

# Commissioning Framework



North Western Melbourne  
Primary Health Network

nwmphn.org.au

ABN 93 153 323 436

Telephone: (03) 9347 1188

Fax: (03) 9347 7433

Street address: Level 6, 737 Bourke Street  
Docklands, Victoria 3008

Email enquiries: [nwmphn@nwmphn.org.au](mailto:nwmphn@nwmphn.org.au)

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Acknowledgements

We acknowledge the people of the Kulin nations as the Traditional Custodians of the land on which our work in the community takes place. We pay our respects to their Elders past and present.

We also recognise, respect and affirm the central role played in our work by people with lived experience, their families and/or carers.



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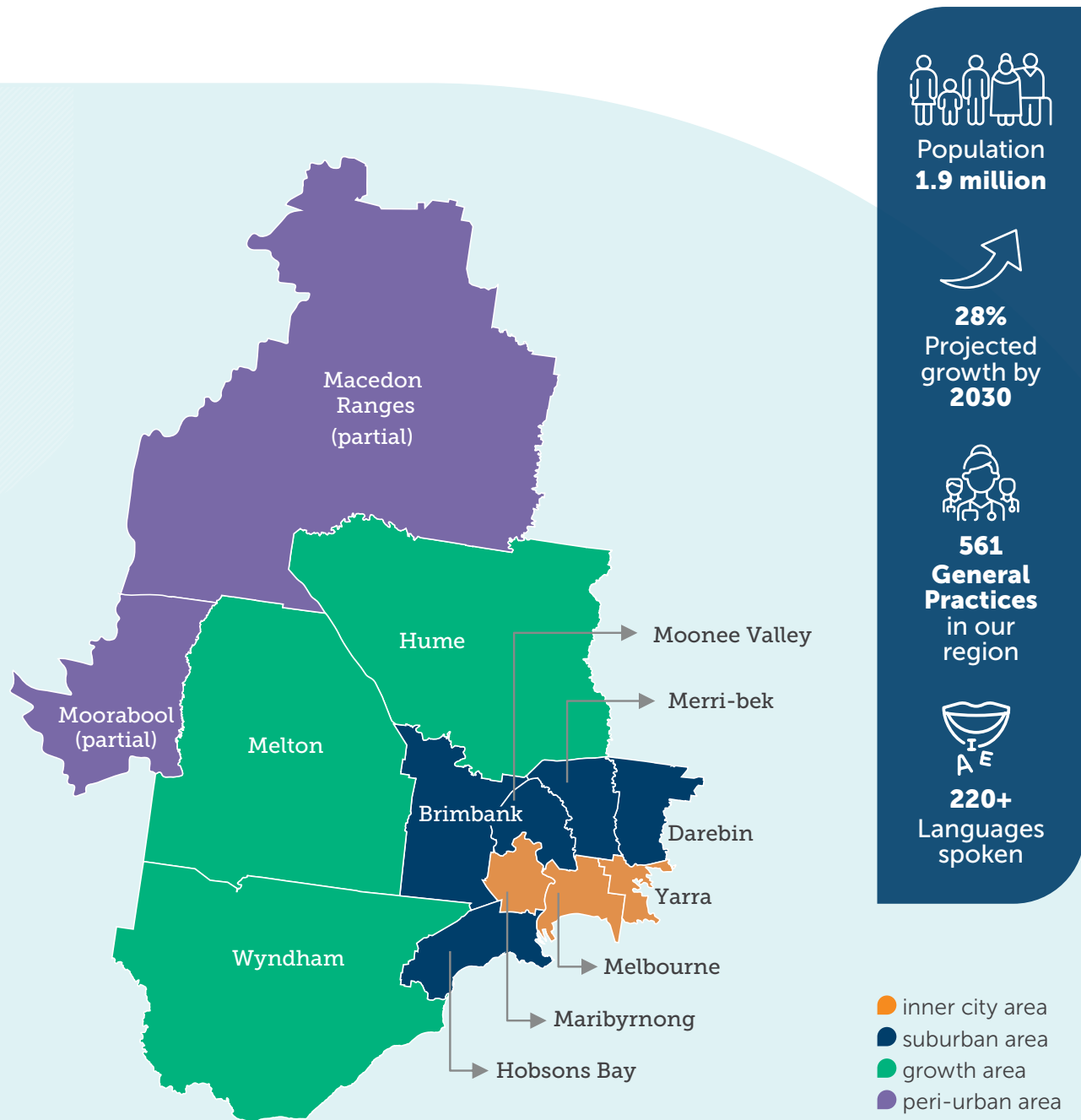
Kathleen Wunhym at her home with  
Rebecca Avery and Charles Levy from  
Merri Health Stepped Care for Older  
Adults service.

Photo: Leigh Henningham

# Introduction

The North Western Melbourne Primary Health Network region is on the traditional lands of the Wurundjeri Woi Wurrung, the Boon Wurrung and the Wathaurong peoples. It stretches from Little River in the south, to the regional areas around Lancefield in the north, Darebin in the east, and as far west as Bacchus Marsh. It includes inner city, suburban, growth and peri-urban areas.

The population of the region is diverse, socially, culturally and economically. We have a rapidly growing population, areas of low and high income, areas of concentrated disadvantage, and a significant proportion of residents from non-English-speaking backgrounds.



## North Western Melbourne Primary Health Network

North Western Melbourne Primary Health Network (NWMPHN) is one of 31 primary health networks (PHNs) across Australia. Established by the Australian Government with the key objectives of increasing the efficiency and effectiveness of medical services for patients, particularly those at risk of poor health outcomes, improving coordination of care to ensure patients receive the right care in the right place at the right time, and ensuring that services are of a safe and high quality standard.

We do this through 5 roles:



**Capability builder:** we ensure that primary health care providers can access the best education, tools and resources to translate evidence into practice and drive continuous quality improvement in the services they deliver.



**Commissioner:** we co-design local and regional strategically procured solutions to address service gaps, better integrate health care and ensure equitable access to safe, quality care.



**Communicator:** we deliver timely and relevant localised information to health care providers and deliver evidence-based, accessible information to our diverse community members to inform and empower them.



**Coordinator:** we foster strong partnerships and collaborations across local, state and federal levels to deliver better integrated care between primary health, acute and specialist services.



**Champion:** we advocate for primary care as the foundation for a high-performing and sustainable health system. This includes influencing state and federal investment in primary health care and advocating for better integration through work with expert advisory groups, community and clinical councils and other subject matter experts.



## Our strategic plan

NWMPHN's vision for 'healthy people, and a healthy community' is delivered through five strategic objectives:

- **Health system innovation and reform**  
To be a trusted partner in building a high-performing and sustainable health care system.
- **Person-centred health care**  
To listen to what people value in their health care and place this at the centre of all that we do.
- **High performing primary health care services**  
To build the capability of primary health care providers.
- **Population health needs and outcomes**  
To generate, translate and share data and evidence about population health needs and outcomes.
- **Organisational excellence and sustainability**  
To work together to build a thriving organisation that is well-governed and environmentally and financially sustainable.

Underpinning our strategic objectives is the *Quintuple Aim of Health Care*, which allows us to ensure we're considering the key elements of an effective and efficient health system in all that we do. The aims provide the foundation to measure the outcomes that are important to our consumers, providers and the health care system.

Importantly, for us, addressing health inequities in our diverse and complex region is a key priority. We believe that everyone has the right to the best health care possible and as such we are committed to embedding health equity considerations through all stages of our commissioning approach.

## The Quintuple Aim



### Improved health equity

- Increase access to safe, local and culturally appropriate care for all
- Drive appropriate care for population groups at risk of poor health outcomes
- Consider the impacts of social determinants
- Enhance consistency of care across services and providers



### Improved health outcomes

- Improve health outcomes for consumers and communities
- Improve quality of life for consumers
- Intervene early to prevent illness



### Improved cost efficiency and sustainability

- Improve cost effectiveness of service delivery
- Reduce potentially preventable hospitalisations
- Increase efficiency in service delivery



### Improved consumer experience

- Increase accessibility and timeliness of care
- Empower individuals to manage and make choices about their health
- Increase the appropriateness and safety of care
- Increase consumer and community participation in healthcare



### Improved provider experience

- Increase clinician and staff satisfaction
- Promote teamwork and integrated care
- Improve workforce attraction and retention
- Promote a culture of continuous quality improvement
- Build workforce capacity and capability

## Purpose of this commissioning framework

In our role as a commissioner, we take a strategic and evidence-based approach to working with our partners to identify and address the health needs in the north, western and central Melbourne regions, to provide high quality care and support a more integrated health system.

### To us, commissioning is much more than simply funding services and managing contracts

The purpose of this document is to describe NWMPHN's approach to commissioning. Our commissioning framework:

- establishes the principles that guide our commissioning approach
- highlights how our commissioning approach links to our organisational strategy, vision and mission
- explains the commissioning cycle and the activities that support a strategic commissioning approach
- describes how we work with key stakeholders when undertaking commissioning
- explains the governance structures that support our commissioning activities
- identifies focus areas for the future development and strengthening of our commissioning approaches.

This document is part of a wider range of resources which supports and guides NWMPHN to deliver on our strategic objectives through a leading practice commissioning approach.

This framework will be reviewed and updated as we continue to learn from our experience, mature as an organisation and respond to the changing needs of the region.



Edith James and her walking group: Maree Russo, Yvonne Elliott and Keith Evans in Aberfeldie.

Photo: Leigh Henningham

# What is commissioning?

## About commissioning

Commissioning is a strategic and evidence-based approach used to identify and prioritise the health and wellbeing needs of a population and to deploy services, programs or other responses that meet the needs of the region. Commissioning is not simply funding or procuring services. It is:

- a continual and iterative cycle involving the development of services based on evidence, co-design and consultation with stakeholders, through to delivery, monitoring and evaluation to ensure that our commissioned responses have the intended impact.
- a mindset with an emphasis on outcomes and strategic investment.
- built on relationships and collaboration with our providers and partners to develop local capability and capacity, and to drive continuous quality improvement, integration and safety of commissioned services.

Commissioning is one of the core roles of our organisation. Funders, including the Australian Government Department of Health and Aged Care (DoHAC), entrust NWMPHN to commission needs-based, locally appropriate, consumer-centred and evidence-based solutions to address the health needs of the region.

As a commissioner, NWMPHN also has a role in making decisions and investing in the sector in a way that builds a strong and durable health system. This requires close collaboration with our partners to deliver more effective outcomes through greater integration, and by leveraging the resources held by other commissioners or their market of providers, such as subject matter knowledge, physical or intellectual assets, relationships, and financial resources.



Secondary school student Che with  
Liam O'Neill at headspace Collingwood.  
Photo: Leigh Henningham

## Contemporary approaches to commissioning

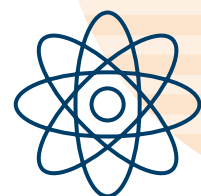
Globally, approaches to commissioning are evolving to meet the emerging needs of local populations, in response to dynamic operating environments, and as health and social services commissioners become more experienced. Our commissioning approach will continue to incorporate contemporary approaches as appropriate, and to support the development of a stronger health system.



There are a range of approaches to commissioning that we can adopt to suit our needs and achieve our objectives. These are not mutually exclusive and if appropriate can be used together.

<b>Collaborative commissioning</b>	NWMPHN will look for opportunities to partner with other funders, commissioners and agencies, including at different levels of government. Collaborative commissioning can deliver more effective outcomes through improved integration and by increasing the reach and purchasing power of services.
<b>Agile commissioning</b>	This can give greater flexibility and responsiveness, drawing on readily available assets and strengths between partners, providers and commissioners. We will adopt agile and responsive practices to efficiently commission services in response to urgent needs and emergencies.
<b>Relationship-based commissioning</b>	We will take a relationship-based commissioning approach to build a greater focus on mutual respect, equality, communication and transparency between providers and commissioners. Relationship-based commissioning supports the establishment of new arrangements with providers in the spirit of long-term relationship development, enabling system-level continuous improvement.
<b>Place-based commissioning</b>	This focuses on the local system, region and community to better target the specific needs of individuals within a population. Where appropriate, we will take a place-based focus to empower local communities to co-design commissioning activities.





## Our guiding principles

The following principles underpin NWMPHN's commissioning approach. They are consistent with and support our overarching organisational vision, mission, values and goals.

- 1. Consumer-centred.** Ensure that the voice, experience and preferences of consumers are at the centre of our commissioning approach.
- 2. Health equity.** Prioritise those most in need to improve health equity, recognising that everyone has the right to the best health care and outcomes possible, while also ensuring that services are delivered in a culturally safe and appropriate manner.
- 3. Evidence.** Ensure that commissioning activities and decisions are informed by evidence and need, leveraging data and insights wherever possible.
- 4. Co-design and engagement.** Engage and collaborate with our stakeholders, including consumers, communities, clinicians, providers and partners, to deliver appropriate and inclusive solutions. This includes undertaking respectful, meaningful and purposeful engagement to build trust and cultural safety.

- 5. Strengths-based.** Recognise and build on the strengths of providers and partners to flexibly and responsively commission services to meet evolving health needs.
- 6. Value for money.** Drive value for money and efficient use of resources by measuring outcomes and costs, and by partnering with other commissioners to strengthen integration and reduce duplication.
- 7. Quality and safety.** Set high standards for the quality and safety of care, and use data and evidence to drive continuous quality improvement.
- 8. Environmental impact.** Consider the environmental impact of our commissioning decisions and encourage sustainable solutions.



Collaborative Pairs workshop  
Jenny Ryan (L) and Briony Swart (R).  
Photo: Norm Oorloff

# Our commissioning framework

## Our approach

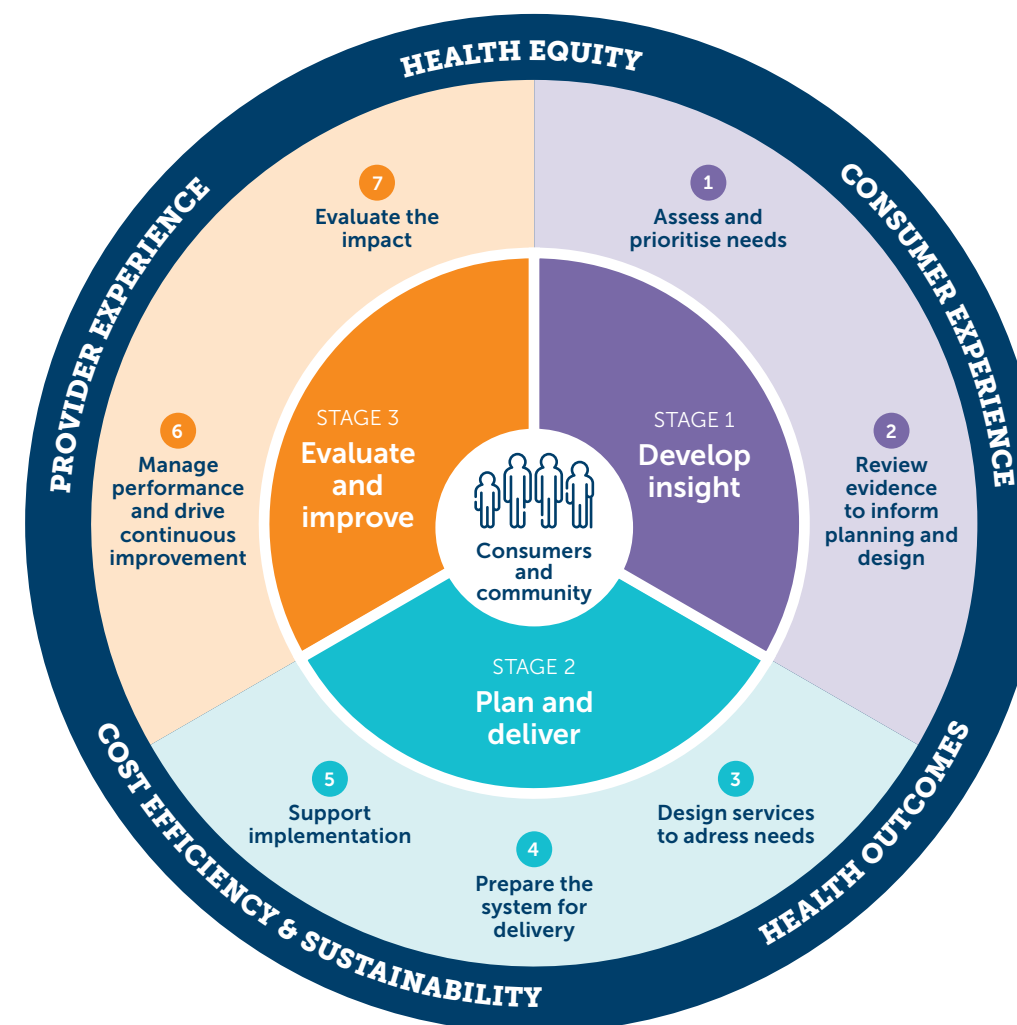
Our commissioning approach has 3 core stages, each with a distinct purpose. Consultation during the design, development and implementation of commissioning activities is critical to delivering the outcomes that really matter to consumers and communities.

The cycle of activity represents commissioning as a continuous and iterative process, with each stage feeding into the next. This enables us to improve and optimise value through ongoing review and feedback cycles which ensure that responses are closely aligned with community needs.

While the cycle presents a sequential process, in practice this is much more complex. Some activities may occur simultaneously, and some may require a greater investment of time or resources, depending on the circumstances.

The complex nature of health and wellbeing outcomes, and the dynamic ecosystem in which we operate, means that our commissioning approach can be affected by external factors. These include the urgent need to respond to health crises and emerging issues. Other factors might be new parameters set by the Department of Health and Aged Care and other funders, influencing the capacity of NWMPHN and the market to deliver interventions in the timeframes expected.

NWMPHN's commissioning processes and protocols can be adjusted to respond efficiently to a variety of changing purposes, circumstances and conditions.



Commissioning stages and activities

Our commissioning process takes place over 3 stages.

Stage 1: Develop insight

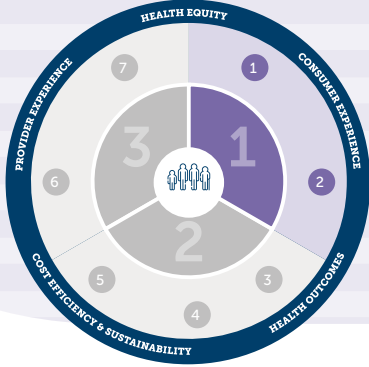
Purpose

The purpose of the first stage of the commissioning cycle is to identify and understand the met and unmet health and wellbeing needs of the communities within the NWMPHN region. These findings inform which local community health and service needs should be prioritised. This is critical to ensure health resources are allocated in a focused way to reduce duplication, deliver value for money and address health inequities.

Activities and key tasks

Through our approach to commissioning, we will:

Activity	Key tasks
1 Assess and prioritise needs	<ul style="list-style-type: none"><li>• Draw on qualitative and quantitative data from a range of sources to develop activity-specific health insights.</li><li>• Identify and understand the relevance of social determinants of health, place-specific considerations, and the experience and needs of cohorts experiencing vulnerability or at risk of poor health outcomes.</li><li>• Consult with stakeholders including consumers, communities, clinicians and partners to refine and prioritise our understanding of health needs.</li><li>• Prioritise needs in line with our overarching priorities as set out in our strategic plan.</li><li>• Consider opportunities for joint needs assessment and joint regional planning in collaboration with other local commissioners.</li></ul>
2 Review evidence to inform planning and design	<ul style="list-style-type: none"><li>• Identify and understand contemporary evidence-based programs and interventions to inform the activity’s design.</li><li>• Consider how the potential activity could improve the cost of service delivery (efficiency), positively affect the health and wellbeing of participants (effectiveness), and contribute to integration of the health system.</li><li>• Consider opportunities for stakeholders including consumers, community, service providers and clinicians to be involved in joint planning and design of the activity.</li></ul>



Stage 2: Plan and deliver

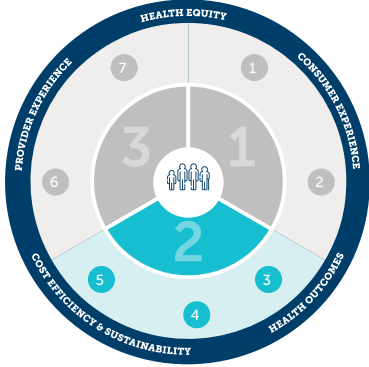
Purpose

The purpose of the second stage of the commissioning approach is to plan, design and implement a response to the needs prioritised in the initial stage. It ensures outcomes and interventions are clearly defined and appropriate.

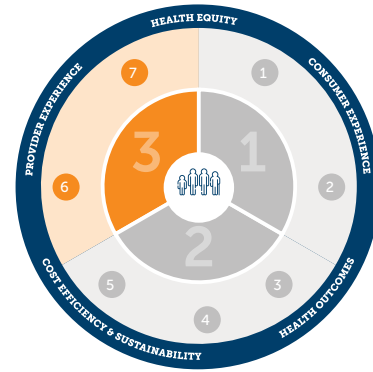
Activities and key tasks

Through our approach to commissioning, we will:

Activity	Key tasks
3 Design services to address needs	<ul style="list-style-type: none"><li>• Undertake co-design and consultation with stakeholders, where appropriate, guided by the <a href="#">NWMPHN Stakeholder Engagement Framework</a>.</li><li>• Identify how the commissioned activity will respond to the needs identified by stakeholders in an equitable, accessible and culturally responsive manner.</li><li>• Work collaboratively with stakeholders to identify and pilot innovative practices and areas for improvement for commissioned activities.</li><li>• Share knowledge of what works and contribute to the capabilities of the NWMPHN market and system including both commissioned and non-commissioned service providers.</li></ul>
4 Prepare the system for delivery	<ul style="list-style-type: none"><li>• Assess the current state of the market to deliver the designed services and the potential opportunities for integration, innovation, collaboration and sustainability.</li><li>• Consider opportunities to strengthen the primary care sector through quality improvement, integration, workforce development, and culturally responsive and inclusive practices.</li></ul>
5 Support implementation	<ul style="list-style-type: none"><li>• Design procurement strategies that are fair, inclusive, evidence-based, and which enable the market to demonstrate their value in meeting the needs of our community, wherever possible.</li><li>• In the approach to market, consider the use of contemporary procurement models to encourage innovation, collaboration and partnership between providers.</li><li>• Identify opportunities to drive value for money, integration and continuous quality improvement through implementation.</li><li>• Build and maintain relationships with providers to support the implementation and integration of services.</li><li>• Work with providers to ensure meaningful outcomes, output and activity measures are selected for monitoring, so that we can understand the appropriateness, effectiveness, efficiency and impact of commissioned services on health equity and outcomes.</li></ul>







## Stage 3: Evaluate and improve

### Purpose

Robust monitoring and evaluation are critical to drive continuous quality improvement. The process also contributes to an evidence base that enables us to see whether the activities we commission are improving health and wellbeing outcomes for our community. This stage also informs NWMPHN decision-making and supports the improvement of provider and system-wide performance.

### Activities and key tasks

Through our approach to commissioning, we will:

Activity	Key tasks
<b>6</b> <b>Monitor performance and drive continuous quality improvement</b>	<ul style="list-style-type: none"> <li>Monitor and manage the performance of providers to ensure they are delivering the agreed services and meeting the needs of the community.</li> <li>Support commissioned providers to drive targeted continuous quality improvement and ensure that their services are equitable, accessible and culturally responsive.</li> <li>Facilitate referral pathways, collaboration and partnerships between service providers to improve connections and integration across the system and support continuous quality improvement.</li> <li>Where appropriate, work with providers to build data collection capabilities, including collecting information on equity and diversity.</li> <li>Build and maintain relationships with providers and other partners to support delivery of services.</li> </ul>
<b>7</b> <b>Evaluate the impact</b>	<ul style="list-style-type: none"> <li>Ensure decision-making regarding future program design and funding allocations will be informed by monitoring and evaluation findings, our Health Needs Assessment, and involve close consultation with consumers, community, clinicians, partners and providers.</li> <li>Leverage the data and insights gathered from commissioning activities, funders, sector and community to inform improvement of services, and understand our impact.</li> <li>Continuously review the outcomes of commissioning activities to make effective recommendations for system improvement.</li> </ul>

## Who is involved?

### Governance of commissioning decisions

NWMPHN is committed to strong and effective governance. The Board and its sub-committees, the Clinical and Community Councils, and the Senior Leadership Team, all provide governance, oversight, advice and guidance on commissioning activities. Our Expert Advisory Groups (EAGs) provide additional subject matter expertise.

We are committed to proactively and transparently communicating decisions about commissioned services with our consumers, community, clinicians, providers and partners. This includes decisions related to prioritising needs, allocating funding and using the outcome of monitoring and evaluations.

EAGs are invaluable, providing insights and advice to support the work we do. NWMPHN has 5 EAGs with which we regularly engage. They cover:

- Aboriginal and Torres Strait Islander health
- Alcohol and other drugs
- General practice
- Mental health
- Older adults.

### Roles and responsibilities

The Senior Leadership Team has responsibility for leading implementation of the commissioning framework across NWMPHN. Multiple teams collaborate to deliver the commissioning approach. Commissioning is not the responsibility of a single team or role.

Our partners, including service providers and other commissioners in the health system, also have roles in commissioning for the benefit of consumers in the region.

There is sometimes overlap between these groups, and the organisations we partner with will continue to evolve as the system continues to change.



Original members of NWMPHN's community Council, 2018.

Photo: Leigh Henningham



This table highlights the responsibilities of key stakeholders in our commissioning approach.

Consumers and community	<ul style="list-style-type: none"><li>Assist in identifying needs, defining outcomes, co-designing responses, evaluating programs and services.</li><li>Provide the stories that will promote the approaches and actions that meet the needs of the community.</li></ul> <p>This is enabled through a range of mechanisms to enable culturally responsive consumer and community participation in commissioning activities, such as People Bank. It also means supporting consumer activation to increase consumer literacy, capability and willingness to engage in health planning activities and decisions.</p>	
NWMPHN	<ul style="list-style-type: none"><li>Set the investment strategy, broad priorities and evidence-based strategies.</li><li>Set the timescales and leads for the key tasks and phases of the commissioning approach.</li><li>Lead and facilitate a culture of collaboration with stakeholders.</li><li>Manage service provision to support quality and safety, including a culture of learning and continuous improvement.</li><li>Align commissioning decisions and funding with partners, whenever feasible and to meet population health needs.</li><li>Adapt internal processes, activities, and behaviours to reflect the commissioning framework in an efficient and effective way.</li></ul>	
Our partners	Service provider partners	Commissioning and system partners
	<ul style="list-style-type: none"><li>Participate in commissioning activities to inform the development of plans and ensure that services remain responsive to local needs.</li><li>Develop innovative and cost-effective service models and solutions in response to commissioning decisions and local needs.</li><li>Manage delivery and drive continuous improvement in the quality of service models.</li><li>Develop effective partnerships with the wider health and social sector to support service development, integrated care pathways and to deliver agreed priorities.</li><li>Work in collaboration with NWMPHN to communicate the success and lessons learnt of commissioned services.</li></ul>	<ul style="list-style-type: none"><li>Collaborate to define health priorities and the outcomes we are working to achieve.</li><li>Collaborate to improve integration and build the sustainability and strength of the health system.</li><li>Bring the unique strengths, assets and resources of each commissioner to work collaboratively with NWMPHN to improve health and wellbeing outcomes for the people of north, western and central Melbourne and Victoria.</li><li>Seek to align and coordinate planning, funding and commissioning processes where practical.</li></ul>

Commissioning enablers

Our approach to commissioning is underpinned by a set of enablers that support our ways of working and allow us to drive progress against our strategic objectives.

Continuing to develop and embed these enablers will be key to successful implementation of our commissioning approach, requiring targeted investment and resourcing from our organisation.

Enabler	Description
People and culture	Our people are key to the successful implementation of our commissioning approach and the achievement of our strategic objectives. We are committed to building the capabilities of our staff to ensure we have the right skills to deliver an effective approach. This includes building a culture with a commissioning mindset, focused on delivering the outcomes that are important to our consumers and communities.
Collaboration and relationships	We cannot achieve complex consumer and community outcomes alone. We will continue to work in close collaboration and invest in our relationships with our partners to understand needs, agree local priorities and access our collective resources to improve outcomes.
Evidence and data	Our approach is informed by evidence and data. We base our approaches on what the evidence says about leading practice, as well as analysing data to draw insights to inform our understanding of what works. We also capture data and learnings through monitoring and evaluation to contribute to the evidence base and inform the ongoing improvement of what we do.
Digital and technology	The use of digital approaches and technology continues to enable us to work in more efficient and effective ways, and to support the delivery of new and innovative models of care. This requires ongoing investment into our digital capabilities and technology assets.
Workforce	The health sector workforce in our region is in high demand, and it is critical to successful commissioning and the achievement of our objectives. We will continue to look for opportunities to support the development of our local workforce through market shaping, capability building and advocacy.

# Looking to the future

Commissioning is dynamic and continually evolving. Our approach is cyclical so that we are continuously learning from what we do and how we work within the broader health system. We will continue to monitor and review the effectiveness and impact of our commissioning approaches and practices to ensure that we are well positioned to respond to the evolving needs of our population and the changing health service system.

We will continue to invest in the development of our commissioning capabilities to drive continuous improvement of our approaches. This will be done in line with our approach to building our organisational capabilities as set out in our strategic plan.

As we develop our commissioning approaches, our key areas of focus include:

- Continuing to invest in our **commissioning capability and maturity** to support improvement of our approaches and ensure that our culture and behaviours align with the direction set out in this framework.
- Continuing to strengthen our use of **evidence, data and insights**, working with health professionals and other subject matter experts, to understand health needs and outcomes in our region so we can target resources to where and how they will have the greatest impact.
- Continuing to enable and encourage **consumer and community participation** in the planning, development and evaluation of health services so people can influence the decisions that impact their health.
- Continuing to drive increased **access and equity** for our community, with a special focus on addressing the needs of the most disadvantaged and those who are at the greatest risk of poor health outcomes.
- Acting as a **system steward** and collaborating with our partners to build a stronger and more integrated health system.
- Driving a focus on **value for money** to ensure that we are optimising the achievement of the best outcomes and highest quality care within limited available resources.

