

Survey of strategic pressures and opportunities for Primary Health Networks

March 2021



Disclaimer

This report has been prepared solely for Primary Health Networks' internal use for information purposes and is not to be used for any other purpose or distributed to any other party. This content is for general information purposes only and should not be used as a substitute for consultation with professional advisors. We do not accept any responsibility for losses occasioned to a Primary Health Network or to any other party as a result of the circulation, reproduction or use of our final or draft report contrary to the provisions of this paragraph.

We accept no responsibility, duty or liability:

- to anyone other than a Primary Health Network in connection with this report
- to a Primary Health Network for the consequences of using or relying on it for a purpose other than that referred to above.

We make no representation concerning the appropriateness of this report for anyone other than a Primary Health Network. If anyone other than a Primary Health Network chooses to use or rely on it they do so at their own risk.

This disclaimer applies:

- to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute; and
- even if we consent to anyone other than a Primary Health Network receiving or using this report.

This report has been prepared based on information obtained from a survey completed by a sample of Primary Health Network representatives. PricewaterhouseCoopers has relied on the accuracy and completeness of the information provided and has not undertaken any procedures to validate or verify the completeness or accuracy of such information. Therefore PricewaterhouseCoopers does not accept any responsibility or any liability arising from the inaccuracy or incompleteness of any information provided to us.

The presentation is based on information and circumstance known in March 2021. To the extent circumstances have changed, the information in this presentation may no longer be relevant.

Liability limited by a scheme approved under Professional Standards Legislation.

©2020 PricewaterhouseCoopers. All rights reserved. PwC refers to the Australian member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.



The role of PHNs has never been more critical in supporting the health outcomes of people across Australia.

Primary Health Networks (PHNs) responded to unprecedented events in 2020, including COVID-19, bushfires, drought and ongoing government reforms and inquiries.

PwC developed a survey to provide PHNs an opportunity to take stock, reflect on the changing landscape, and to consider the future in terms of pressures, demands, and requisite supports.

Participants were asked to identify the agenda items and topics of greatest interest, relevance and impact to them. There were 56 responses to the survey, with representation from across the PHN network including those in metro and rural settings.

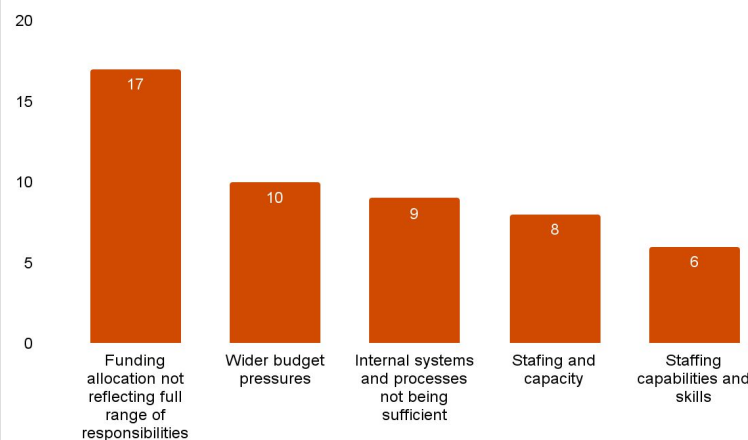
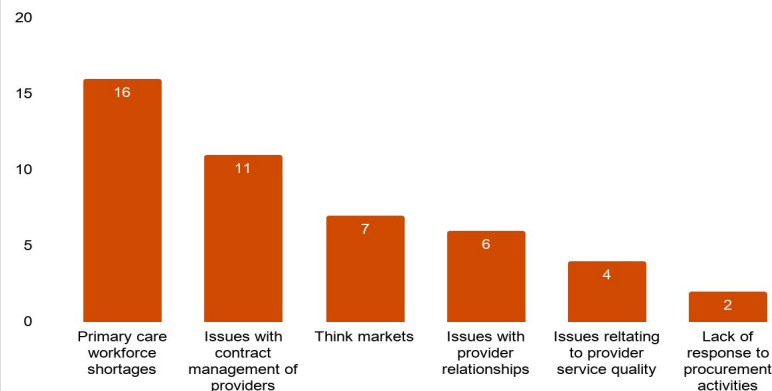
Thirty-six per cent of survey respondents were a PHN CEO or from the senior leadership team, while the remaining 64% identified as a manager or team member. Forty-three per cent of respondents had been working at the PHN for 1-3 years, while 22% had been at the PHN for less than one year (22%).

The purpose of this report is to summarise the key findings of the survey and offer thinking regarding the future for PHNs.

Pressures experienced by PHNs in 2020

Key insights

- Many of the pressures facing PHNs in 2020 were complex and impacted multiple sectors. These systemic pressures typically necessitate a joined up response involving strong collaboration across health and human services sectors
- For example, primary care workforce shortages continue to inhibit PHNs and providers to deliver services. This trend reflects similar shortages in adjacent sectors such as aged care and disability.
- Survey responses indicate that PHNs should consider a stronger focus on market engagement, capability development and relationship led approaches. At the same time, survey respondents also reported that funding allocations do not reflect the full range of responsibilities that PHNs and providers are required to perform, and therefore may inhibit a shift in strategic focus by PHNs.



When asked about which **market pressures significantly affected PHNs ability to deliver on outcomes**, **31%** of respondents identified primary care workforce shortages and **22%** identified issues related to contract management of providers.

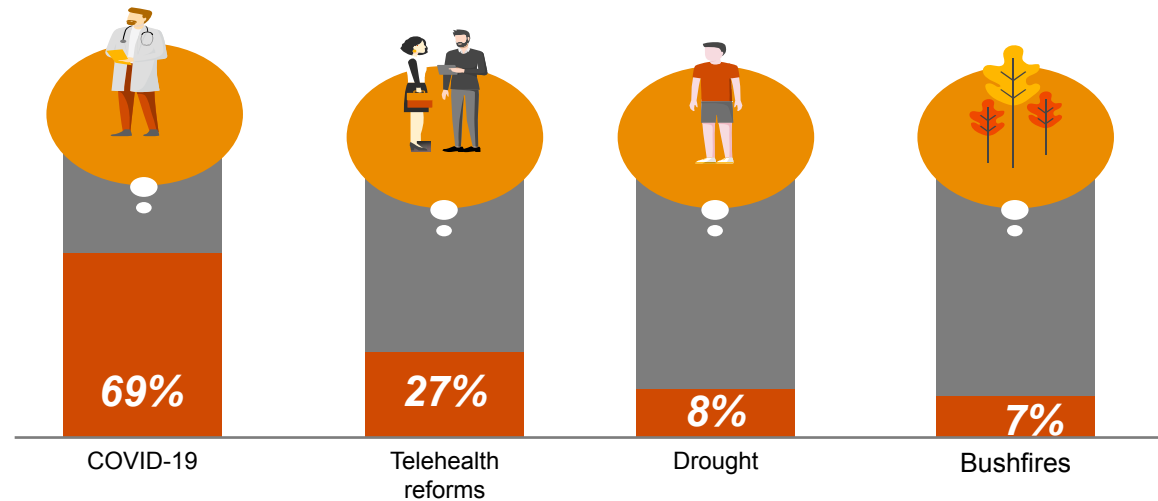
When asked about which **operational pressures significantly affected PHNs ability to deliver on outcomes**, **33%** of respondents identified that funding allocation does not reflect the full range of responsibilities that they and providers are asked to perform, and **16%** responded wider budget pressures.

Disruptive factors impacting the primary care sector

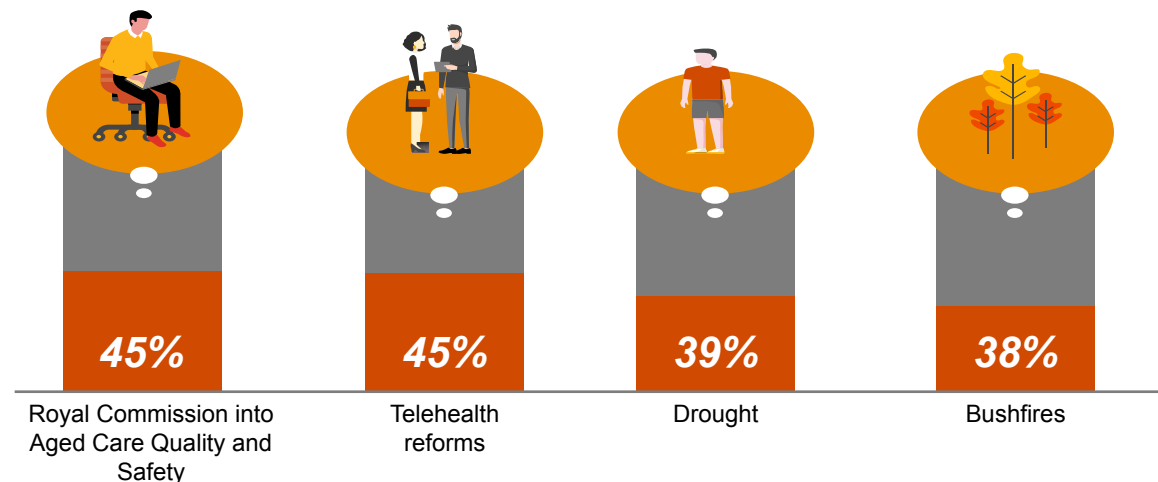
Key insights

- In 2020, PHNs allocated resources towards new and unexpected activities, such as responding to COVID-19 and enabling the implementation of telehealth reforms. Pursuit of these activities often resulted in a backlog of BAU or strategic work.
- These external pressures have also brought opportunities to PHNs and in so doing helped to solidify the importance of PHNs to the regions they serve
- Beyond COVID-19, sector reforms in aged care and mental health were other disruptive forces affecting PHNs in 2020. For example, responding to recommendations from Commissions and reviews has necessitated new ways of working, including a stronger focus on agility.
- Nearly half of respondents needed to adjust the plans and strategies of the PHN to accommodate the Mental Health Productivity Commission's findings, including responding to Recommendation 23 related to strengthening collaboration with local secondary care commissioners and providers.

External pressures that **most radically** changed PHN strategy and activities:



External pressures requiring the **highest modifications** and changes to PHN strategies and activities:



The changing role and focus of PHNs

Key insights

- Relative to previous years, PHNs reported increased focus on driving telehealth and other virtual initiatives in 2020.
- This has afforded the opportunity for primary care providers to rethink how they deliver services, including adoption of virtual channels. New service delivery channels can support improved consumer experiences as well as deliver efficiencies for primary care providers. The question remains as to whether the MBS system can enable acceleration of change.
- The strong focus on clinical engagement during the pandemic has potentially increased the relevance of PHNs with primary care stakeholders, particularly in general practice. For example, increased use of virtual continuing professional development (CPD) and communities of practice hosted by PHNs has enabled some PHNs to forge stronger relationships with clinical leaders.
- These trends represent a shift towards new roles for PHNs in addition to a continued focus on commissioned services.

The following areas were identified as having the **largest increase in focus** by the PHN in 2020:

88%



Driving telehealth and related initiatives to support effective service and operational delivery



81%



Supporting emergency priorities



70%



Capability building activities to help improve the capacity of providers



70%



Clinical engagement to support rapid decision making and shared accountability



Other areas where there is an increased focus:

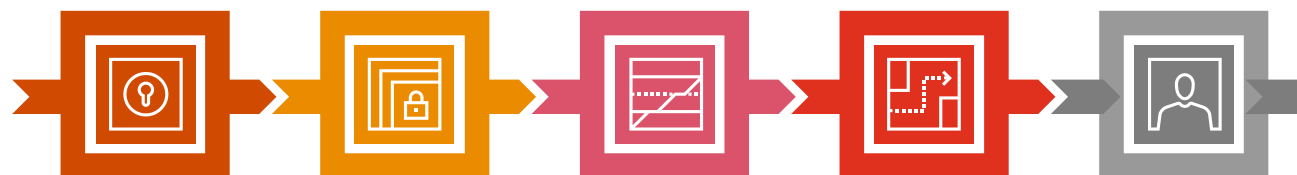
- Integrated care
- New communication channels
- Workforce and capability shortages for rural and remote areas.

PHN achievements in 2020

Key insights

- Notwithstanding operating pressures and challenges, PHNs made significant achievements in 2020, including forming or strengthening partnerships with other stakeholders, rollout of telehealth technologies and improving resilience.
- Many of these attributes will continue to position PHNs to tackle opportunities and challenges in 2021 and beyond. For example, relationships and partnerships that were established or strengthened in 2020 will be foundational for future collaborative efforts such as regional commissioning and the rollout of COVID-19 vaccines.

Respondents consistently identified the following as being the **most significant achievements** of PHNs during 2020:



Adaptation as a result of uncertainty

PHNs have responded rapidly and with agility to the ever-changing circumstances the pandemic brings.

Engagement and new partnerships

PHNs have worked collaboratively with health services and local organisations to respond to health needs.

Rollout of telehealth and digital education

Digital education and telehealth was rapidly rolled out on a wide scale and PHNs were key educators during this transition.

Enabling general practice to respond well to COVID-19

PHNs have played an integral role in providing practice support, communications and education for GPs.

Resilience and capability of staff

PHN staff have demonstrated resilience and capability to be agile and respond to new demand within short timelines.

Opportunities for the future

Key insights

- PHNs believe that the greatest opportunities for 2021 relate to building strategic partnerships, collaborative commissioning and community-led capability building.
- The pandemic along with bushfires and drought have demonstrated a stronger focus on wellbeing, community resilience and mental health so a focus on capability building approaches in communities is an opportunity for PHNs to explore and build on place based commissioning approaches.
- PHNs are increasingly seeing a role for themselves in capability and capacity building activities such as supporting the uptake of telehealth. PHNs are uniquely placed in the health care system to act as an enabler to primary care in this regard particularly if they work in partnership with other agencies and professional/peak bodies to engage local primary care and general practice in particular.
- All of the roles that respondents envision for themselves in 2021 point towards the need for strong collaborative working practices with providers, other commissioners and sector leadership. Pursuit of these opportunities will also require careful management of strategic risks by PHN boards and executives.

When asked **how the role of their PHN will change in 2021** respondents identified increased focus on the following:

83%



Capability and capacity building activities



80%



Joint commissioning with State and other agencies



76%



Telehealth and emergency priorities



Other areas where there is an increased focus:

- Building new partnerships
- The aged care sector
- Leveraging data for quality improvement

Respondents identified the **biggest opportunities for 2021** as building and engaging in the following:

01



Strategic partnerships

02



Collaborative commissioning

03



Community-led capability building

04



Improved advocacy

Enablers for success in 2021

Key insights

Whilst PHNs generally feel confident in their abilities to pursue strategic opportunities, they also identified a number of attributes which may support success. These include agility, proactivity and resilience. There are opportunities for PHNs to uplift capabilities in these areas in 2021 through:

- Developing strategic, operational and organisational development plans
- Consideration of how processes and practices may be modified to enable these attributes
- Professional development training or coaching
- Application of these attributes in practice, and continuous improvement.

Five attributes were consistently identified to **enable PHNs** to be effective in 2021:

01

Agility – ability to move quickly and easily

02

Adaptability – be prepared to learn quickly and change

03

Resilience – dig in, keep going, celebrate the little victories

04

Courage – Engage and lead the way

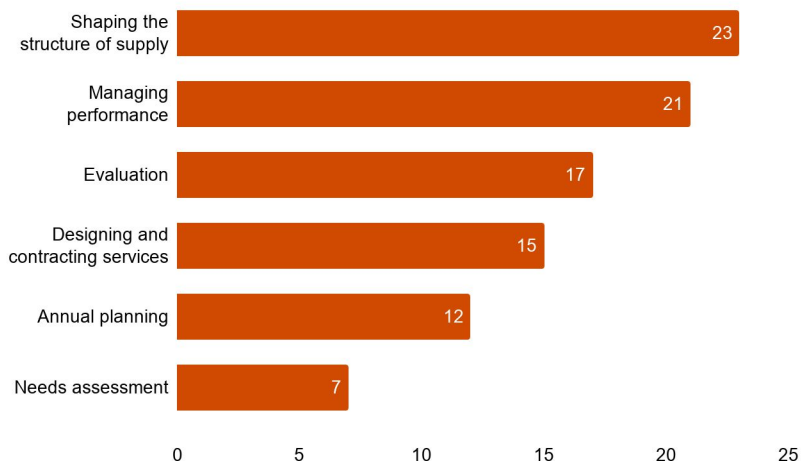
05

Proactive – Taking the lead and not waiting for others

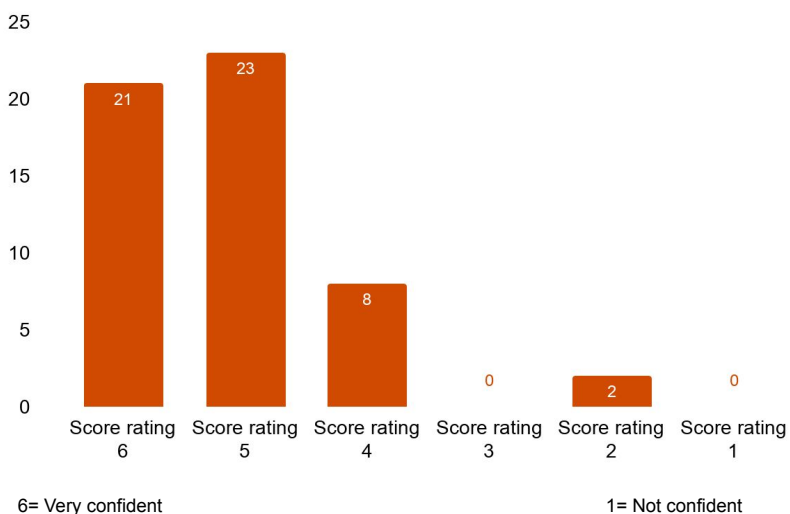
Perspectives on the future

Key insights

- Market shaping and performance management are the most challenging aspects of commissioning experienced by survey respondents. At the same time, they represent critical activities for PHNs to master in order to deliver wider outcomes.
- The Department and PHNs have made investments in capabilities and this is reflected in the confidence of the PHNs to execute their role. However, traditionally high turnover among PHNs may necessitate continued investment in knowledge development and capability building.



When asked to identify the most **challenging aspects of commissioning**, **48%** of respondents answered shaping the structure of supply and **44%** responded managing performance.



PHNs are confident in their abilities to respond to changes in their role in 2021, with **82%** of respondents rating their confidence as 5 or higher on a scale of 1-6

Contact us

We are always eager to hear from PHNs about their current experiences, challenges and opportunities.



Britt Haddy

Director, PwC Australia

0416 179 287

britt.haddy@pwc.com



Sue Loseby

Director, PwC Australia

0466 553 530

sue.a.loseby@pwc.com

www.pwc.com.au

© 2021 PricewaterhouseCoopers. All rights reserved.

PwC refers to the Australia member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity.

Please see www.pwc.com/structure for further details.

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

Liability limited by a scheme approved under Professional Standards Legislation.

PWC200229915