



SNHN Commissioning Framework

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phn
NORTHERN SYDNEY
An Australian Government Initiative

 **SYDNEY NORTH**
Health Network

Definition

Commissioning is “a strategic process of working with the market to co-design, co-deliver and actively manage services to most effectively and efficiently meet the needs and improve outcomes of a defined population within resources available”.

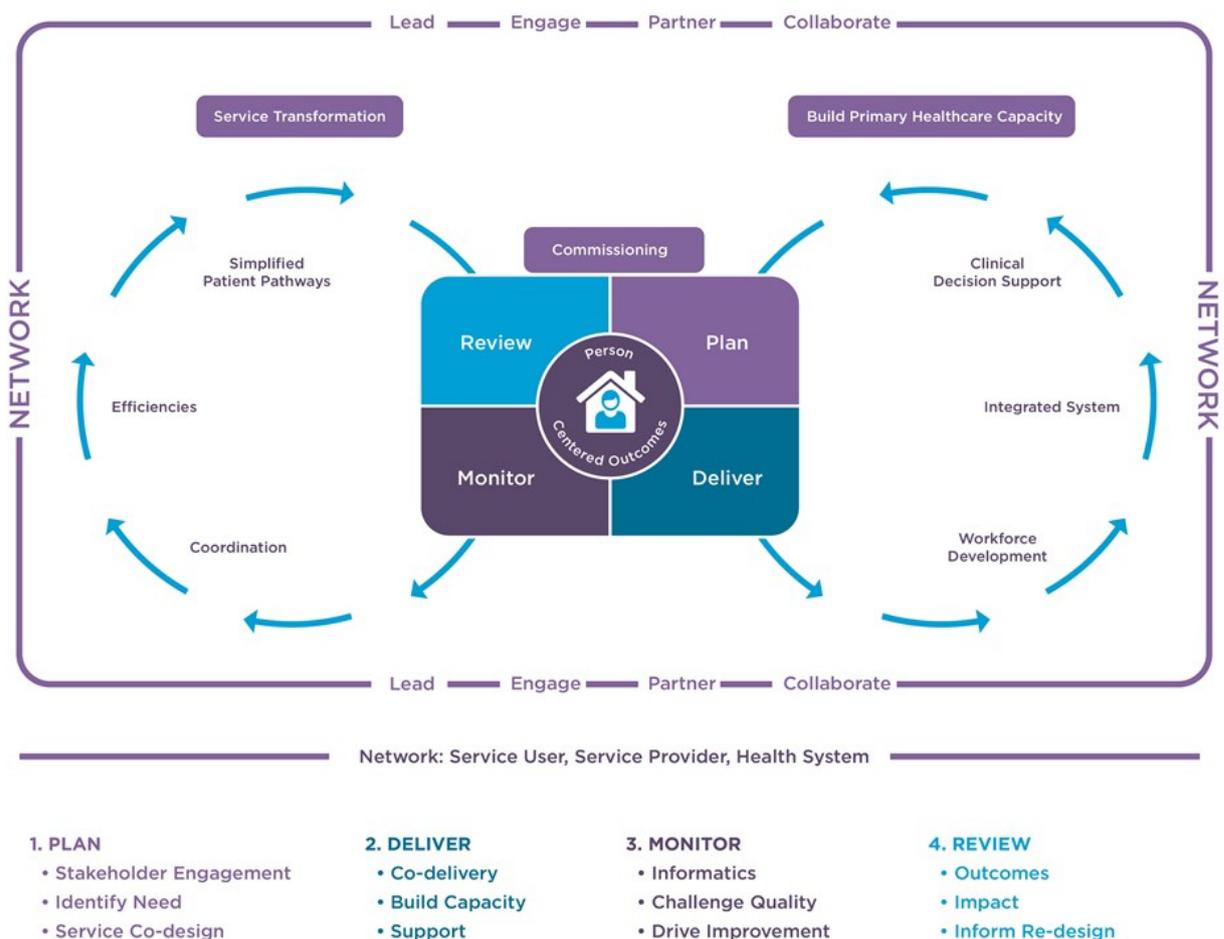
Why do we use commissioning?

Commissioning enables PHNs to use their limited resources to improve the health outcomes of their communities by shaping the health and community care system.

How does it work?

SNHN has a proactive strategic role in leading regional level commissioning to drive service improvement and achieve system change. The SNHN Primary Health Integrated Commissioning cycle as outlined in **Figure 1**, provides an overview of SNHN’s strategic role in planning, designing, negotiating across the sector and implementing the range of services required.

Figure 1: SNHN Primary Healthcare Integrated Commissioning Approach



SNHN Primary Healthcare Integrated Commissioning Approach

The following section describes the key components of the commissioning approach outlined in **Figure 1**, which includes planning, delivering, monitoring and reviewing commissioned services to meet the needs of the target population.

Plan

- **Stakeholder engagement** is an important aspect of successful commissioning. SNHN will work with patients, providers and the wider community to define problems and identify appropriate solutions. Whilst engagement with Clinical and Community Councils is essential, the need for engagement extends beyond these groups.
- **Needs assessment** forms the basis for commissioning intentions and plans will be based on the needs of the SNHN population as identified from the undertaking of a regional needs assessment.
- **Service co-design**- SNHN will work with patients, carers, service providers and wider stakeholders to co-design services. Engagement with stakeholders extends beyond the planning stage and should be included at all stages of the commissioning framework.

Deliver

- **Co-Delivery**- build positive stakeholder relationships, co-design services for implementation. Undertake procurement processes as required, identifying and securing a solution by buying services to address the needs jointly identified from the market identified during the planning process.
- **Build capacity**- SNHN will invest in the capacity and capability of staff to enable them to undertake activities required of a commissioning organisation and achieve organisational excellence.
- **Support** for wider stakeholder group throughout the design and implementation of any new service change.

Monitor

- **Informatics**- will support the development of robust performance frameworks against which to measure performance of commissioned services and the system as a whole.
- **Promote quality**- by adopting an outcomes-based approach to commissioning, which will develop over time as internal and external capacity and capability increases.
- **Drive improvements**- using active management of contracts and services as a basis for planning future service transformation. Exploring new service models and encouraging providers to adopt innovative approaches to achieving outcomes.

Review

- **Outcomes** will be used as the basis of measuring performance of commissioned services.
- **Impact** on health outcomes at the population level will determine the success of programs and revised areas of focus for future planning
- **Inform Re-design**- impact on outcomes will inform service redesign. Commissioning is a cyclical process with regular reviews and lessons learnt to inform next steps with no stage being an end point and all stages providing valuable information on areas of need.



Using the Quadruple Aim to measure commissioning value and outcomes

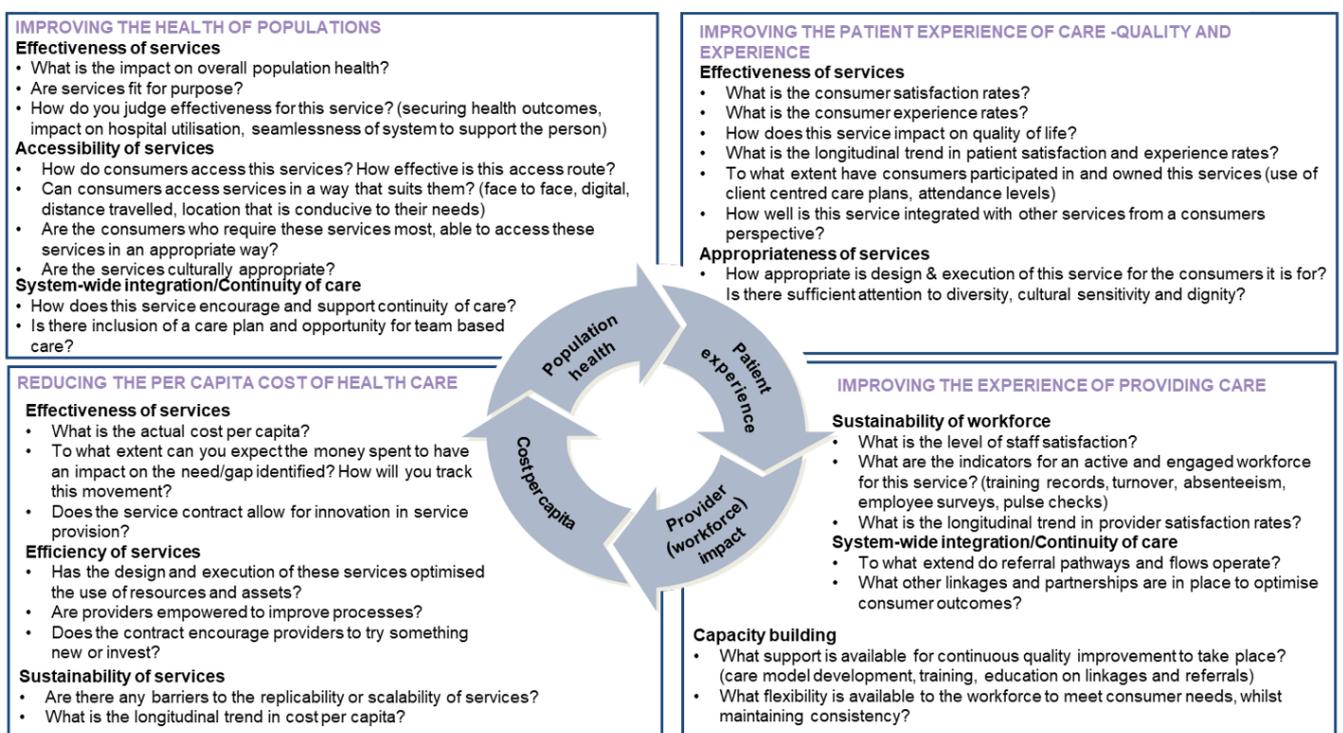
The monitoring and review of commissioned services is underpinned by the SNHN Commissioning Evaluation Framework (CEF). The CEF utilises the Quadruple Aim as a foundation, enabling a population health approach that balances delivery of high value care at an appropriate cost, allowing for better patient experience delivered from an engaged workforce¹.

The CEF consists of broad prompting questions aligned to each quadrant of the Quadruple Aim (Figure 2):

- Improving the health of populations
- Improving patient care
- Reducing per capita cost of health care
- Improving the experience of providing care.

Considering all four quadrants of the quadruple aim enables a holistic view and focus on delivering value to consumers, service providers, and the system as a whole. It focuses on the big picture, rather than on outputs. The broad prompting questions enable indicators to be agreed to measure success and ensure continuous improvement in any program.

Figure 2: SNHN Commissioning Evaluation Framework



¹ Bodenheimer T, Sinsky C 2014, *From Triple to Quadruple Aim: Care of the Patient Requires Care of the Provider*, Annals of Family Medicine, vol 4, issue 6, pp. 573-576.

Commissioning principles

The SNHN will apply the following principles for the management of commissioned services. (Nationally Agreed PHN Commissioning Principles)².

- (a) Understand the needs of the community through data analysis, engaging and consulting with consumers, clinicians, carers, providers and peak bodies, community organisations and funding bodies. (Needs analysis)
- (b) Engage with potential service providers well in advance of commissioning new services.
- (c) Adopt a whole of system approach to meeting health needs and delivering improved health outcomes.
- (d) Understand the fullest practical range of providers including the contribution they could make to delivering outcomes and addressing market failure and gaps and encourage diversity in the market.
- (e) Co-design solutions by: Engaging with stakeholders including: Consumer representatives, Peak bodies, Community organisations, Potential providers, and Other funders to develop evidence based and outcome focussed solutions.
- (f) Consider investing in the capacity of providers and consumers, particularly in relation to the hard to reach group.
- (g) Ensure procurement and contracting processes are transparent and fair, facilitating the involvement of the broad range of suppliers, including arrangements such as consortia building where appropriate.
- (h) Manage through relationships; work in partnership, building connections at multiple levels of partner organisations and facilitate links between stakeholders.
- (i) Develop environments high trust through collaborative governance, shared decision making and collective performance management.
- (j) Ensure efficiency, value for money and service enhancement.
- (k) Monitor and evaluate through regular performance reports; consumer, clinician, community and provider feedback and independent evaluation; and
- (l) Putting outcomes for users at the heart of the strategic planning process supported by good governance.

² Primary Health Network Commissioning Principles (adapted from the National Audit Office)



Governance for the Commissioning Process

The overarching governance approach that underpins the SNHN Commissioning Framework is:

Accountability - The commissioning of services is within the jurisdiction of the SNHN Board to determine the overall purpose of the organisation's commissioning strategy and for ensuring the structures, processes and behaviours are in place to initiate the best possible outcome/s, and action is taken to safeguard high standards that are implemented.

Transparency –SNHN will maintain transparency in their decision making; by applying clarity and openness to decision making, documented in the minutes of meetings.

Probity – the principles of having strong moral standards and leadership based on honesty and decency. Probity will be applied in contracting of services to ensure fit for purpose and appropriate use of public funds.

The SNHN Commissioning Framework underpins the **SNHN Quality Management Framework** and aligns to the **SNHN Stakeholder Engagement Strategy**.

