Australian Government
Department of Health

phn
An Australian Government Initiative

Primary Health Networks
Questions and Answers

Introduction

The Australian Government established 31 Primary Health Networks (PHNs) on 1 July 2015 as regionally based, primary health care commissioning organisations.

PHNs have two key objectives:

- to improve the efficiency and effectiveness of health and medical services for patients, particularly those at risk of poor health outcomes, and
- to improve the coordination of care to ensure patients receive the right care, in the right place, at the right time.

What do PHNs do?

PHNs are funded to commission services to meet the needs and priorities for their regions.

Commissioning is a strategic approach to the procurement of health services. It is designed to ensure resources are best directed to addressing the health service needs of the communities in the region.

PHNs undertake a needs assessment for their region, which includes data analysis and assessment of the market. They consult extensively, including through GP-led Clinical Councils and Community Advisory Committees, which each PHN has established to provide advice on the operation of the health care system and on patient experiences and expectations, respectively. Many PHNs are working closely with Local Hospital Networks (or their equivalent), service providers and communities in service planning and co-design. From this evidence base, PHNs identify their priority activities for commissioning, which are published in their Activity Work Plans, and made available on PHNs' websites.

As commissioners, PHNs have autonomy to decide which services or healthcare interventions should be provided, who should provide them and how they should be paid for, and will be working closely with providers in monitoring performance and implementing change.

What is the scope of PHN activities?

PHNs play an important role in providing education, training and support to general practice, as a key part of strengthening the primary health care system. In addition, the Australian Government has agreed six priority areas for PHNs. These are mental health, Aboriginal and Torres Strait Islander health, population health, health workforce, digital health and aged care.

PHNs have been provided specific funding to commission services for core primary health care activities, as well as mental health treatment services, drug and alcohol treatment services, and Indigenous-specific health services.

Where have PHNs come from?

The role of regional health organisations has evolved over many years, starting with Divisions of General Practice in the 1990s. From 2011, Divisions were replaced with Medicare Locals.

Medicare Locals had additional funding and a broader role to develop cooperation and collaboration between health care professionals, particularly for managing chronic conditions, undertaking population health planning, identifying gaps, and in many cases, providing services.

In 2015, the role of regional health organisations evolved again, and 31 PHNs were established, replacing Medicare Locals.

Some PHNs have operated formerly as Medicare Locals, and even Divisions of General Practice; some within the same regions. Other PHNs have been established as new organisations, and/or with different geographical boundaries. As such, the history of individual PHNs in their communities varies greatly.

The role of PHNs as commissioners, rather than service providers, is a key difference between Medicare Locals and PHNs, and represents a fundamental shift in the way healthcare services are planned for and funded at the regional level.

Why is it taking so long for new services to be established?

Understanding the health needs and service gaps within a region, and working with a broad range of stakeholders to design and plan for a service system that will be more efficient and effective into the future takes time. The first year of the PHN Program (2015-16) was to establish PHNs and plan for commissioning. Service continuity was largely maintained under previous arrangements. In 2016-17, new services are being commissioned, and PHNs are working with providers to manage the transition.

There is also variability in the timing of commissioning across PHNs. The variation reflects the different approaches that PHNs are taking in their regions, with regard to their needs assessment and community stakeholder relationships. Further, in areas with limited workforce capacity, commissioning is being carefully planned to minimise burden on service providers.

What checks and balances are in place to ensure that PHNs are making the right decisions in commissioning?

Commissioning is underpinned by rigorous planning, consultation, stakeholder management and service design. The advice of GP-led Clinical Councils and Community Advisory Committees inform PHNs' commissioning decisions. PHNs are accountable to Government through their contractual arrangements, the PHN Performance Framework and locally to their skills-based boards.

PHN Needs Assessments and Activity Work Plans are made publicly available on PHN websites.