMH), the Royal Australian College of General Practitioners (RACGP), the Australian College of Rural and Remote Medicine (ACCRM), Rural Health West (RHW), the Australian Association of Practice Management (AAPM) and the Australian Primary Health Care Nurses Association (APNA).

5. Consultation on WAPHA's Approach to Commissioning

5.1 Consultation – key messages

WAPHA has approached the preparation of this *Commissioning for Better Health* framework as an opportunity to plan its future development as a commissioning organisation.

As part of the process, a series of stakeholder workshops was conducted around the themes of Strategic Planning, Procuring Services and Monitoring and Evaluation to provide input. Each workshop provided an opportunity to reflect on the operation of the framework in the first 3 years of WAPHA's existence, and to identify opportunities to improve into the future.

Table 8 records the key messages from the workshops.

Table 8 – Key messages from Commissioning Framework stakeholder workshops

Relationships	Strong and mutually respectful relationships between WAPHA (as funder) and commissioned services (as providers) are fundamental to the sustainability and effective delivery of services in the primary care sector. A commissioning cycle underpinned by clearly articulated principles and values, processes, accountability, consistency, predictability, timely communication, well-developed and readily applicable contracting tools, and effective stakeholder engagement is key.
Communication	Clear communication about the scope of what can and cannot be funded through Australian Government programs, and the priorities WAPHA wishes to pursue in collaboration with the primary care sector, is key to building and maintaining trust and strong relationships. Regular briefings and information sharing sessions would improve understanding of WAPHA's broader roles and help to bring services along.
Joined-up Commissioning	Achieving optimal consistency in commissioning on the part of all funding bodies involved in the primary care sector in Western Australia (WAPHA, Mental Health Commission, WA Department of Health, Health Service Providers, WA Department of Communities) is needed for effective stakeholder engagement and management, including to minimise compliance costs. Consistency and alignment in commissioning mental health and drug and alcohol treatment services should lead the way.

Table 8 – Key messages (continued)

Governance & accountability	WAPHA's accountability to the Australian Government through funding agreements and the PHN Performance and Quality Framework (PQF) needs to be better understood across the primary care sector, including the limits this accountability can place on WAPHA's ability to respond (e.g. local funding arrangements are influenced by national program decisions). WAPHA's broader role in shaping the health and social care system for Western Australians (e.g. advocacy on behalf of the primary care sector through the State's *Sustainable Health Review)* needs to be better understood within the sector.
Plan for the longer term	A strong desire for planning for the longer term, incorporating intelligence from the needs assessment and informed by stakeholder engagement, is evident. WAPHA is well positioned to develop a longer-term view of priorities to guide future investment, engagement activities, capacity building, sustainability and scalability of commissioned services, and linkages across government and with partner organisations to make a bigger impact.
Procurement processes	Transparency and good governance, underpinned by clear documentation and consistency of processes and approach, are key to a healthy procurement environment. Emphasis should be on getting the basics right, including market understanding/analysis, clear strategy and policy, procurement plans and guidelines, and justification for key procurement decisions.
Contracting consistency	Clarity about what WAPHA has prioritised, and improved understanding about the contracting process, are key drivers. Earlier engagement with service providers, standardisation in the use of outcome measures and performance indicators, and incorporating evaluation into the design of services and contracts at the outset were all identified as important areas for improvement. A tiered approach to performance management would allow more attention and resources to be applied to services which are having issues complying with contracts.
Contracting tools	The tools for contracting should be kept as simple as possible and fit for purpose. They should also be culturally sensitive and secure. Benchmarking is useful where supported by like-for-like data.

Table 8 – Key messages (continued)

Key enablers	Effective commissioning needs to be supported by key enablers. Timely access to information and data, data linkage, understanding of the primary care policy context, exploration of pooled funding opportunities with other funding bodies, further development and deployment of Health Pathways, and an enabled and responsive workforce will all contribute to an evolving culture of commissioning.

5.2 What does good commissioning look like?

With the benefit of staff and stakeholder consultation – and reflecting on the approach to commissioning by partner agencies like the Mental Health Commission and other PHNs across Australia – the following commissioning principles will guide and inform WAPHA's commissioning program.

5.2.1 Good commissioning improves health, targeting gaps in health status and improving health equity

From the outset, WAPHA has been clear that its vision is to achieve improved health equity in the Western Australian community.

Equity can be measured in a number of ways, but recognising the role of PHNs, it is taken to refer to a conscious effort to target resources to those communities and individuals:

- With demonstrably poorer health outcomes compared to the experience of Western Australians as a whole.
- Who experience disadvantage as a result of poor access to health and social care services compared to the rest of the community.

Through its needs assessment, and work to identify where there are unnecessary hospitalisations for diseases and conditions that can be effectively managed in primary care, WAPHA is building its capacity to target resources to where they can have the biggest impact on improving equity.

Further effort is required, however, to connect the assessment of opportunities to improve health equity with evidence-informed plans and the allocation of resources.

5.2.2 Good commissioning is well informed, using evidence of what works and demonstrating impact

There is a rich body of intelligence that can be drawn on when designing interventions aimed at improving health outcomes. Increasingly, WAPHA will look to tap into knowledge networks and subject matter expertise to inform the way it designs and commissions services. This includes the expertise of people who have lived experience. It will use trial methodologies to test the application of evidence in local contexts.

As a funder of services on behalf of the Australian Government, WAPHA has a responsibility to ensure that services are having the desired impact.

In the future the performance management of commissioned services will be more strongly aligned to the dimensions of the Quadruple Aims in Health Care – demonstrating cost effectiveness, achievement of agreed population health outcomes, the assessment of patient experience of care (including quality and satisfaction), and clinician satisfaction.

5.2.3 Good commissioning is culturally appropriate, valuing the continuing culture of Aboriginal Western Australians

Aboriginal Western Australians are part of the oldest continuing living culture in the world. They have a unique and continuing connection to the land and draw a special connection between the health of individuals and the health of the communities in which they live.

Our aim is to pay our respect to cultures, to enhance relationships and reduce health disparity and mortality among Aboriginal Western Australians. We are committed to *Closing the Gap* by improving health outcomes and access to services across the State.

WAPHA strives to foster engagement and partnership with Aboriginal people and communities that are built on respect and trust. We are committed to understanding the needs and aspirations of Aboriginal people across Western Australia, and to working collaboratively with organisations that support Aboriginal people.

5.2.4 Good commissioning recognises and values diversity in the communities we serve

The Western Australian community is diverse.

This diversity is reflected in people who identify themselves as lesbian, gay, bisexual, transgender, and/or intersex (LGBTI), and in the number of people living in Western Australia who have come here from different ethnic and linguistic backgrounds.

This diversity adds to the richness of Western Australia, making our State a more interesting, engaging and culturally and socially aware place for everyone to live.

But equally it is important to acknowledge that each community, whether it be recently arrived migrants from sub-Saharan Africa or young people identifying as LBGTI for the first time, faces unique challenges in terms of their health and access to services.

WAPHA needs to understand these challenges and be able to respond in a way that is inclusive, sensitive and culturally appropriate.

5.2.5 Good commissioning supports people to live in their own homes and communities, acknowledging that individuals have different needs

Health care is constantly changing.

Diagnostic and treatment services that could only be provided in hospital even 10 years ago can now be delivered in the home and community settings, with appropriate clinician, patient and carer support.

The average length of time people stay in hospital is reducing, and there is increasing awareness of the risks in remaining in hospital longer than is absolutely necessary.

These changes herald a broader role for primary care and community-based services, in partnership with specialist acute care services.

The coordination of all services required to support people who are living with complex, ongoing chronic diseases is a role that general practice is ideally placed to perform.

5.2.6 Good commissioning values innovation and flexibility in the delivery of services

A "one-size-fits-all" approach fails to recognise the uniqueness of individual personal circumstances and the need to tailor responses accordingly.

Through more effective knowledge management and engagement with partners and services, WAPHA will explore opportunities to innovate in the design and delivery of services.

Innovation needs to be underpinned by a clear assessment of risk as well as potential benefits. WAPHA will engage in equitable risk sharing arrangements to support innovation.

5.2.7 Good commissioning builds the capacity of primary care to contribute to the health and well-being of Western Australians

Primary care is the cornerstone of all health care systems.

Effective primary care plays a full part in helping people to lead full and healthy lives in their communities.

There is increasing recognition that primary care, working in collaboration with partners in acute care and social care, can do more to contribute to the health and well-being of Western Australians, relieving the burden on hospital services and providing appropriate care at the right time, in the right place.

5.2.8 Good commissioning builds strong relationships with partner organisations and service providers, valuing effective communication, consistency and predictability in engagement

Relationships of any kind are built on trust and a shared commitment to longer term goals, underpinned by open and transparent communication.

As a major funding agency, WAPHA acknowledges its responsibility to work collaboratively with partner agencies – peak organisations, WA DOH, MHC, health services, consumer groups, and service providers – to overcome service fragmentation and place primary care at the heart of the system.

WAPHA will be clear as to its priorities and where it sees opportunities to work in partnership with other funding agencies for the benefit of all Western Australians.

5.2.9 Good commissioning encourages integration of services across the care continuum, building collaboration across community, primary and acute care providers

The Australian health and social care landscape is complex, involving a matrix of different political accountabilities, funding responsibilities, and a multiplicity of service providers.

Traditionally, the health "system" has been highly fragmented, placing an undue burden of responsibility on people who rely on the system to navigate between the services they need.

Effective care coordination is key to the management of complex chronic conditions, such as chronic heart failure and chronic obstructive pulmonary disease; promoting better care coordination is a core reason why Primary Health Networks exists.

5.2.10 Good commissioning promotes community, consumer, family and carer engagement at all levels

The only people who see the whole of the system are those accessing care and navigating their way through the fragmentation and siloes.

A commitment to greater engagement with community, consumer, family and carers is made across all areas of national and State health policy, with services in the mental health, alcohol and other drugs and Aboriginal health sectors leading the way.

Consumer engagement is known to improve the quality and safety of health services as well as individual and population health outcomes, while also making health services more responsive to the needs of consumers.[30]

WAPHA will build community, consumer, family and carer engagement into all stages of the commissioning cycle.

[30] Johnson, A (2015) *Consumer and Community Engagement in Health Services: a literature review to support the development of an evidence-based Consumer and Community Engagement Strategy for the Women's and Children's Health Network.*

6. Commissioning for Better Health

6.1 WAPHA's Commissioning for Better Health Framework

WAPHA is committed to developing its role as a commissioner of primary care services on behalf of the Australian Government and using the commissioning process to pursue its vision of improved health equity for Western Australians.

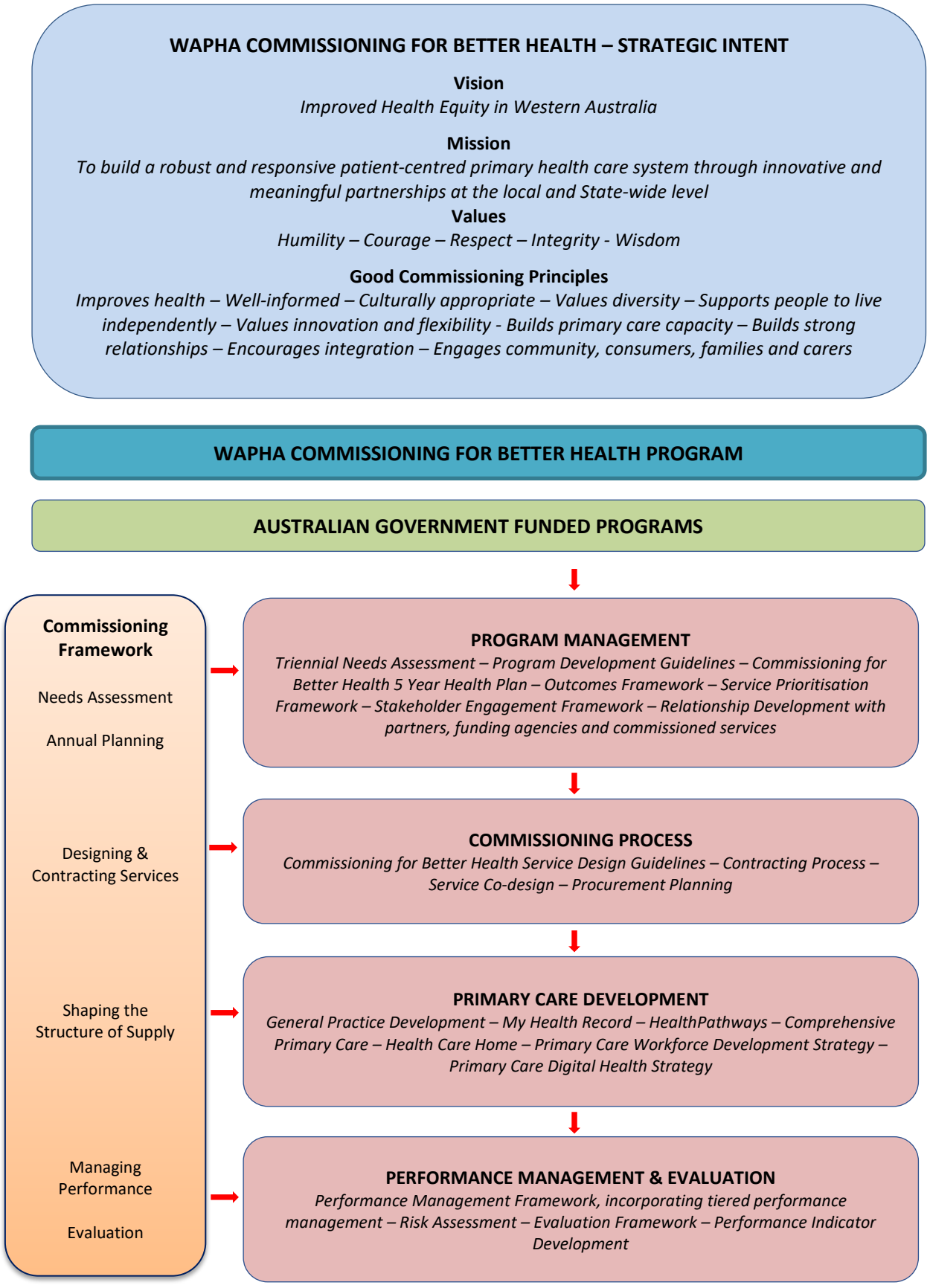
Building commissioning capacity will take time and will be evolutionary. It will respect the significant gains WAPHA has made in its first three years, and the key messages and themes from the consultation with WAPHA staff and stakeholders.

The PHN Commissioning Framework is clear; what is needed in the next phase of WAPHA's development is a commitment to clear actions to strengthen the delivery of components of the Framework, in partnership with other funding bodies and the primary care sector in Western Australia.

Figure 21 provides an overview of WAPHA's *Commissioning for Better Health Framework*. The Framework builds a direct connection between WAPHA's ambition around health improvement – expressed as the Strategic Intent underpinning the *Commissioning for Better Health* program – and work to develop WAPHA's commissioning capacity. This work is aligned to four streams of activity:

- **Program Management** – WAPHA will strengthen its capacity to translate policy and program objectives in each Australian Government funded program into clear priorities for action. A key component is a commitment to develop a *Commissioning for Better Health 5 Year Health Plan*, drawing priorities from WAPHA's needs assessment and looking forward over a 5-year horizon.
- **Commissioning Process** – WAPHA will strengthen its procurement planning and contracting processes and will aim to provide greater certainty to contracted services around contract renewals and processes and decisions for the allocation of new program funding.
- **Primary Care Development** – WAPHA will continue to lead and shape the development of the primary care sector in Western Australia, in partnership with other funding agencies, peak organisations and commissioned services across the sector. WAPHA will prepare a *Primary Care Workforce Development Strategy*, identifying gaps and risks in the primary care workforce, and committing to action to build workforce sustainability and capacity. Similarly, WAPHA will develop a *Primary Care Digital Health Strategy* to build capacity to use and exchange data and information to support good health care planning and decision-making.
- **Performance Management & Evaluation** – WAPHA will prepare a *Performance Management Framework* to guide its risk assessment and contract management of commissioned services. WAPHA will also prepare an *Evaluation Framework* to ensure that longer-term assessments of service and program impacts is incorporated into service design and contracts.

Figure 21 – WAPHA's Commissioning for Better Health Framework



6.2 Getting the Governance Right

WAPHA has built robust internal governance to support the accountabilities of the WAPHA Board and timely and inclusive internal decision-making.

Strong connection to community is of fundamental importance in commissioning services, and WAPHA's consultative and advisory structures in each of the PHNs – the PHN Councils, Regional Commissioning Committees, Clinical Commissioning Committees and Community Engagement Committees – are and will continue to be an invaluable source of local knowledge around need, priorities and service sustainability.

Building on these structures, WAPHA will in the future look to further strengthen the governance of commissioning activities in the following ways.

6.2.1 Commissioning for Better Health Advisory Board

WAPHA will seek to engage partner agencies and peak bodies directly in the commissioning process by establishing a *Commissioning for Better Health* Advisory Board.

Chaired by the WAPHA Chief Executive, and including representation from the WAPHA Board, the *Commissioning for Better Health* Advisory Board will provide strategic advice and input into all aspects of WAPHA's commissioning program, and strengthen information sharing and knowledge of complementary activity across the primary care sector.

The Advisory Board will:

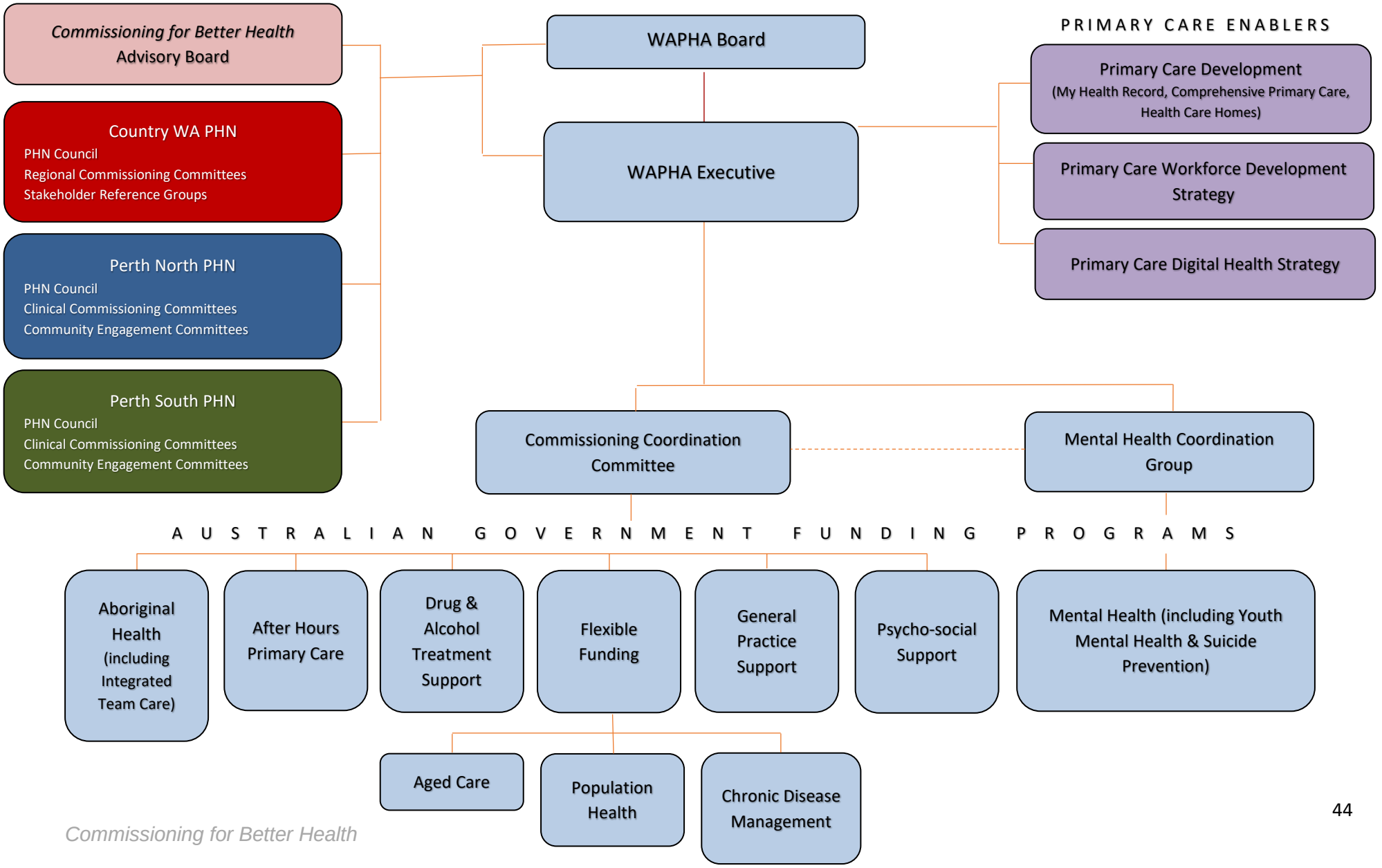
- Receive progress reports and updates from the WAPHA Executive on commissioning activities.
- Inform and influence commissioning decisions and the allocation of resources.
- Provide input to the development of key commissioning activities, including the *Commissioning for Better Health 5 Year Health Plan*, setting priorities at the State and local levels, evolution of WAPHA's approach to procurement, contract and performance management, and how commissioned services will be evaluated.

The Advisory Board will meet quarterly, and annually with the full WAPHA Board, to provide direct advice on the progress of WAPHA's commissioning program, and to highlight opportunities for closer collaborative working across the primary care sector.

Key partners will be invited to nominate senior representatives to join the Advisory Board, including the Aboriginal Health Council of Western Australia, Mental Health Commission, WA Department of Health and Health Service Providers, Health Consumer's Council, Royal Australian College of General Practice, the WA Council on Social Service, WA Association for Mental Health, and the WA Network of Alcohol & Other Drug Agencies.

A key focus on the work of the Advisory Board will be on promoting effective coordination of commissioning activities across funding agencies and consistency of engagement and communication with the primary care sector.

Figure 22 – WAPHA Commissioning for Better Health Governance & Program Structure



6.2.2 Program Management

Australian Government funding comes to WAPHA in nationally-determined funding streams (identified in Table 4, and reflected in Figure 22), which define the programs to be managed by WAPHA.

Program definition is key to effective program leadership and management, specifying what's in and out of scope, defining priorities and accessing knowledge networks to inform decisions about program and service effectiveness.

For the majority of Australian Government programs, accountability for program leadership, direction and management at General Manager and Manager levels within WAPHA is clear, but this is not true of all programs.

For the future, WAPHA will aim to strengthen program management and implement a more consistent approach. Wherever possible, this will involve identifying a single accountable Executive and Program Lead for each funding program.

Program Leads will:

- Have a full understanding of the terms and conditions of Australian Government funding for each program, the relevant policy context at State and Commonwealth levels.
- Understand and interpret each program in the context of WAPHA's needs assessment and funding priorities.
- Establish and operate knowledge networks and advisory structures relevant to each program to provide advice on best practice approaches.
- Prepare and keep up-to-date program development guidelines to guide WAPHA's commissioning activities.
- Coordinate across funding programs to ensure that activities remain person-centred rather than condition focused, recognising co-morbidities and complexities that are not well met within funding program siloes.

Program Development Guidelines

Program Development Guidelines will be iteratively developed and updated over time, building on the significant work on program definition done to date. They will serve a central need identified through consultation with stakeholders for WAPHA to be clear about what it stands for and what it will prioritise through its commissioning program.

The guidelines will be developed in collaboration with key stakeholders and be shared as public statements of WAPHA's priorities to inform sector and partner agencies where WAPHA will be prioritising the allocation of resources and attention.

Program Development Guidelines will:

- Define the purpose and scope of each Australian Government funding program, clarifying what is in and out of scope.
- Identify the profile of services funded by WAPHA for each program, and services funded by other funding agencies to the extent known.
- Provide a summary of the key findings of WAPHA's needs assessment relevant to each program.
- Map WAPHA's understanding of service supply and where opportunities exist to build capacity.
- Recommend priorities for future commissioning, informed by WAPHA's needs assessment.
- Recommend where re-prioritisation and de-commissioning of services should be considered.
- Identify program specific performance indicators to be applied through service contracts.
- Identify opportunities for WAPHA to work collaboratively with partners and leverage action by others.
- Identify opportunities to strengthen integrated care.
- Recommend how evaluation will be incorporated into program design and service specifications.

It will be important to ensure that the right balance is struck in commissioning services between clearer direction through program management and the use of Program Management Guidelines and the use on-the-ground knowledge gained from stakeholder and community and consumer engagement from WAPHA's place-based teams.

6.2.3 Commissioning Coordination

Effective coordination of all commissioning activities across all funded programs is essential to ensure timely decision-making and communication with our stakeholders.

WAPHA has two key internal coordination mechanisms, a Commissioning Coordination Committee and a Mental Health Coordination Group, with the Commissioning Coordination Committee having lead responsibility for coordinating commissioning activities across all programs.

WAPHA will review its internal governance structures for commissioning coordination activities to ensure effective support for program management, robust internal planning and decision-making, and timely communication with WAPHA staff and external stakeholders.

6.3 Strengthening the Knowledge Base for Action

As it matures as a commissioner, WAPHA will seek to ensure that its commissioning decisions are appropriately informed by evidence of what works, and its commissioning processes reflect best practice as regards community, consumer, family and carer engagement.

Access to expertise through communities of practice and knowledge networks will be combined with local input from WAPHA's PHN advisory structures and co-design processes involving service providers to inform commissioning decisions.

The national PHN network is itself an incredible knowledge resource and repository of shared experiences, and bodies like the Heart Foundation and Cancer Council, have excellent knowledge resources that can be accessed to inform service design.

In the broader health system, the WA Health Transitional Network (WAHTN) is fostering stronger collaboration in the systematic application of knowledge and evidence into clinical practice and decision-making. WAPHA will work collaboratively with WAHTN on innovative ways to incorporate evidence into service design and evaluation.

6.4 Translating Needs to Action

A key aim of the WAPHA *Commissioning for Better Health Framework* is to ensure that commissioning decisions are informed by clear evidence of need.

6.4.1 Needs Assessment

Through its needs assessments, WAPHA has built a comprehensive and detailed picture of the health of local communities across Western Australia, and where there are specific health needs and opportunities to shift the emphasis from acute services to primary care.

WAPHA will continue to develop its data interrogation and analytic capacity, and to liaise with partner agencies to ensure consistency in the identification of priorities and use of health data.

The PHN Needs Assessments submitted in November 2018 were the first to have been prepared as 3-year forward look assessments. The move to triennial needs assessments frees capacity internally within WAPHA to support a stronger emphasis on translating needs into evidence-informed action.

6.4.2 *Commissioning for Better Health* 5 Year Health Plan

To be clear about its priorities, WAPHA will prepare and publish a *Commissioning for Better Health* 5 Year Health Plan.

Informed by WAPHA's needs assessment, and increasingly reflecting Program Development Guidelines, the plan will provide:

- Snapshot of the health profile of Western Australian PHNs and communities.
- Summary of prioritised health needs identified through the needs assessment and Program Development Guidelines.
- Profile of program investment and funded services and where emphasis in program scope and funding allocations is expected to change.
- Opportunities for collaborative working with other agencies and service providers to improve health equity across Western Australia.

The plan will be developed through a collaborative process involving partner funding agencies (Mental Health Commission and WA Department of Health) and with PHN Councils and their advisory committees). The *Commissioning for Better Health* Advisory Board will shape and inform its development.

6.4.3 Resource Allocation Formula

The Australian Government determines WAPHA's funding at the PHN and program levels. The allocation of program funding within each PHN is largely for WAPHA to determine.

The distribution of funding within PHNs is strongly influenced by historical decisions; over time the commissioning process will aim to bring allocations into closer alignment with identified needs.

To ensure that this process is appropriately informed, WAPHA will develop a criteria-led Resource Allocation Formula (RAF) to help guide future allocations. The RAF will examine how program allocations can be informed over time by measures of population need, complemented at the program level by specific indicators informed by program objectives, including the use of qualitative data as appropriate.

As part of this process, WAPHA will investigate the use of a relative need index (RNI). RNIs are used in a variety of contexts to inform the spatial allocation of resources, including in the primary care context in Australia.[31]

A valid index that combines data on need relative to capacity would provide a powerful tool for informing resource allocation, and supporting WAPHA's drive to improve health equity.

6.5 Developing Commissioning Capacity

The key themes through the consultation related to communication and being clear about the processes involved in WAPHA's commissioning activities.

6.5.1 *Commissioning for Better Health* Guidelines

WAPHA will develop *Commissioning for Better Health* Guidelines which will bring together in a single source information about:

- Annual commissioning cycle, identifying the key activities that will be undertaken in each quarter of the cycle.
- Forward procurement timeframes.
- How WAPHA will incorporate the voice of the community, consumer, family and carer in the prioritisation, planning, design, procurement, and evaluation of services.
- How WAPHA will work with other funding bodies and services in designing and commissioning services.

[31] Australian Institute of Health and Welfare (2014) *Access to primary health care relative to need for Indigenous Australians.* Catalogue no. IHW 128. Canberra: AIHW.

- Process flow mapping for procurement activities, including the decision-making framework for selecting the preferred procurement method (open competitive tendering, sole source supplier etc).
- How co-design of services will be undertaken, specifying roles, responsibilities and processes.
- Decision-making process for how procurement outcomes are determined.
- How procurement decisions will be communicated.
- Contract negotiation process.
- Performance indicator development and their use in contracting.

The guidelines will incorporate national guidance and best practice in commissioning and procurement processes identified in other PHNs, while clarifying how they will be implemented by WAPHA.

Consumers, partner funding bodies and commissioned services will be involved in the guideline development process.

6.5.2 Skills Development

Commissioning is a new way of doing business and it is important to acknowledge that skills development and training for staff both in WAPHA and service providers is necessary to develop a commissioning culture in the primary care sector in Western Australia.

WAPHA will work with a training provider to develop a skills enhancement and training program which will be available to WAPHA staff and staff from across the sector (on a user pays basis) to build understanding and capacity in key commissioning skills. This will include skills development in needs assessment and service planning, procuring services, shaping the primary care sector and how services are monitored and evaluated.

6.6 Building Sustainability and Relationships

Commissioning is ultimately about building the capacity of the primary care sector in Western Australia to improve health.

Programs like the HealthPathways program, My Health Record deployment, Comprehensive Primary Care and Health Care Homes, and Integrated Team Care are all directed at strengthening the capacity of primary care in Western Australia.

6.6.1 Primary Care Workforce Development Strategy

The primary care workforce in Western Australia is diverse. It faces common issues and pressures that impact the health workforce in the broader health care system.

Issues of workforce planning, sustainability, distribution, needs identification, skills development, role differentiation and flexibility in deployment all impact the ability of the primary care sector in Western Australia to develop and grow.

WAPHA will prepare a *Primary Care Workforce Development Strategy* for Western Australia, in collaboration with the WA Department of Health, WA Department of Training and Workforce Development, peak industry bodies for each of the primary care professional groups, and service providers.

The strategy will:

- As a specific focus, aim to increase Aboriginal employment in the primary care sector in Western Australia.
- Profile the primary care workforce in Western Australia, in terms of composition, overall numbers, and demographics.
- Understand the training environment for primary care professionals, and the pathways from training to employment.
- Articulate key risks and opportunities for the future development of the primary care workforce.
- Consider emerging workforce models relevant to the primary care sector nationally and internationally.
- Consider the roles of peer support, self-help groups and people with lived experience working with and alongside the primary care workforce.
- Reflect current and emerging policy, e.g. team-based care and the role of Telehealth.
- Define priorities for future action to improve the sustainability of the primary care workforce and its contribution to the health and well-being of Western Australians.
- Influence the primary care health workforce of the future, including inter-professional roles in the rural and remote context.
- Understand the competing workforce demands between the disability, aged care, community and primary health care sectors.

6.6.2 Primary Care Digital Health Strategy

The adoption of digital health solutions has enormous potential to enable a safer, more sustainable, accessible and integrated health care system.

As other sectors, like the banking sector and government services, have demonstrated, digital solutions are playing a bigger part in the lives of all Australians, and their application is becoming an increasing part of everyday healthcare.

Building on the implementation of the My Health record, WAPHA will partner with stakeholders to develop a *Primary Care Digital Health Strategy* that will guide and shape the digital landscape in Western Australia. Preparation of the strategy will be informed by State and national frameworks.

The strategy will explore and clarify opportunities for digital solutions to improve health literacy, support the safe and confidential exchange of information between patients and primary care clinicians and across the care spectrum, improve access to information about the availability of health services, and achieve greater equity in health outcomes.

6.6.3 Communication

The breadth of activity impacting primary care in Western Australia is significant and fast moving. Open and timely communication between WAPHA and the primary care sector will aid understanding of WAPHA's role and accountabilities and the context for commissioning decisions.

WAPHA will initiate a twice-yearly open forum with peak bodies and primary care providers in Western Australia to provide an opportunity for a two-way dialogue in relation to:

- Developments in the PHN program nationally, and the Australian Government's priorities for PHNs.
- Developments in health care in Western Australia impacting on primary care, e.g. the State's *Sustainable Health Review* and progress with Joint Regional Planning for Mental Health Services.
- What WAPHA is doing to advocate on behalf of primary care in Western Australia, and for broader action on social determinants of health.
- Update on the progress of commissioning activities and how commissioning is being used to shape the sector.
- Progress with the implementation of activities in the *Commissioning for Better Health* Action Plan.

6.6.4 Funding Decisions

WAPHA's capacity to confirm funding for services, whether ongoing or for new services, is dependent on the timing of the Australian Government's confirmation of program funding to WAPHA.

WAPHA will look to provide as much funding certainty to services as it can, and will increasingly look to adopt longer term funding arrangements (3 year rolling, subject to annual review and evaluation) for services that are recurrent in nature, are fulfilling their contractual requirements, and are assessed as in alignment with WAPHA's needs assessment.

6.7 Measuring Impact

As a funder, WAPHA has a responsibility to ensure that performance expectations in contracts with service providers are clear and monitored, and that timely intervention occurs where performance issues become evident.

WAPHA's approach to monitoring and evaluation is informed by the Quadruple Aim in Health Care, and through its Outcomes Framework.

6.7.1 Performance Management Framework

WAPHA will develop a *Performance Management Framework* (PMF) to clarify performance expectations of commissioned services and how it will discharge its performance management responsibilities.

The PMF will incorporate a common set of performance indicators that will apply to all service contracts, in addition to service specific indicators aligned to service specifications in each contract.

In developing these indicators, WAPHA will work with other agencies that fund primary care services in Western Australia, in particular the Mental Health Commission, to ensure optimal consistency in the performance indicators used by funding agencies.

Tiered Performance Management

WAPHA's PMF will inform how it approaches performance monitoring of individual contracts and services. It will include a tiered approach to performance management incorporating a stepped process of escalation where performance issues are identified.

Tiered performance management will clarify for commissioned services how performance concerns will be responded to, ranging from no performance management where there are no performance issues through to requirement to provide response strategies, to engage with WAPHA staff or with external assistance agreed with WAPHA to address a performance concern, through ultimately to consideration being given to de-funding a program or service on the basis of sustained performance concerns.

Both the PMF and the tiered approach to performance management will be developed by WAPHA in consultation with peak organisations and commissioned services across the primary care sector.

Clinical Governance

WAPHA has a responsibility to monitor and uphold standards in the provision of services funded through WAPHA by the Australian Government using taxpayers' money.

Where contracts involve the direct provision of clinical services, WAPHA will incorporate into contracts and services agreements requirements for service providers to comply with standards for the clinical governance of services and the reporting of clinical incidents. A *Clinical Governance Framework for WAPHA Funded Services* will be developed and implemented for this purpose.

Positive Indicators of Cultural Competence

WAPHA is committed to implementing the *Cultural Respect Framework 2016-2026 for Aboriginal and Torres Strait Islander Health* in commissioning culturally appropriate services for Aboriginal Western Australians, and is working with PHNs nationally to develop an easy to use on-line tool to assess how well aligned organisations are to the Framework.

6.7.2 Evaluation Framework

WAPHA's approach to commissioning distinguishes between the monitoring of ongoing provider performance through contract and performance management, and the evaluation of health outcomes resulting from the provision of commissioned services. Typically, the evaluation of program and service outcomes occurs over a longer timeframe.

There are a number of evaluation tools already in use by WAPHA, notably the Outcomes Framework which is used with commissioned services to shift the focus in service delivery towards measurable health benefits.

WAPHA's Evaluation Framework will:

- Describe how it will evaluate commissioned services against the Quadruple Aims in Health Care.
- Schedule a 3-year program of evaluation activities, combining whole of program evaluation with the evaluation of individual services.
- Indicate how the requirements of evaluation will be incorporated into the design of services, and reflected in contract specifications.

7. Next Steps

The first three years of WAPHA's existence has been characterised by rapid growth in a rapidly changing Western Australian health system.

The *Commissioning for Better Health* program is intended to position WAPHA, and Western Australian PHNs, for the future.

A future that will be characterised by deeper and more outcomes-focused partnerships; an expectation that the community, consumers, families and carers are integral to service planning, design and evaluation; a growing role for primary care and capacity to deliver around the needs of the patient; and a health system where roles and responsibilities are clear and unambiguous.

WAPHA has listened carefully to the feedback through its consultation in developing the *Commissioning for Better Health* program (Table 9).

It will now move to implement the program of action outlined in this document. As a first step, WAPHA will look to establish the *Commissioning for Better Health* Advisory Board which will have a say in setting the direction and content of the program. The program as a whole will be delivered over the next 18 months, with phasing of key deliverables as outlined in Table 10.

Table 9 – Response to key issues raised in the Commissioning Framework consultation

What we heard	What we will do
Communication & Engagement More communication is needed about: • Australian Government priorities in primary care and how these are reflected in WAPHA's commissioning program • WAPHA's priorities • WAPHA's advocacy on behalf of the primary care sector and broader determinants of health • Performance of the program as a whole • Developments across the WA health and social care system that affect the primary care sector	**Communication & Engagement** • The *Commissioning for Better Health* Advisory Board will give peak organisations and partner agencies a direct say in WAPHA's commissioning program and activities. • Twice-yearly briefings to the sector by WAPHA will provide regular updates and inform planning by services • Program Development Guidelines will be clear about WAPHA's priorities for funding and where it will work with others to have an impact.
Governance & Accountability • Be clear and consistent about parameters for performance management • Reduce overlap and duplication in performance indicators by WAPHA and other funding agencies • Explore indicators of positive organisational culture as part of the assessment of commissioned services • Adopt longer term funding (3 years) wherever possible • Use culturally secure monitoring and evaluation tools • Explore the use of benchmarking	**Governance & Accountability** • Preparation of WAPHA's *Performance Management Framework* will be clear about performance measures and how they will be used in tiered performance management. WAPHA will develop its PMF in consultation with the MHC and WA DOH with the aim of achieving a high degree of consistency. • WAPHA will aim to provide as much funding certainty as possible. • WAPHA will implement the *Cultural Respect Framework 2016-2026 for Aboriginal and Torres Strait Islander Health*
Key Enablers • Use population health planning data to inform priorities • Increased focus is needed on building the primary care workforce • Explore opportunities for the greater use of technology	**Key Enablers** • Key enablers will be developed through the *Commissioning for Better Health 5 Year Health Plan, Primary Care Workforce Development Strategy* and *Primary Care Digital Health Strategy*

Table 9 – Response to key issues raised in the Commissioning Framework consultation (continued)

What we heard	What we will do
Commissioning • Explore opportunities for joint commissioning with other funding agencies, notably the WA Mental Health Commission • Develop an annual cycle of commissioning activities, getting the balance right between strategic planning, procuring services and monitoring and evaluation activities • Develop clearer guidance on co-design, including how the voice of the consumer is incorporated • Incorporate evaluation into service design upfront • Make greater use of industry briefings and PHN advisory committee structures in the procurement process • Make greater use of expertise in service design and procurement • Improved procurement planning • Improve transparency of procurement processes	**Commissioning** • WAPHA will build on existing bi-lateral arrangements, e.g. with the WA Mental Health Commission, to pursue joint commissioning. The *Commissioning for Better Health* Advisory Board and *Commissioning for Better Health 5 Year Health Plan* will clarify WAPHA's priorities and opportunities for joint working across agencies. • WAPHA's *Commissioning for Better Health* Guidelines will provide a single source for information clarifying commissioning and procurement timelines and processes

Table 10 – Commissioning for Better Health Implementation Plan

Commitment	Timeframe
Establish the *Commissioning for Better Health* Advisory Board	Within 3 months
Implement Program Management for each Australian Government funded program	6 – 12 months
Review internal WAPHA governance structures for commissioning activities	Within 3 months
Develop a Resource Allocation Formula to guide allocation of program funds within PHNs	6 – 12 months
Develop a *Commissioning for Better Health* 5 Year Health Plan	6 – 12 months
Prepare *Commissioning for Better Health* Guidelines	6 – 12 months
Develop a *Commissioning for Better Health* Skills Development Program	12 – 18 months
Prepare a Primary Care Workforce Development Strategy	12 – 18 months
Prepare a Primary Care Digital Health Strategy	12 – 18 months
Improve communication – commence twice yearly open forum	Within 6 months
Develop a *Commissioning for Better Health* Performance Management Framework	6 – 12 months
Develop a *Commissioning for Better Health* Evaluation Framework	6 – 12 months