

# Commissioning Framework

February 2020

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## Introduction

Adelaide PHN is a membership-based organisation focused on improving health outcomes, and the experience of primary health care within the Adelaide metropolitan region.

Established and funded by the Commonwealth Government, Adelaide Primary Health Network (PHN) is a not-for-profit organisation. We are one of 31 PHNs operating across Australia, and one of two in South Australia.

Working closely with the wider Adelaide community and benefitting from the experience and knowledge of primary health care providers, it's the job of Adelaide PHN to ensure the health system better meets people's needs.

## 1. Purpose

The Commissioning Framework describes Adelaide PHN's approach to commissioning primary health care services that better meet the needs of the Adelaide metropolitan community and supports Adelaide PHN's Strategic objectives and priorities. The purpose of the Commissioning Framework is to:

- enable a systematic, consistent and considered approach to commissioning
- ensure commissioned services are delivered to a high standard and demonstrate improved primary health care experiences and outcomes
- support Adelaide PHN's governance, statutory, legislative, contractual, standards and related compliance obligations
- maintain stakeholder trust and respect and ensure due diligence

The Commissioning Framework confirms Adelaide PHN's commitment to quality commissioning practices and ensures that Adelaide PHN staff and the broader community are fully informed of Adelaide PHN's commissioning approach.

## 2. Scope

The Commissioning Framework underpins all areas of Adelaide PHN's business activities and management functions and is integral to the achievement of Adelaide PHN's strategies and outcomes to:

- know the health and service needs of our communities and develop solutions
- improve the person's experience of primary health care
- engage and involve our community in the design of services and feedback
- commission services that are high quality and effective

## 3. Ownership

The Commissioning Framework owner is the Executive Manager, Development and Commissioning of Adelaide PHN.

## 4. Review

The Commissioning Framework is to be reviewed annually by responsible officers as part of Adelaide PHN's commitment to continuous quality improvement.

The overall performance of commissioning activity within the Adelaide PHN will be regularly reviewed by the Commissioning, Quality and Risk Sub Committee.

## 5. Commissioning Framework

The Commissioning Framework sets out the arrangements for identifying, designing, procuring, monitoring and evaluating primary health care services that better meet the local needs of the Adelaide metropolitan community.

The Commissioning Framework establishes how Adelaide PHN will work closely with individuals, communities, health care providers and other key stakeholders in the Adelaide metropolitan region to collectively improve health outcomes for our population.

The Commissioning Framework enables Adelaide PHN to commission holistic, collaborative, integrated and innovative primary health care services that are underpinned by the principles of transparency, accountability, fairness and value for money.

A considerable and concerted effort by Adelaide PHN's leadership, management and staff will ensure the Commissioning Framework is maintained and continues to evolve and mature, commensurate with the capabilities of our organisation and market.

During all stages of the commissioning cycle, Adelaide PHN focuses on how an individual experiences health care (including access to care, its efficiency and effectiveness), as well as the degree of connectedness experienced by our people when navigating the health system and the degree of seamlessness.

The Commissioning Framework is consistent with the Commonwealth Government's PHN Grant Programme Guidelines and the Adelaide PHN's Funding Agreements with the Commonwealth, including agreed activities set out in Activity Work Plans.

Figure 1 below depicts the key elements of the Commissioning Framework and how our community and stakeholders are embedded within our broader structure and approach.

**Figure 1: Adelaide PHN Commissioning Cycle**



## **Five Elements of the Commissioning Cycle**

### ***Needs Assessment Research***

Adelaide PHN's Needs Assessment Research involves evidence-based annual reviews of both the health and primary health care services needs specific to the Adelaide metropolitan region. This involves an interactive engagement and consultation process to identify and analyse health and service needs across the region and informs the priorities and activities to address those needs.

The Adelaide PHN needs assessment consists of two distinct parts: Analysis and Assessment.

Part 1 – Analysis specifically focuses on the examination and documentation of health and service needs within the Adelaide metropolitan region, including service and workforce mapping, market analysis, demographics, health determinants and populations most of risk of poor health outcomes. Data sources that inform this activity include data sets from the Australian Bureau of Statistics (ABS), Australian Institute of Health and Welfare (AIHW), Public Health Information Development Unit (PHIDU) and the South Australian Department of Health and Wellbeing, and complementary qualitative information obtained through Adelaide PHN Membership (refer below) and other key stakeholders. This enables Adelaide PHN to obtain a comprehensive understanding of the local primary health care environment and populations needs.

Part 2 – Assessment focuses on synthesising and triangulating both quantitative and qualitative data regarding the health and services needs of our region, option development and priority setting.

The Needs Assessment Research component of the cycle informs both the development of Adelaide PHN's annual Activity Work Plans as well as longer term objectives and priorities to address local health and service needs.

The Needs Assessment Research component of the cycle is intrinsically linked to the design, procurement and evaluation phases of the commissioning cycle.

### ***Design***

Adelaide PHN's commissioning design, redesign and co-design (hereafter referred to as design) are collaborative processes drawing on the expertise, experience, capabilities, knowledge and data of key stakeholders to develop solutions to meet identified need.

Design activity is informed by the outcomes of the Adelaide PHN needs assessment, local and international evidence, local priority setting and service planning processes.

Design processes do not occur separately to the commissioning cycle, they are embedded throughout. However, there are four key stages of the cycle where design efforts are more concentrated:

- translation of Adelaide PHN needs and identified priorities into outcomes-based service models and projects to be commissioned
- development of activities for outcome-based service models
- working with potential providers to define activities and outcomes
- in the redesign phase of commissioning

Adelaide PHN's design process is underpinned by:

- person-centred approaches
- evidence based best practice
- quality, safety and continuous improvement
- building on existing resources to maximise combined effect
- cost-effectiveness
- integration and collaboration

Adelaide PHN utilises the program logic approach to inform design processes supported by planning, research, consultation and evaluation activity. Design processes are also supported by the principles and practices detailed in the *Adelaide PHN Stakeholder Engagement Procedure* and the *Adelaide PHN Integrating Stakeholder Engagement in the Commissioning Cycle Procedure*.

### **Procurement**

Adelaide PHN has clearly documented policies, procedures, templates and guidance notes relating to commissioning of services. All documentation is contained on the Adelaide PHN Commissioning Toolkit (intranet site) and is subject to annual review. Documentation on the Commissioning Toolkit is consistent with, and supports the, *Adelaide PHN Commissioning Policy* and the *Adelaide PHN Commissioning Procedure*.

A Continuous Improvement Register is also maintained and reviewed bi-monthly to ensure key actions are undertaken and that documentation and practice continues to reflect best practice.

Adelaide PHN's approaches to market activities are conducted in accordance with documented practice, including in relation to the issuing, advertising and administration of requests for tender/proposal, assessment of applications and awarding of contracts.

Adelaide PHN's procurement activity also focuses on development of the market, including through the provision of industry briefs, co-design with providers, commissioning workshops and seminars for potential providers and the provision of a *Commissioning Handbook: The Service Providers Guide* available in hard copy or through Adelaide PHN's website.

### **Contracts and Compliance**

Adelaide PHN has clearly documented policies, procedures, templates and guidance notes relating to the awarding of contracts to commissioned service providers. This documentation is contained on the Adelaide PHN Commissioning Toolkit and is subject to periodic review.

The type of contractual documentation to be entered into with a commissioned service provider must be commensurate with the size, complexity and risk associated with the services to be provided. A simple letter of offer (usually by email) is issued for low value, low risk projects. For all other projects, commissioned service providers are required to enter into a detailed long form contract comprising a head agreement and project schedule/s.

The head agreement incorporates general terms and conditions as well as obligations specific to the provision of health care services. Specific obligations address:

- minimum service and clinical governance requirements

- adherence to the National Safety and Quality Health Service Standards – User Guide for Aboriginal and Torres Strait Islander Health
- minimum requirements for the provision of cultural safe, respectful and competent service provision to underrepresented populations including Culturally and Linguistically Diverse (CALD) and Lesbian, Gay, Bisexual, Transgender, Intersex and Queer (LGBTIQ)

Project Schedules incorporate project specific requirements, including at a minimum:

- project objectives and outcomes
- project governance arrangements
- detailed service specifications
- project specific accreditation and applicable standards requirements
- Patient Reported Outcome Measures (PROMs)
- Patient Reported Experience Measures (PREMs)
- health literacy obligations
- key performance indicators (KPIs)
- detailed reporting requirements

Adelaide PHN contracts are prepared in collaboration with subject matter experts to ensure technical and/or clinical requirements of commissioned services are appropriately and effectively addressed.

Adelaide PHN contracts are issued following a rigorous internal review and approval process managed through Adelaide PHN's contract management software application, Folio.

Folio also provides the interface between Adelaide PHN and commissioned service providers for the management of payments, performance and financial reporting and compliance requirements.

### ***Monitoring and Evaluation***

Adelaide PHN's contract and compliance management is complemented by a comprehensive commissioned service provider capacity building framework.

The capacity building framework is an enabling approach to commissioning that supports the commissioned service provider work through challenges, barriers, risks, opportunities and learnings to maximise health and wellbeing outcomes and experiences.

Following execution of the contract, each project is allocated an Adelaide PHN Capacity Building Coordinator. Capacity Building Coordinators work closely with commissioned service providers on the implementation, management, ongoing monitoring and evaluation of services.

To enable effective monitoring and evaluation, commissioned service providers are required to provide periodic reporting containing key quantitative data and qualitative information on which to assess and evaluate their performance throughout the project period. Quantitative and qualitative reporting requirements included in Adelaide PHN contracts are informed by the Australian Health Performance Framework Health Systems Dimensions relating to health

system performance and the Commonwealth PHN Program Performance and Quality Framework, addressing:

- effectiveness
- safety
- appropriateness
- continuity of care
- accessibility
- efficiency and sustainability

Through formal reporting and regular capacity building engagement Adelaide PHN systematically tracks the progress of commissioned service providers in the delivery of services and achievement of outcomes. In addition, Adelaide PHN's capacity building approach supports comprehensive evaluation of Adelaide PHN's commissioned activity against the achievement of our strategic objectives and priorities.

Monitoring and evaluation are critical elements of the commissioning cycle, supporting both continuous improvement at both project and health systems levels, and contributing data and learnings that in turn inform future commissioning.

A key principle of Adelaide PHN's relationship with its commissioned service providers is to commission services with them not to them.

## **6. Integration into Strategic and Business Planning**

The overarching process to ensure effective commissioning activity permeates all relevant aspects of Adelaide PHN's operations is the integration of commissioning into all strategic and business planning activity. Adelaide PHN's commissioning strategies and objectives are clearly set out in our Strategic Plan and our Business Plans operationalise strategies to assess, review, and monitor commissioning activity.

## **7. Commissioning Documentation and Linkages with other Organisational Programs**

Adelaide PHN's Commissioning Framework is supported by the following key documentation and practice:

- Annual Adelaide metropolitan region primary health care needs assessments and service planning
- Adelaide PHN design and health outcomes processes
- Adelaide PHN Commissioning Policy
- Adelaide PHN Commissioning Procedure
- Adelaide PHN Commissioning Toolkit and Continuous Quality Improvement Register
- Adelaide PHN Stakeholder Engagement Procedure
- Adelaide PHN Integrating Stakeholder Engagement in the Commissioning Cycle Procedure
- Adelaide PHN Commissioning Handbook: The Service Providers Guide



In addition to linkage with strategic and business planning, Adelaide PHN's Commissioning Framework is intrinsically linked to the following organisational activities:

- The Adelaide PHN Service and Clinical Governance Framework
- The Adelaide PHN Quality Framework
- Financial Management
- Internal Audit
- Risk Management and Compliance

Together with the above, the Commissioning Framework enables Adelaide PHN to measure, monitor and continually improve Adelaide PHN's performance in commissioning services that meet the needs and improve health experiences and outcomes for people in the Adelaide metropolitan region.

## **8. Leadership Group Support**

Adelaide PHN's Leadership Group (which consists of all Portfolio Executive Managers, led by the CEO) and is an enabler of quality and effective commissioning through active and ongoing support for the development, implementation and continual improvement of the Commissioning Framework and related documentation and practice.

The Leadership Group actively fosters and supports an organisational culture and awareness of commissioning and its importance in achieving our strategic objectives and priorities to improve health experiences and outcomes for people in the Adelaide metropolitan region. The Leadership Group provides unqualified support for the Commissioning Framework and actively demonstrates and communicates that support throughout the organisation.

## 9. Commissioning Governance

Adelaide PHN has a comprehensive governance structure in place to support effective commissioning. Figure 2 below sets out Adelaide PHN’s Commissioning Governance and Management Structure.

**Figure 2: Adelaide PHN Commissioning Governance and Management Structure**

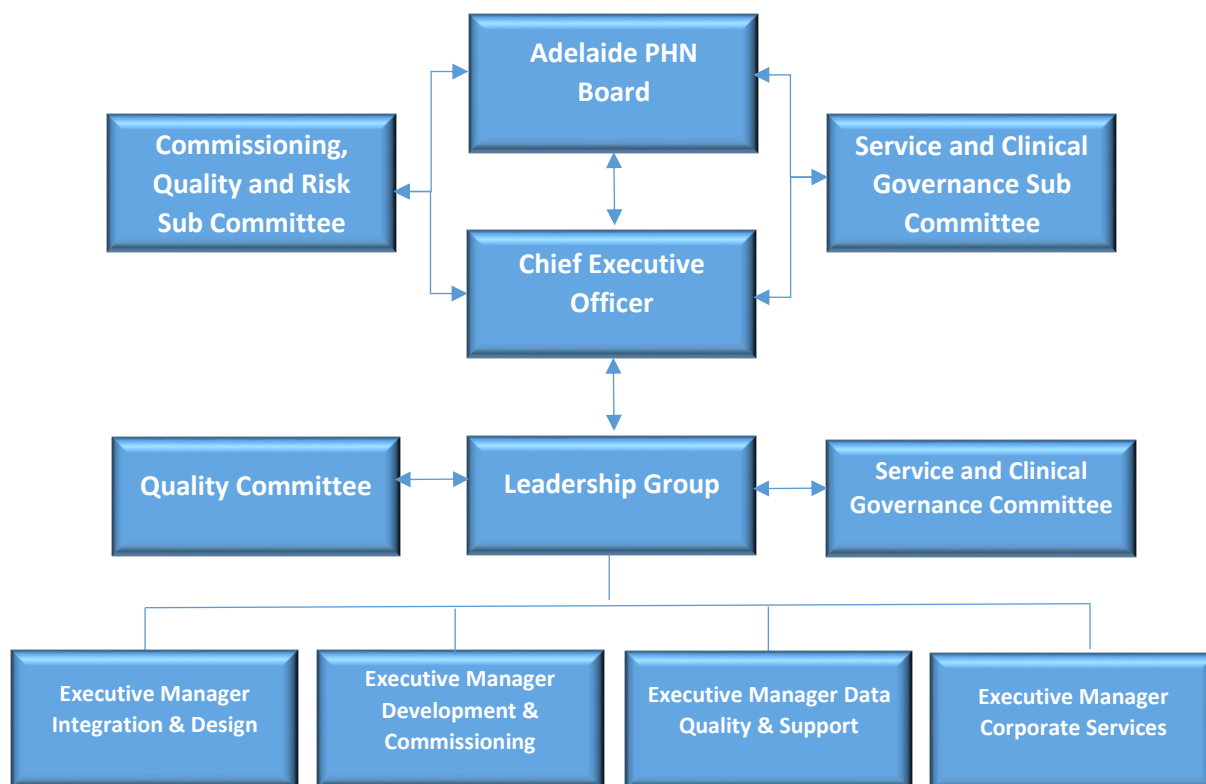


Table 1 below sets out the roles and responsibilities for the governance and management of commissioning within Adelaide PHN.

**Table 1: Commissioning Roles and Responsibilities**

<b>Adelaide PHN Board</b>	<p>Accountable for the performance and compliance obligations of the organisation, setting the strategic direction and policy framework. Provides leadership for the implementation and ongoing maintenance of the Commissioning Framework through involvement in the process, allocation of sufficient resources and effective engagement with key stakeholders. Is responsible for reviewing commissioning objectives and monitoring commissioning performance.</p> <p>To ensure transparency and fairness, and to avoid or mitigate any potential, perceived, or actual conflicts of interest, the Adelaide PHN Board will not be involved in the operational application of the Commissioning Framework.</p> <p>Information about commissioning decisions, risks, and other significant issues should be reported to the Adelaide PHN Board via the Sub-Committees.</p> <p>The application of the Commissioning Framework, including making commissioning decisions and managing contract compliance, is operational in nature and is the responsibility of Adelaide PHN staff under the authority of the Leadership Group.</p>
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<b>Commissioning, Quality and Risk Sub Committee</b>	Assists the Board to carry out its due diligence function in relation to the commissioning of services and projects and is the lead subcommittee for the provision of advice and recommendations on quality systems management matters.
<b>Service and Clinical Governance Sub Committee</b>	Provides review, advice and recommendations to the Adelaide PHN CEO on the service and clinical risks and performance of Adelaide PHN's commissioned health and community service. Concurrently the Sub Committee provides the Board with advice regarding service and clinical governance systems and processes.
<b>Chief Executive Officer</b>	Has the overall responsibility for implementation of the Board's strategy and policy. This requires the development and maintenance of effective processes and the allocation of adequate resources so that the Board is provided with sufficient information to be able to discharge its commissioning responsibilities with confidence. Provides quality and performance data and information relating to commissioning performance to the Board.
<b>Quality Committee</b>	An operational group that supports Adelaide PHN's quality management systems, policies and practices (including those relating to commissioning activity) and ensures processes and resources are in place to monitor continuous quality improvement. Meets quarterly and reports to the Leadership Group.
<b>Service and Clinical Governance Committee</b>	An operational group that oversees and monitors the organisational implications of clinical incidents, feedback and complaints. The committee ensures that risk and clinical performance within Adelaide PHN's commissioned services is measured and reported to the Service and Clinical Governance Sub Committee. Meets quarterly and reports to the Leadership Group.
<b>Leadership Group</b>	Comprises Chief Executive Officer and all Executive Managers. Is responsible for implementation of the Commissioning Framework and related documentation and practice. Defines the organisation's priorities for the achievement of quality goals and monitors the functioning of the Commissioning Framework to ensure that performance is aligned to organisational objectives. Reviews the Commissioning Framework annually as part of business planning to ensure it is operating effectively.

## 10. Communication and Stakeholder Management

Communication and consultation with key stakeholders is essential to the commissioning of high quality, effective services that meet the primary health care needs of people in the Adelaide metropolitan region.

Communication and consultation are not distinct stages in the commissioning process but run through the whole cycle. It enables shared expertise and ensures that different views and voices are appropriately considered in identifying, designing, procuring, monitoring and evaluating commissioned primary health care services.

An integral requirement for quality and effective commissioning is the development of plans, consultation and discussion papers, service models, processes and tools (communication mechanisms) through ongoing consultation and communication with internal and external stakeholders.

## **Internal Communication**

Adelaide PHN has established internal communication mechanisms to support quality and effective commissioning activity across the organisation.

Internal communication and consultation mechanisms ensure all Board members and staff within Adelaide PHN understand their roles and responsibilities in relation to commissioning.

These mechanisms facilitate:

- cooperation and a common understanding of commissioning activities, practices and individual staff roles and responsibilities throughout the commissioning cycle
- cross-organisational implementation of commissioning strategies and actions and shared ownership of commissioning outcomes
- transparency, accountability and consistency in the commissioning of services

### ***Internal Communication Mechanisms***

Internal communication mechanisms relating to commissioning activity within Adelaide PHN include:

- Adelaide PHN Sharepoint
- Folio
- MasterCare
- Customer Relationships Management (Dynamics 365)
- Confluence
- Commissioning Toolkit (policies, templates and guidance documents and continuous improvement register)
- all staff and team meetings
- training
- internal events (seminars, workshops, etc)
- reports to Committees (and feedback from Committees)
- broadcast emails

## **External Communication**

Adelaide PHN has established external communication mechanisms to support extensive communication and consultation with external stakeholders.

These mechanisms facilitate:

- contributions from external stakeholders in the development of annual needs assessments, setting local priorities and service planning
- contributions from external stakeholders in relation to the design of primary health care services to be commissioned by Adelaide PHN

- the commissioning of culturally appropriate, sensitive and safe services that meet the needs of people from diverse backgrounds, including Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse backgrounds and people who identify with LGBTIQ communities
- contributions from external stakeholders in relation to clinical services, workforce development and market development and engagement
- opportunities for the integration of commissioned services with other key components of the primary, allied health and acute care sectors to support person-centred care
- a clear understanding of Adelaide PHN objectives and how informed decisions in relation to the commissioning of services are made

### ***External Communication Mechanisms***

#### **Adelaide PHN Membership**

Adelaide PHN is a membership-based and driven organisation and is committed to open and genuine community-wide involvement.

The Adelaide PHN membership model is made up of Clinical Councils, Community Advisory Councils, and a Health Priority Network with nine special interest areas: Mental Health, Aboriginal Health, Consumers and Carers, Health and disability, Child and Youth Health, Older People's health, Palliative Care, Alcohol and Other Drugs and Culturally and Linguistically Diverse Communities' health. Two leads from each special interest area provide co-ordination and leadership for Health Priority Network planning.

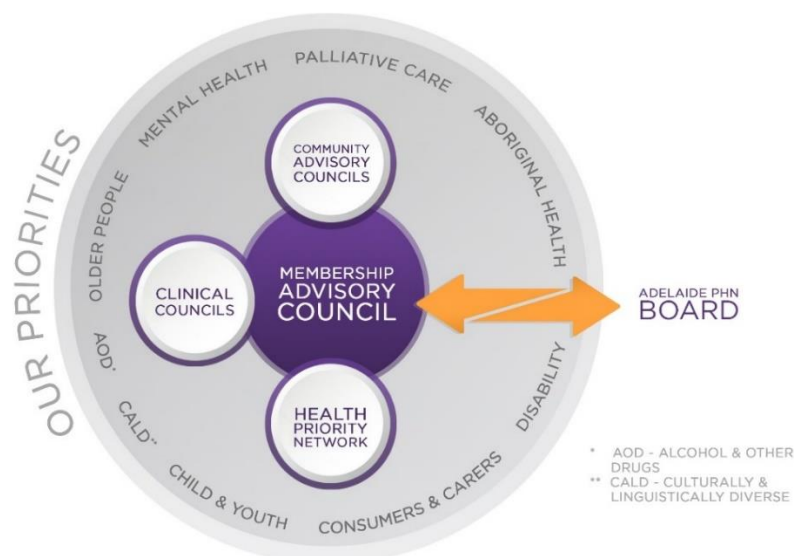
A Membership Advisory Council (MAC) made up of one elected representative from the each of the Clinical and Community Advisory Councils, and two elected representatives from the Health Priority Network and provides leadership for the membership structure and informs and advises the Adelaide PHN Board on community experiences and expectations.

Communication mechanisms that support the Adelaide PHN membership include:

- structured periodic programming of meetings for Clinical Councils, Community Advisory Councils and the Membership Advisory Council
- discussion and consultation papers
- Confluence (software application for sharing information between membership representatives)
- Health Priority Network events (seminars, workshops, surveys etc.)
- broadcast email

Figure 3 below depicts the membership model and how the various elements interact.

**Figure 3: Adelaide PHN Membership Model**



In addition to engagement of external stakeholders through the Membership model, Adelaide PHN also communicates and consults with a diverse range of stakeholders across the health and related sectors to inform service planning, commissioning activity and decision making.

Mechanisms that support broader external communication and consultation include:

- Adelaide PHN website
- newsletters
- publications and papers
- broadcast emails
- external events (conferences, seminars, workshops, etc.)
- Market briefings for service providers
- Tenderlink

## 11. Resourcing Commissioning Activity

Adelaide PHN is committed to ensuring that its Commissioning Framework is supported by the necessary resources to ensure its effectiveness. Detailed below are the resources Adelaide PHN allocates to the Commissioning Framework:

- a mix of suitably qualified and experienced staff with complementary skills to support the effective performance of all commissioning functions
- provision of professional development courses, conferences and workshops to further develop and enhance the commissioning capabilities of staff
- provision of external expertise and advice (as required)

- software applications to support approaches to market, service data collection, financial and performance monitoring of commissioned service providers and stakeholder relationship management

## **12. Commissioning Reporting**

Adelaide PHN closely monitors and tracks performance against its commissioning objectives to ensure the continued effectiveness of the Commissioning Framework and identify and implement improvements as required.

Adelaide PHN has in place a comprehensive commissioning reporting process, with periodic reporting underpinned by clear key performance indicators to be measured against verifiable evidence, including provision for timely qualitative exception reporting as and when required.

Adelaide PHN's commissioning reporting ensures that the Board and Leadership Group have a clear and current understanding of Adelaide PHN's commissioning activity and its achievements against its strategic objectives and priorities. In addition, it enables the provision of high quality, timely six and twelve month reports to be provided to the Commonwealth Department of Health consistent with our funding obligations.

## **13. Monitoring, Review and Measurement**

To ensure Adelaide PHN's Commissioning Framework is performing to a high standard, continual monitoring and review is required to ensure:

- commissioning and related documentation and practice continues to align with Adelaide's PHN objectives and priorities
- Adelaide PHN's commissioning strategies and outcomes have been achieved
- reports are providing the necessary information to inform decision making and continuous improvement

Adelaide PHN's measurement of performance involves three distinct activities:

- Measuring compliance – adherence to the requirements set out by the Commonwealth Government in relation to Adelaide PHN funding for commissioned services; adherence to commissioning policy and procedures
- Measuring quality – achievement against commissioning services consistent with agreed Activity Work Plans that are of a high standard and effectively meet the primary health care needs and improve health care experiences and outcomes for people in the Adelaide metropolitan region
- Measuring maturity – measuring the maturity of Adelaide PHN's Commissioning Framework against the Commonwealth Government objectives for PHNs to move towards greater focus on outcomes-based commissioning

## **14. Conclusion**

Adelaide PHN's Commissioning Framework provides for the systematic, integrated management of commissioning activity and the continual improvement of our commissioning culture.

Commissioning within Adelaide PHN is underpinned by our vision of connecting and facilitating a quality health system through the pillars of collaboration, engagement, integration and person-centred care.

The development and ongoing management of the Commissioning Framework will significantly contribute to Adelaide PHN's achievement of this vision.

## **15. References**

Australian Health Performance Framework Health Systems Dimensions  
Commonwealth Government PHN Grant Programme Guidelines  
Commonwealth Government PHN Programme Performance and Quality Framework  
National Safety and Quality Health Service Standards – User Guide for Aboriginal and Torres Strait Islander Health

## **16. Related Documents**

Commissioning Handbook: The Service Providers Guide  
Commissioning Policy  
Commissioning Procedure  
Commissioning Continuous Improvement Register  
Commissioning Toolkit (templates and guidance notes)  
Integrating Stakeholder Engagement in the Commissioning Cycle Procedure  
Quality Framework  
Service and Clinical Governance Framework  
Stakeholder Engagement Procedure  
Strategic Plan



## 17. Version History

Version	Description of Change	Author	Effective Date
1.0	<ul style="list-style-type: none"><li>• Initial release version</li></ul>	Adelaide PHN	12 AUG 2019
1.1	<ul style="list-style-type: none"><li>• Clarification of Board Role in Table 1</li><li>• Update to Figure 2</li></ul>	Adelaide PHN	19 FEB 2020