



# Commissioning Framework

## OUR ORGANISATION'S STRATEGIC PLAN

This underpins our commitment to quality commissioning.

**VISION:** Improved health and well-being for the people in our community

**MISSION:** Empower general practice and other healthcare professionals to deliver high-quality, accessible and integrated primary healthcare that meets the needs of our community

### VALUES:



Respect



Ethical Practice



Continuous Improvement



Quality



Collaboration

## OUR ORGANISATION'S STRATEGIC OBJECTIVES

**1.** Increased capacity and influence of Primary Care

**2.** Culture of quality improvement and outcome focus

**3.** Coordinated services within and across sectors

**4.** Consumers engaged in all we do

**5.** Organisational excellence and impact



## COMMISSIONING POLICY STATEMENT

**Wentworth Healthcare is committed to improving health for the people in its region through the delivery of high quality, accessible and integrated care that meets the needs of its community, underpinned and supported by a robust commissioning process.**

Wentworth Healthcare's strategic vision, mission and values are central in driving the delivery of high quality healthcare in our region through a person-centred approach that supports people receiving the right care at the right time and in the right place.

Wentworth Healthcare Board, executive, managers, staff and commissioned service providers are required to have an understanding of *The Wentworth Healthcare Commissioning Framework* and demonstrate accountability for the delivery of safe, high quality services.

Such services are based on regional and local population needs and address identified service gaps with a particular focus on those most at risk of poor health outcomes.

In addition to planning, purchasing and evaluating services, the implementation of the Commissioning Framework also supports Wentworth Healthcare in achieving key outcomes in consumer and community engagement; clinical practice and workforce support; stakeholder engagement; research and innovation; and business excellence.

### Commissioning Policy: Vision, Purpose and Scope

VISION	<b>Wentworth Healthcare is committed to ensuring the delivery of high quality, accessible and integrated primary health care for consumers who engage in its services in the Blue Mountains, Hawkesbury, Lithgow and Penrith communities.</b>
PURPOSE	<b>To ensure Wentworth Healthcare commissioning activities are underpinned by an understanding and application of the iterative commissioning cycle.</b>
SCOPE	<b>The Framework applies to all Wentworth Healthcare commissioning activities.</b>



## GUIDING PRINCIPLES

**As a leader in the commissioning of primary healthcare services within the Nepean Blue Mountains region (encompassing the Blue Mountains, Hawkesbury, Lithgow and Penrith local government areas) Wentworth Healthcare, provider of the Nepean Blue Mountains Primary Health Network (PHN), considers the delivery of high quality and accessible health care central to all its commissioning activities.**

This is underpinned by the guiding principles which have been developed nationally by PHNs in consultation with the Department of Health.

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

## COMMISSIONING VALUES

These guiding principles work in conjunction with Wentworth Healthcare's commissioned service values to ensure:

- ✓ **Service development** is consumer centred and engages local communities in planning and decision making to ensure strategies meet local needs and priorities.
- ✓ **Services delivery** is consumer centred and based on population health needs.
- ✓ **Services are accessible, clinically appropriate,** timely and affordable.
- ✓ **Services are well integrated, coordinated and provide continuity of care,** particularly for those with multiple ongoing and complex conditions.
- ✓ **Services are safe, of high quality** and underpinned by relevant research and innovation.
- ✓ **Services are efficient and cost effective** in order to ensure fiscal sustainability.
- ✓ **Interested parties are actively engaged,** recognising the skills, knowledge and expertise that will strengthen commissioning activities and shaping of services.
- ✓ **Aboriginal Community Controlled Health Organisations (ACCHOs) and other relevant local Aboriginal organisations are consulted and involved** to increase capacity and delivery of culturally appropriate and safe services within primary health care for Aboriginal communities in the region.
- ✓ **Clinicians are an integral part** of planning processes, accountability and governance arrangements as they have direct impact on outcomes.
- ✓ **Continuous monitoring of performance and evaluation** of current and developing services to ensure services represent best practice as outlined in national guidelines, and have a clear impact on outcomes.

### **Commissioning is defined as:**

*"... a continual and iterative cycle involving the development and implementation of services based on planning, procurement, monitoring and evaluation. Commissioning describes a broad set of linked activities, including needs assessment, priority setting, service design and procurement through contracts, monitoring of service delivery, and review and evaluation."*

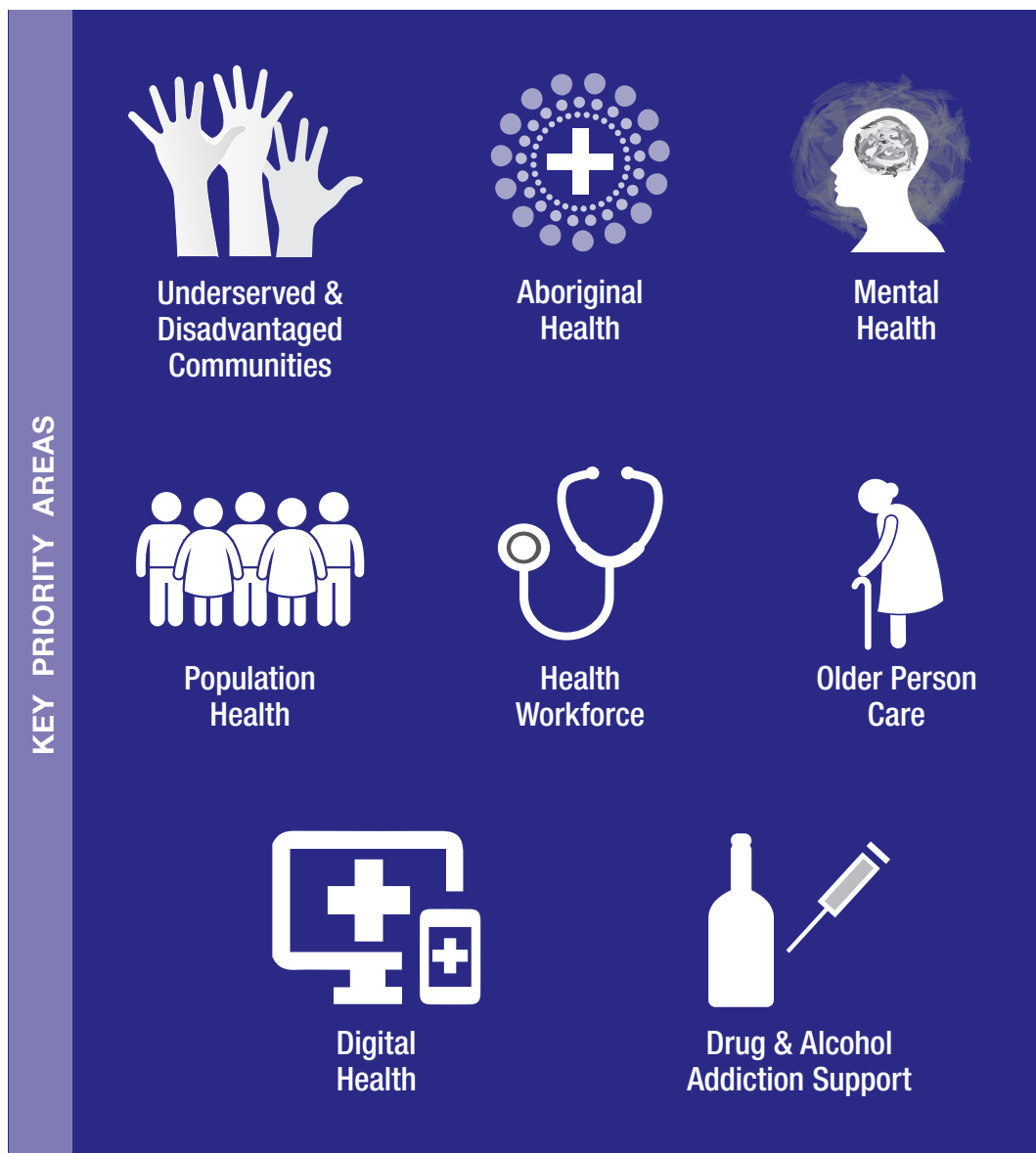
Australian Government Department of Health – *Planning in a Commissioning Environment – a Guide V1.0 2016*

## OVERVIEW

**The Commissioning Framework guides Wentworth Healthcare in its strategic planning, procurement, monitoring and evaluation of health services in the Nepean Blue Mountains region.**

The Framework overarches systems, structures and processes that enable organisational accountability for the delivery of high quality services within primary health care. It drives behaviour, both individual and organisational, that leads to better consumer care and better health outcomes.

Commissioning activities are guided by the following eight overarching key priorities of the PHN program:





**The intention of commissioning is to stimulate new solutions and health care innovation both in the private and public sector to improve quality, accessibility, relevance and integration of frontline health care services.**

The Framework is underpinned by a committed leadership that facilitates a learning environment focused on creating safe, effective and responsive services. It ensures the Board, executive, managers, staff, service providers and health care providers understand their role and responsibility for the safety and quality of services they commission or provide.

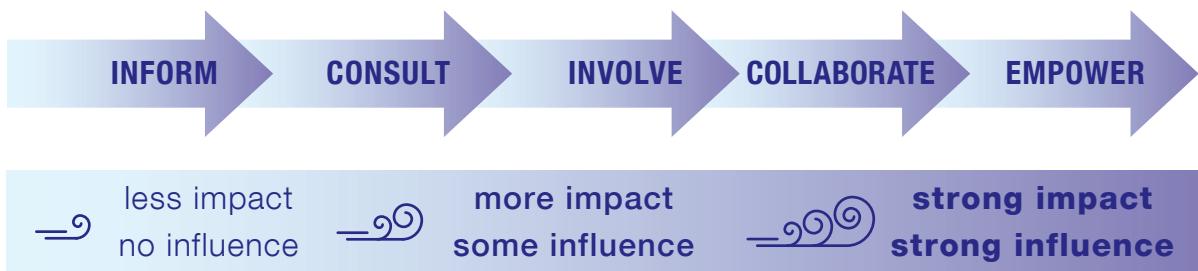
Longer term and where appropriate, Wentworth Healthcare is also considering introducing aspects of outcomes based commissioning. Outcomes based commissioning places a stronger emphasis on outcomes that matter to the individual and the community as well as clinical outcomes for consumers and how outcomes will positively affect health systems. It requires a high level of commissioning maturity among all stakeholders and a willingness to consider joint commissioning activities with relevant stakeholder including public health services to maximise bigger picture outcomes.

**Stakeholder Engagement**

Successful commissioning can only occur through ongoing, sustained stakeholder engagement in all parts of the commissioning cycle. Working collaboratively with consumers as a key stakeholder is central to ensuring their experience shapes the delivery of safe quality services.

The way Wentworth Healthcare engages with stakeholders is determined and influenced by a number of factors including the part of the commissioning cycle where stakeholder input is sought, the size of the project, time and resource constraints and Department of Health funding guidelines.

Stakeholder engagement can range from informing to empowering stakeholders. The stronger the engagement the more powerful the impact stakeholders have on commissioning activities. Strong engagement increases the likelihood that stakeholders are motivated to work towards and achieve the desired outcomes as they directly influence decision making.



*Adapted with permission from IAP2's Public Participation Spectrum – IAP2 International Federation 2014.*

## ENABLERS

Enablers are components which support Wentworth Healthcare in its commissioning activities. They include:



**Engagement** ensures the needs of the community, consumers, carers, providers and other relevant stakeholders influence commissioning decisions so they are relevant to the community and consumer centred.



**Partnerships** build trust, share information and decision making, reduce 'silo' mentality and create a platform to pool funding to increase the impact and reach of commissioning decisions.



**Leadership** ensures a commissioning culture with clear accountability that supports innovation and continuous quality improvement in health service delivery.



**Governance** ensures systems are in place to support effective decision making and probity is applied across the commissioning spectrum.



**Funding** is one of the most important enablers as it dictates what financial resources are available to support commissioning decisions.



**Capability** ensures that all parties engaged in commissioning have the required skill sets to carry out their part or are supported in acquiring them through agreed and systematic capacity building.



**Technology** supports and facilitates all aspects of commissioning and increases efficiencies.





## ROLES AND RESPONSIBILITIES

The successful implementation of the Commissioning Framework involves all levels of the Wentworth Healthcare organisation and its stakeholders. Key responsibilities are as follows:

### ▶ The Wentworth Healthcare Board

- has ultimate responsibility for the governance of commissioning
- directs the purpose of the commissioning strategies

### ▶ The CEO


- has oversight of the development of the commissioning strategies
- ensures strategies are in accordance with the funding requirements from its funders

### ▶ The Executive and Senior Management Team

- provides oversight of the implementation of the commissioning strategies
- guides prioritisation of need and system analysis
- leads internal capacity building and change management to build a culture of innovation, research, data collection and evaluation
- facilitates evidence based solutions which address local and regional needs
- ensures consumers and community are participating at all levels of the commissioning cycle
- establishes and maintain key partnerships and collaboration opportunities to support the commissioning strategies
- guides commissioning strategies towards outcomes based commissioning
- undertakes performance management analysis

### ▶ The Program Managers and their Teams

- implement the commissioning strategies
- assess and analyse health needs and gaps
- develop appropriate solutions in consultation and collaboration with consumers, clinicians, service providers and other relevant stakeholders
- manage programs and projects
- map and analyse stakeholders
- manage procurement of services
- manage and evaluate provider performance
- evaluate commissioning strategies
- identify emergent research, innovation and evidence within the PHN and the wider health sectors



▶ **Wentworth Healthcare Clinical Councils and Community Advisory Groups, Advisory Committees and Expert Reference Groups (including consumers and carer representatives)**

- provide advice on regional health needs, gaps and priorities
- support effective, meaningful engagement, collaboration and co-design of services

▶ **Community, Consumers and Carers**

- engage in all parts of the commissioning cycle
- provide lived experience and insight into the consumer journey
- support prioritisation of regional health needs
- participate in co-design activities to support appropriate consumer centred health care service solutions
- provide feedback on commissioned services they used by participating in health outcome measures and evaluating the effectiveness of the service they have received

▶ **Service Providers**

- are responsible for providing quality health care
- implement and deliver the identified services
- may be involved in co-designing a service model
- work in collaboration with Wentworth Healthcare staff to meet agreed key performance indicators
- evaluate service provision to support better health outcomes for the targeted population

▶ **Other Stakeholders (including Local Health District)**

- provide insight into existing health services
- help identify regional health needs, gaps and priorities
- engage in partnerships to increase scope, reach and impact of commissioning priorities

## THE QUADRUPLE AIM

Wentworth Healthcare applies the Quadruple Aim to its Commissioning Framework. The four parts of the Quadruple Aim are inter-related and each are necessary to support successful commissioning outcomes in the region.

### Improved health outcomes

Is the service improving the intended health aspects of the designated population group?

- improved health outcomes in the region
- reduced burden of disease

### Better consumer experience

Is the service delivery consumer centred and meeting consumer expectations?

- consumer needs met
- safe, effective service
- timely access

Improved health outcomes

Better consumer experience

Enhanced provider satisfaction

Value for money

### Enhanced provider satisfaction

Do staff providing the service feel valued and supported?

- increased clinician and staff satisfaction
- supports culture of quality improvement
- supports effective teamwork

### Value for money

Is the cost of service provision commensurate with what is actually provided and represents value for money? Will service provision help in overall health cost reduction (particularly avoidable hospitalisation)?

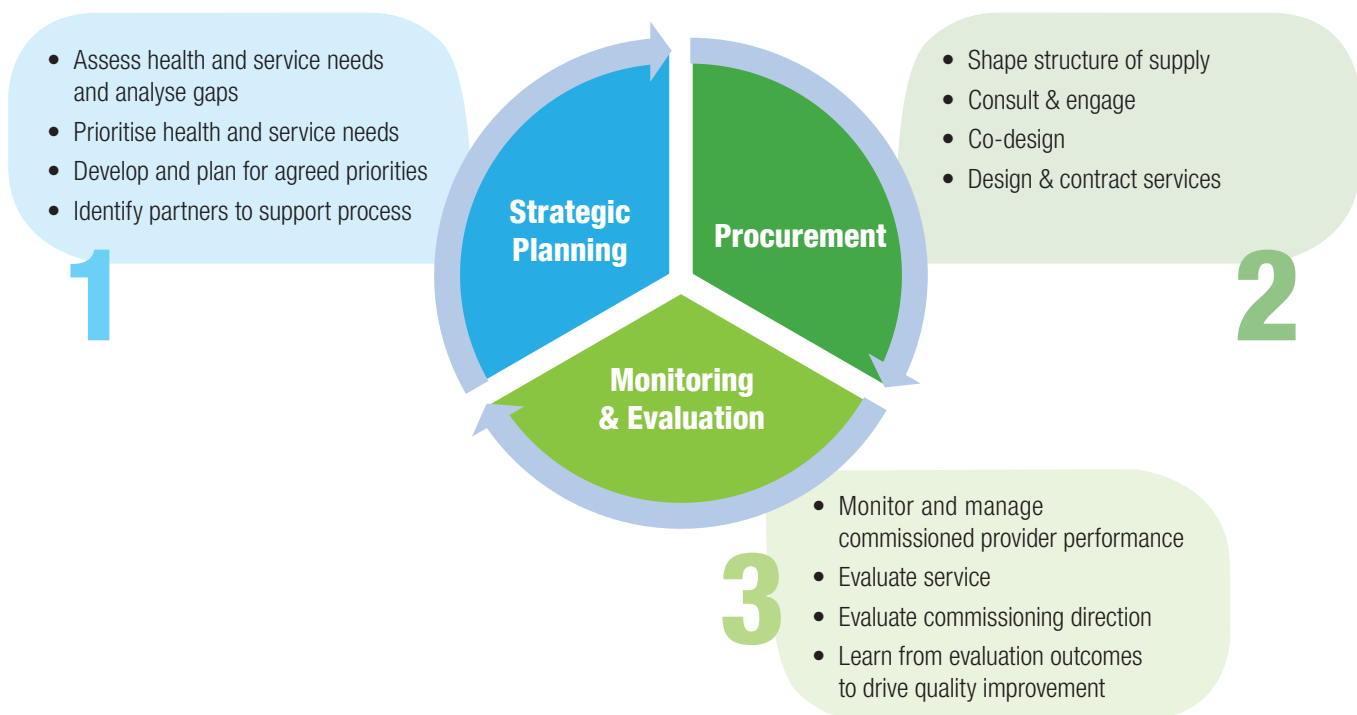
- increased financial resource in primary care
- delivers efficient services

## THE COMMISSIONING FRAMEWORK

The iterative commissioning cycle provides the framework to support a holistic approach to service delivery within the Nepean Blue Mountains region.

Central to the Framework is the delivery of high quality primary health care services and integrated service delivery to health consumers in the region. Significant input from a range of interested parties, including early and sustained engagement with consumers and the community, general practice, the local health district and other health care providers is paramount in ensuring the successful implementation of the Framework.

**The Wentworth Healthcare Commissioning Framework has three key components:**



### KEY COMPONENT 1 – STRATEGIC PLANNING

Strategic planning provides high-level direction to ensure that Wentworth Healthcare is intelligently responding to local health needs of the communities within the Nepean Blue Mountains region.

The range of activities during the strategic planning phase ensures an understanding of local health needs through systematic and coherent collection and analysis of quantitative and qualitative data. Data elements include demography, geography, health determinants and, health status and behaviour. The strategic planning process consists of four main phases:

#### Needs Assessment

The health needs of the region and its communities are identified through qualitative and quantitative research, Commonwealth and State Government directions, advice from the Wentworth Healthcare clinical, community, consumer and allied health advisory groups and through direct engagement with other relevant stakeholders.





## Service Review and Gap Analysis

The service review and gap analysis involves mapping and reviewing existing services, plans and projects. A review and evaluation of current patterns of service provision as well as an evaluation of current performance and practice helps in identifying potential commissioning opportunities.

## Prioritisation

An initial prioritisation process synthesises the findings from the needs assessment, service reviews and gap analysis which results in a multitude of possible commissioning options and opportunities. These high level options or opportunities are then further prioritised to shape Wentworth Healthcare's strategic set of commissioning intentions.

## Annual Planning

Wentworth Healthcare's strategic commissioning intentions together with funder requirements and available funding amounts will shape the iterative annual planning process and identify the services, activities or interventions to be commissioned or de-commissioned.

## KEY COMPONENT 2 – PROCURING SERVICES

Robust procurement processes ensure that services are commissioned in an ethical, accountable, transparent and economical manner. Wentworth Healthcare uses a documented project management approach, supported by Wentworth Healthcare's governance structures, to engage in sound procurement with clarity around roles and responsibilities.

### Shaping Structure of Supply – Market Engagement

A key factor in shaping the structure of supply is analysis of and engagement with the provider/supplier market to maximise delivery of services which meet community needs and represent value for money. Constructive market engagement helps to: understand and assess the market; understand and overcome barriers to market entry; build capacity in the market to respond to need; support new providers to enter the market; co-design models of care to derive better solutions; support innovation in how services are delivered or how stakeholders work together.

### Designing Services

The designing of activities and services to be commissioned requires significant planning to enable a collective (stakeholder) agreement on scope, resource implications and risks. Service design supports a more innovative and open approach where stakeholders can contribute to the development of a model, service and service specifications, consumer journeys, and capacity building plans.

### Co-design

A co-design approach helps achieve the best possible service design outcomes as it increases level of support and co-operation between stakeholders, and builds capacity and collective ownership of intended outcomes. Co-design can occur at various stages of procurement. Prior to the procurement process co-design with community and consumers, potential providers and other relevant stakeholders will influence the direction (high level outcomes) and help shape what type of service or activity is to be procured. During the procurement process, co-design with potential providers and consumers can assist in designing a model of care and specifications for the service to be delivered. At any stage, the scope of the co-design must be clearly articulated to all parties involved.



## Contracting

Wentworth Healthcare has a clearly defined tender processes to ensure selection and contracting of the most suitable applicants is transparent, ethical, fair and accountable and represents value for money.

An important step in procurement is the approach to market to contract the best possible provider. Wentworth Healthcare supports usually an open (any suitable organisation can apply) tender through an Expression of Interest or a Request for Proposal process as its default approach. However, there are occasions when only a small number of providers or a single provider may be suitable to deliver the service and it is not appropriate or possible to build capacity in the market. In such instances Wentworth Healthcare may engage in a direct approach to a single or defined number of providers.

## KEY COMPONENT 3 – MONITORING AND EVALUATION

Wentworth Healthcare's monitoring and evaluation processes ensures that commissioned providers are held accountable for their service delivery and that commissioned services continue to meet the needs of the community.

### Managing Commissioned Provider Performance

Commissioned providers enter into a legally binding contract for a defined term. Contracts are monitored and managed through structured processes which includes regular meetings between the provider and Wentworth Healthcare, measuring provider performance against agreed performance indicators including suitable data collection requirements. Regular and ongoing performance monitoring is also vital to pick up early signs of any issues or risks affecting provider performance so they can be addressed in a timely fashion.

### Evaluating Services

Wentworth Healthcare uses service evaluation to identify what works and change what does not work, so that resources can be invested to maximise health impact in the region. Services are evaluated through service user outcome measures, consumer and provider satisfaction surveys, and cost effectiveness as well as against the original commissioning objectives and goals. Depending on the nature of the commissioned service, Wentworth Healthcare may engage external evaluators or enter into a partnerships with other organisations such as universities to carry out evaluations.

### Evaluating Commissioning Direction

Wentworth Healthcare evaluates its commissioning directions to ensure they remain relevant and are meeting the need of the community. The commissioned service evaluation together with the iterative needs assessment ensures that commissioned services continue to meet the health needs of the community. Future directions may also be influenced by available and new funding opportunities.

Wentworth Healthcare uses learnings from evaluation outcomes to assist in quality improvement across the spectrum of the commissioning cycle.

### Decommissioning

Based on the service and/or the commissioning direction evaluation, an existing service may need to be decommissioned as it no longer meets identified regional or local health needs and priorities. Wentworth Healthcare's decommissioning processes ensure that the needs of existing service users are addressed in any decommissioning plan.



## REFERENCES

Graph on page 7 adapted from IAP2's *Public Participation Spectrum—IAP2 International Federation 2014* and used with permission of the publisher.

The following Department of Health commissioning guidelines for PHNs have been used to develop the Commissioning Framework:

1. *Planning in a Commissioning Environment – a Guide*, June 2016
2. *Change Management and Commissioning Competencies Guidance*, July 2018
3. *Market Making and Development Guide*, July 2018
4. *Designing and Contracting Services Guidance*, June 2016
5. *A Guide to Manage Contracts with Commissioned Organisations*, May 2017

### Related Documents

- *Clinical Governance Framework*  
[www.nbmphn.com.au/library](http://www.nbmphn.com.au/library)



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