

Northern Melbourne Medicare Local **COMMISSIONING FRAMEWORK**

INTRODUCTION

The Northern Melbourne Medicare Local serves a population of 679,067 (based on 2012 figures) residing within the municipalities of Banyule, Darebin, Hume*, Nillumbik and Whittlesea. Health services are delivered through 182 general practices, five community health centres, three major acute health services, 11 private hospitals (which includes day procedure centres) and a wide range of private pharmacy, dental, allied health and non-government organisations.

The Northern region of Melbourne is characterised by significant diversity which means that the strategies we organise to meet health needs should be flexible and adaptive. For example, communities in Hume experience the highest burden of disease in Victoria. Conversely, residents living in Nillumbik present with the lowest burden of disease according to the latest Victorian study. Approximately one third of people are born overseas and in about one third of households a language other than English is spoken at home. This raises particular challenges in terms of improving health literacy: how do we support the community to be skilled in managing their health and wellbeing?

We have the largest Aboriginal community living in metropolitan Melbourne. Closing the Gap programs are specifically designed to address disparities in the health status of the Aboriginal community. Our region also supports migrant as well as refugee families and has a proud reputation for providing holistic care and support services.

We are committed to partnering with local agencies to ensure all members of the community get the right care. Planning for future health services will be a challenge due to population increases in our growth corridors (Hume and Whittlesea). With the influx of young people and families into these areas and predictions the population will double in ten years, strategies are required to prevent overwhelming current health services. Apart from health needs, transport, education and other services addressing social determinants of health are required as the building blocks for a healthy community. We must also plan for a strong and vibrant health workforce. There are significant challenges to address due to declining General Practitioner numbers and the ageing of the General Practitioner workforce, the shortage of allied health professionals and community nurses in our region.

* Does not include Sunbury

STRATEGIC DIRECTION

Mission

To improve coordination and integration of primary health care in the northern region, identify local health care needs, address service gaps, and help patients receive more seamless care across sectors of the health care system.

Vision

To improve the health status of people living in the north by working collaboratively with all health sectors and the communities we all serve.

Values

The following are a set of core values that will guide all activities of the Medicare Local.

The interaction of these values and commissioning activities is displayed in Table 1.

Table 1

Value		Commissioning activity
Accountability	We are accountable to all stakeholders by engaging in inclusive service planning and evaluation.	Stakeholders and consumers are engaged in the development of service delivery models. Evaluation criteria are informed by stakeholders and are specified before services are commissioned.
Responsiveness	We value timely and informed responses.	Stakeholders including service providers are informed and engaged throughout the commissioning process.
Transparency	We value good governance, with a focus on open and transparent processes of decision-making based on trust and respect.	All services commissioned will be subject to transparent procurement process, conducted in accordance with high probity standards and aligning to state and federal government requirements, including evaluation by an independent and expert panel, and value for money principles. All services commissioned will be endorsed by the Board of NMML.
Excellence	We are committed to striving for excellence in all that we do.	Innovative service models will be prioritised. Commissioning and procurement processes will be modelled on best practice.
Partnership	Our achievements will be collaborative, based on partnerships that draw on the experience, perspective and knowledge of our member organisations and the community.	Existing relationships will be built on and new relationships forged to facilitate the establishment and support of innovative service models.
Sustainability	We aim towards sustainability in all that we do.	The longer term sustainability of services will be evaluated prior to commissioning considering financial viability, workforce availability and population growth; through stakeholder engagement, expert advice, data review and financial analysis.

Primary Health Care Commissioning

Primary health care commissioning is defined as the strategic planning and investment in quality primary health care services with the goal of maximising health gain for the population and efficiency for the health system.¹

It can be characterised as:

- A whole of organisation approach targeted explicitly at addressing the health needs of local communities.
- Clearly focused on developing quality primary health care services and associated interventions that deliver better health outcomes.
- Promote joint working and coordination across the whole health care system for the benefits of patients.

Primary health care commissioning within the NMML aligns to the five strategic objectives set out by the Department of Health and Ageing (DoHA):

1. Improve the patient journey through developing integrated and co-ordinated services.
2. Provide support to clinicians and service providers to improve patient care.
3. Identify health needs of local areas and develop locally focused and responsive services
4. Facilitate the implementation and successful performance of primary health care initiatives and programs.
5. Be efficient and accountable with strong governance and effective management.

The NMML Strategic Plan 2011 – 14 recognises ‘serious shortages of workforce including general practice, allied health and nurses in the outer areas of the Medicare Local. The urban fringe areas are experiencing very rapid population growth and there are insufficient new providers in these areas to meet the needs of the new population’². Primary health care commissioning within the NMML will therefore need to anticipate and account for existing shortages and seek to improve health workforce recruitment and retention through targeted strategies.

¹ AML Alliance Commissioning Framework 30 June 2012

² Northern Melbourne Medicare Local Strategic Plan 2011 - 14

The Framework

There are a number of different ways of defining and describing an effective commissioning system, but they all adhere to the same multi-faceted commissioning cycle as detailed in World Class Commissioning which considers:



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Strategic planning

ASSESSING NEEDS

The Commissioning process starts with assessing population needs. Consistent with the Vision of NMML, the aim of all commissioning activities is to improve the health status of people living in the north and this will be the principal criterion against which commissioning proposals are judged. The Medicare Local Operational Guidelines (August 2012) detail the expected activities to be undertaken by Medicare Locals. In accordance with the operational guidelines and to address strategic objective 3 the NMML will;

- i maintain a population health database including community health and wellbeing measures, provide input to population health profiles, and undertake population health needs assessment and planning;
- ii actively participate in the performance and accountability framework of the Government's health reforms;
- iii undertake detailed analyses of primary health care service gaps and identify evidence-based strategies to improve health outcomes and the quality of service delivery in local area populations, including for disadvantaged or under-serviced population groups;
- iv conduct joint service planning with Local Hospital Networks and other appropriate organisations; and
- v facilitate a reduction in inappropriate or inefficient service utilisation and avoidable hospitalisations.

At times the NMML will leverage the required expertise to undertake these activities from within the NMML or from partners such as the Commonwealth inclusive of information from the national census and the Australian Institute of Health and Wellbeing (AIHW) the Victorian Department of Health and Local Health Networks and service providers. A local health needs assessment was undertaken in 2011 to identify health needs of the NMML region. This is not a static activity with data being refreshed as it becomes available and analysis reviewed annually.

The NMML Strategic Advisory Committee (SAC) was established to provide advice and recommendations to the Board of Directors on the health needs of the NMML region. The expert advice of the SAC will be sought by the NMML Board, when planning to commission health services.

The NMML will take a proactive approach to addressing the health needs of the region, seeking to commission services targeted at disease prevention and health promotion. Prior to any services being commissioned a formal assessment of local need utilising the appropriate activities listed will be undertaken.

REVIEWING SERVICE PROVISION

Once an identified health need has been articulated, a process of identifying existing services within the NMML region that may be utilised to address the need will be undertaken. Where there are no existing services available, the NMML will look to commission the required service or program to address the gap.

This process needs to be undertaken for each identified area of need and to expedite this process a database of existing service providers in the region will be maintained. Additionally, in accordance with the operational guidelines, the NMML will undertake health planning activities with the Local Health Networks, Primary Care Partnerships, Local Councils and the Victorian

Department of Health. Through joint planning processes opportunities to leverage existing services and delivery models will be identified.

The SAC will be engaged by the NMML Board to review the annual local needs assessment and annual plan. The SAC will provide an endorsed final needs analysis and annual report for approval.

DECIDING PRIORITIES

The Board of the NMML has responsibility for deciding the priorities of the organization. Information and data will be gathered and provided to the Board, from multiple sources including the Victorian Department of Health, the Australian Bureau of Statistics the Commonwealth Government, including the National Health Performance Authority and the Australian Institute of Health and Welfare. This information aims to inform the Board of the social determinants of health, population demographics and service utilization in the Northern Melbourne region and facilitate effective decision making.

The NMML will provide the Board with information and recommendations based on analysis of the data, ensuring recommendations reflect both local identified need and current Commonwealth priorities.

Procuring Services

DESIGNING SERVICES

Following the identification and prioritization of an area of work, services to be established need to be scoped and defined. The aim of the NMML is to develop the most suitable service solution for the Northern Melbourne region including tailored local solutions to address local needs. Expertise, evidence and advice will be sought from a wide variety of sources and will include local service providers. The NMML will convene expert working groups as required and provide secretariat support, resources such as data analysis and literature review to support the working group reach the best possible outcome. The NMML will be supportive of innovative service models when considering the most appropriate way to address an identified health need or service gap. Service specifications and standards will be documented detailing the preferred model of service provision as advised by an expert working group informed by existing evidence and associated standards. Metrics intended to monitor the provision of a commissioned service will be specified within the service specification document. Where appropriate service standards will align to the 10 National Safety and Quality Health Standards.

The process of developing service specifications and standards will be undertaken for both services commissioned through direct employment by the NMML and services provided through contract by a sub-contracted service provider.

SHAPING STRUCTURE OF SUPPLY

When deciding whether to provide services through a sub-contractor or directly provide services the NMML will follow the two principles set out by the Commonwealth:

- (a) what is the most appropriate service delivery model for the local community; and
- (b) what represents the most efficient use of Commonwealth funding in meeting the service delivery requirements.

The NMML will apply these principles equally when deciding on the appropriate evidence based mechanism to commission a service, regardless of funding source.

Services to be provided through contract with the NMML will be engaged through a transparent competitive process in order to achieve the value for money principle. Value for money is described in the Commonwealth Procurement Guidelines (2008)³ as ‘the core principle underpinning Australian Government procurement. In a procurement process this principle requires a comparative analysis of all relevant costs and benefits of each proposal throughout the whole procurement cycle (whole-of-life costing).’

The Commonwealth Procurement Guidelines (2008) state:

‘Ethics are the moral boundaries or values within which officials work. Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. Ethical behaviour identifies and avoids conflicts of interests, and does not make improper use of an individual’s position.’⁴

³ Commonwealth Procurement Guidelines 2008, accessed at <http://www.comlaw.gov.au/Details/F2008L04459/Html/Text#param7> on 16/11/2012

⁴ Ibid

In compliance with these guidelines, the NMML will develop and monitor a probity plan on each occasion a service is to be delivered through contract. The probity plan will address each of the areas of ethical behavior and make specific reference to the handling of conflicts of interest.

A number of different procurement processes may be adopted to engage service providers through contract including; expression of interest, request for tender or select tender. The following definitions are those provided in the Commonwealth Procurement Guidelines (2008)⁵;

Expression of Interest (EOI) a response to an open approach to the market requesting submissions from potential suppliers interested in participating in procurement. The list of potential suppliers who have submitted expressions of interest may be used as the basis for conducting a select tender process.

Request for Tender (RFT) a published notice inviting suppliers who satisfy the conditions for participation to submit a tender in accordance with requirements of the request for tender and other request documentation.

Select tender a procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders.

The NMML ensures adherence to best practice procurement guidelines by ensuring the following processes occur. Every EOI or Tender submission will be evaluated by an independent committee, against evaluation criteria developed by the NMML. The independent committee will be selected by the Executive of the NMML based on the skill set required to undertake the evaluation. The skill set will be dependent on the nature of the service being commissioned and will be independent of the NMML. An independent committee will have not less than three and not more than five members. The Board will be informed of the membership of each evaluation committee convened. Evaluation criteria will be provided to the market with the EOI/Tender documents. The NMML will ensure the evaluation committee has the appropriate skills and knowledge to undertake a particular evaluation, ensuring an adequate level of subject matter expertise is provided to inform each evaluation.

PLANNING CAPACITY AND MANAGING DEMAND

The NMML works collaboratively with the Department of Health and Ageing (DoHA), the North West Regional Office of the Victorian Department of Health, Local Councils and our regional service partners to gather information and data to inform the NMML of health service utilization and demand. Information regarding current service provision is combined to provide an informed view of areas of unmet need and demand. This information is brought together in the *Local Needs Assessment*, review of these data and information is an on-going program of work as updated information becomes available and demand and community needs change. Population health data which considers the burden of disease of those residing within the NMML region also informs the *Local Needs Assessment* and subsequent strategic planning activities.

⁵ Ibid

Monitoring and Evaluation

SUPPORTING CONSUMER CHOICE

The Victorian Department of Health released 'Doing it with us not for us – Strategic Direction 2010 – 2013' which identifies; 'Participation occurs when consumers, carers and community members are meaningfully involved in decision making about health policy and planning , care and treatment and the wellbeing of themselves and the community.'⁶

The research⁷ on consumer decision-making, suggests important implications for the development of effective information tools for consumers, including the need to:

- Make information relevant and appropriate to specific decisions;
- Use creative ways to help consumers simplify their choices;
- Target information at the right audience;
- Work through trusted advisors and intermediaries;
- Be a trusted source;
- Integrate information to offer the benefit of one-stop service; and
- Emphasize benefits, not features.

The NMML has developed a *Stakeholder Engagement Framework 2012* which aims to develop strategies tailored to meet the purpose of the engagement, and the needs of the consumers, communities and potential users of health services within the local area.

MANAGING PERFORMANCE

Contracts or service agreements entered into by the NMML and an external service provider will allow the NMML adequate power to appropriately manage the performance of the service provider. All contracts or service agreements must be executed by the identified delegate of the Board (usually the Chair) of the NMML and by those with the appropriate authority from the contracted provider.

The NMML has developed a performance monitoring framework which sets out the roles and responsibilities of the NMML and any contracted provider. The performance monitoring framework is based on the principles of patient safety, risk management, continuous service improvement and compliance against deliverables as set out in service specifications.

All programs of work whether delivered through contract or directly by the NMML will be subject to performance monitoring. Key performance indicators set out in service specifications will underpin the monitoring and evaluation of the quality of the services provided by the NMML. All trial, demonstration and initial projects to be undertaken will be subject to evaluation to ascertain the efficacy of the trial or project. An evaluation plan is embedded in all project documentation to be completed prior to commencement of the work and must be endorsed by one of the executive team of the NMML. Independent evaluation of projects is preferred, however will be dependent on available funding.

⁶ Doing it with us not for us – Strategic Direction 2010 – 2013, Department of Health Victoria, [http://docs.health.vic.gov.au/docs/doc/A6FECA5B2FFB4503CA2578B500229CD0/\\$FILE/1104007_DIWUNFU_StratDirection_FA3_web.pdf](http://docs.health.vic.gov.au/docs/doc/A6FECA5B2FFB4503CA2578B500229CD0/$FILE/1104007_DIWUNFU_StratDirection_FA3_web.pdf) accessed 29/11/2012

⁷ <http://www.chcf.org/publications/2005/10/consumers-in-health-care-the-burden-of-choice#ixzz2DZqb6fI> , accessed 29/11/2012

**SEEKING PUBLIC AND
CONSUMER VIEWS**

The NMML has developed a *Stakeholder Engagement Framework 2012* (SEF) outlining the organizations approach to engaging stakeholders. The SEF aligns to the NMML strategic objectives and organizational values and identifies four levels of engagement; individual, service, network and system. As articulated in the SEF, stakeholder engagement shall occur within three key domains of health service operation:

- Service planning and design
- Service delivery
- Service monitoring and evaluation

These three domains of service operation reflect the national standards of the Australian Commission on Safety and Health Care, in particular Standard 2 which establishes criteria across the three key areas of service planning, designing care and service measurement and evaluation.

The SEF articulates 5 methods by which the NMML seeks to engage with its stakeholders, which are;

- Information
- Consultation
- Involvement
- Collaboration
- Empowerment

The SEF 2012 includes a Consumer Engagement Strategy identifying the ways in which the NMML will actively engage specifically with consumers at each of the four engagement levels, to ensure health care for the region is tailored to address the identified health needs of the region.