

Health Reform - Note 3

October 2009

Should regional primary healthcare organisations (PHOs) be established to undertake primary care service coordination and planning?

What are primary healthcare organisations?

The proposed Primary Healthcare Organisations (PHOs) would be regional bodies given the responsibility to plan, coordinate and evaluate the delivery of primary care in their region. They might hold and distribute certain of the resources allocated to primary care (not including fee-for-service funds through the MBS and PBS) but they would not be direct service providers.

The PHO in each region would be accountable to people in the region for the way available health funds were distributed, and for the integration of services both within the region and between the region and the larger centres from or in which tertiary level services were obtained.

The current proposal

The National Health and Hospitals Reform Commission (NHHRC) recommends that, to better integrate and strengthen primary care, the Commonwealth assumes responsibility for all primary care policy and funding. Within this context, it proposes that Primary Healthcare Organisations be established at regional level, with populations of 250,000 to 500,000, to undertake service coordination and population health planning. It envisages that they would evolve from or replace Divisions of General Practice and have governance systems that reflect the diversity of clinicians and services within the regional primary care system.

The Alliance position so far

The Alliance has long expressed support for regional governance and a regional focus on health service. We consider that services planned, funded and organised at the regional level will be the most likely to result, in the longer term, in equitable resourcing and access to services, provide the most appropriate services to meet local needs, the best integration of services, and the best basis for engagement with community and for accountability for performance. Ultimately, we consider that regional governance of primary care should extend to or interconnect with all health services, including the essential hospital, emergency and specialised services that are necessary for high quality health outcomes.

The major alternative would seem to be planning and organisation at the State or Territory level, with or without local boards to manage services or networks of public health services.

We welcome your views on the issues below.

PHO Charter

The Alliance's current view is that the 'charter' for regional PHOs should be as follows.

- The long-term goal should be for regions to be funded on the basis of population health needs, taking into account remoteness and the socio-economic, demographic and Indigenous composition of the population in each region.
- In regional and rural Australia, where specialist services are not adequately provided through MBS fee-for-service models, regional organisations should have a role in ensuring adequate provision of specialist services (eg through arranging for visiting specialist outreach programs).
- In those States or areas where there is already effective integration of acute and primary care services, the regional governance structure should incorporate both acute and primary care. Invitations should be made to State Governments to consider such arrangements.
- Any system of regional PHOs should liaise with, but not override, the Aboriginal Community Controlled Health Service(s) in the region and work to ensure there are no gaps in services for Aboriginal people.
- PHOs must not be and must not be seen to be in competition with the range of providers in the region and therefore should not be a major service provider, employer or asset holder.
- Because attraction, retention and development of health professionals are key issues, PHOs in rural areas should have particular responsibility for supporting clinical training and continuing professional development for the health workforce in their region.
- PHOs should have a responsibility to communicate with and engage the people in the region on health issues, including for the assessment of consumer and workforce satisfaction.

Size of PHO regions

The Alliance supports regions based on communities of interest and does not support establishment of regions based on arbitrary population size, such as from 250,000 to 500,000 people.

In rural and remote areas, regions of such population would be far too large in terms of distance, and are unlikely to be communities of interest in terms of commerce, transport, patient 'flows', local administration or media catchments. They would certainly be too large to achieve good health service integration and community and health service provider support. A top-down approach to determining regions is also unlikely to win support at regional level. It requires a strong consultative approach.

PHO governance

In terms of their governance and management, the regional PHOs should reflect the range of responsibilities and objectives they have. Both their Board and management would require a strong skills base (leadership, finance, systems development, change management, needs-based planning), as well as representatives of the regional community and of health professions.

A key theme in their governance should to build on existing strengths, rather than scrapping existing systems and starting again.

There should be recognition of the good work done in planning, support, integration and service provision by many Divisions of General Practice, Area Health Services, Primary Care

Partnerships and the like. Where collaborative arrangements are already working well, and with the agreement of the relevant State or Territory, the regional model should encompass acute as well as primary care.

Respected leaders would be essential and Divisions of General Practice would be key partners in regional PHOs to ensure engagement and participation by GPs, and to avoid multiple levels of regional health organisation.

The Commonwealth would be a new player in the delivery of many primary and aged care services and would need the experience and expertise of existing State-initiated regional planning bodies and service provider networks, as well as of any non-government networks of service providers or health professions.

Implementation issues

Effective change management will be vital. Rather than engage the whole nation at once, regionalisation could proceed in the first instance with 'volunteer regions', especially in areas of greatest need, and with incentive funding to iron out particular teething problems. It would also be important to establish a clear timeframe for national coverage so that all regions are on notice and working towards a nationally complete system.

Your input is invited

Do you agree that there would be benefits from a regional approach to responsibility for primary care services?

How should existing well-developed arrangements in local communities for the right mix and organisation of services be continued?

Who should be the provider of the services currently funded and provided by State, Territory and local governments? Should these services be transferred to the non-government or private sectors, or would this lead to gaps between various community services eg housing, home help?

How would the changes be made in such a way as to ensure that health services professionals are properly engaged and not discouraged from coming to or staying in rural locations?

Finally, where existing state, territory or local government services provide very good primary care services, what should be done to protect them and ensure there is no loss or diminution of the benefits of these services?

If you have a comment, let us know at nrha@ruralhealth.org.au or by mail to NRHA, PO Box 280, Deakin West, ACT 2600.