SARRAH

Services for Australian Rural and Remote Allied Health

8 December 2023

Australian National Audit Office

ANAO Audit: Effectiveness of the Department of Health and Aged Care's performance management of the Primary Health Network program

Thank you for the opportunity to contribute to the ANAO audit into the **Effectiveness of the Department of Health and Aged Care's performance management of the Primary Health Network program.**

Services for Australian Rural and Remote Allied Health (SARRAH) is the peak body representing rural and remote allied health professionals (AHPs) working in the public, private and community sectors, across primary and other health settings, disability, aged care, and other service systems. SARRAH was established in 1995 as a network of rurally based allied health professionals and continues to advocate on behalf of rural and remote communities to improve access to allied health services and support equitable and sustainable health and well-being. SARRAH maintains that every Australian should have access to health services wherever they live and that allied health services are fundamental to the well-being of all Australians.

As SARRAH members include allied health professionals working across regional, rural and remote Australia and provide primary health care (as well as a range of other services) to these communities, they are well placed to comment on the relevance and impact of the Primary Health Networks in supporting their provision of primary health services.

The ANAO proposes to examine:

1. *Has DHAC established a fit for purpose performance management framework for the Primary Health Network (PHN) program?*
2. *Has DHAC effectively monitored and enforced compliance with PHN grant terms and conditions?*
3. *Has DHAC demonstrated that the PHN program is meeting its objectives?*

Our submission includes contextual information that may assist the consideration of these issues. We also provide brief comments in relation to each of the three questions asked.

Introductory comments:

SARRAH notes:

- The ANAOs position that *"it does not have a role in commenting on the merits of government policy but focuses on assessing the efficient and effective implementation of government programs, including the achievement of their intended benefits".*
- The statement from the ANAO Annual Report 2022-23 (Part 1, Foreword by the Auditor General)
- *The ANAO has made findings on performance reporting practices in both performance statement audits and performance audits. Weaknesses in the quality of performance reporting affect the Parliament's ability to readily assess entity performance for policy outcomes and service delivery.*
- Our submission aims to contribute to the effective conduct of the audit and in the process to also contribute to and promote the availability and accessibility of allied health services as key components of a multi-disciplinary, person-centred primary health care system as we understand is an objective sought through the Primary Health Network Program.

Background and observations

SARRAH understands that when established PHNs were tasked with promoting and achieving major elements of the Commonwealth's obligations and priorities as regards primary health care service and practice/workforce supports. In line with the Commonwealth government's well-established emphasis in primary health care funding and workforce priorities, the emphasis for PHNs was strongly directed toward supporting medical general practice (and the information available on PHN performance assessment aligns with that interpretation). Similarly, the PHNs were established with comparatively little expectation or specific priority attention to be directed at other elements of the health care system and workforce, including allied health.

The Primary Health Networks Grant Program Guidelines describe the **Programme Objectives** as being:

PHNs were established with the key objectives of:

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

These objectives are elaborated (page 7) on with the focus clearly on medical and GP practice while also being required to *"… know what services are available and help to identify and address service gaps when needed, including in rural and remote areas…."* and *"working with other funders of services and purchasing and commissioning health and medical/clinical services for local groups most in need, including for example, patients with complex chronic conditions or mental illness"*.

The mix of expectations that refer to matters such as coordinated primary health care and a suite of more explicit activities and resources to support medical general practice may have embedded inherent tensions in the expectations and performance framework that was to apply to PHNs.

As numerous stakeholders have suggested, including in the consultation processes that informed the development of Australia's Primary Health Care 10 Year Plan 2022– 2032 (released prior to the 2022 Federal Election and subsequent change of Government) Commonwealth governments appear to have viewed primary health care and medical GP practice as being synonymous.
Over recent years, there has been a gradual shift toward acknowledging primary health care involves a wide range of professions and settings, which include GP practices but not exclusively. Other examples include Aboriginal and Torres strait Islander community-controlled health organisations, and other private and community-based health care services, such as allied health services, nurse-led clinics, some paramedic services and more.

There also appears to have been a tendency in policy and program considerations to conflate *primary health care* with only those elements of 'primary health care' that the Commonwealth provides direct funding to support; predominantly through the MBS system.
Over time the MBS has gradually included MBS items for some allied health services – generally limited in number and available only through referral by a GP.

In February 2023, the PHN Network released the Allied Health in Primary Care Engagement Framework, an initiative of the Network, which openly acknowledged that the degree of understanding, connection and interactions between the PHN Network and allied health professionals and service providers was not well developed or conducive to promote the primary health care needs of the community. The Framework seeks to rectify that situation.
In the 2023-24 Federal Budget, the Government provided additional funds to help enable PHN engagement with and of allied health services.
SARRAH has little visibility as to the proposed use of those funds, their distribution or the adequacy of those funds in relation to any additional expectations it places on the PHNs. Or any improvements in health access and outcomes that might be expected for the community.

Availability and transparency of PHN performance and functions: PHNs are distinct entities and there appears to be significant variation between them in terms of focus, priorities, structures and relationship/stakeholder engagement. The level of information available on PHN websites varies considerably, with some considerably more informative and transparent than others. SARRAH members and other stakeholders also frequently note or otherwise comment on the variation in style, levels of engagement, and attitude of PHNs (or specific staff). There are certainly positive comments within the feedback received: SARRAH would like to highlight this point and suggest that there will be strong examples of existing and developing good practice, governance arrangements, engagement, performance and reporting within the PHN Network. We would support the ANAO highlighting these examples.

Potential conflicts of interest – presence, management and oversight of these: Some SARRAH members have experience of participating in PHN governance processes, including as PHN Board members. Not surprisingly, reports of those experiences are mixed, and frequently includes assessments of the inherent challenges associated with establishing and promoting PHN functions, capacity, performance and approach. There is a ready appreciation, generally of the varying and complex operating environments PHNs face. Nonetheless, a very real risk exists of conflicts of interest occurring in an environment where PHNs are established to support primary care providers operations and sustainability, where providers can and should be on PHN Boards – especially providers and other Board members with expert skills who live within and have strong understanding of the region covered by the PHN footprint. It is clear that PHNs are and will be

(under present arrangements) tasked with funding and/or developing service capacity to meet identified needs. the risk of conflicts of interest (declared or otherwise) appears to be most acute where there is a crossover of interests in decisions related to what is being funded and who is making decisions or has indirect influence over those decisions. This may be hard to avoid completely, especially in PHN areas where comparatively few primary care providers exist and/or they are likely to be in direct competition for grant-based or other funding sources.

There are also situations where there are existing gaps in services (as there frequently are in rural and remote locations) and the relative shortage or absence of possible service providers may mean the development of capacity or an entity from which to commission and/or provide those services. In such circumstances the risk of a potential conflict of interest between the PHN, associated individuals and other service providers appears to be more acute.

SARRAH suggests that this is an area the ANAO may wish to consider in depth, with particular regard to ensuring that whatever arrangements exist or might be established ensure a) the overall strengthening of the primary health service capacity (including breadth of services, access and community choice considerations) access and health outcomes, tied to identified population and community health service needs and gaps.

1. *Has DHAC established a fit for purpose performance management framework for the Primary Health Network (PHN) program?*

Noting that each PHN will have distinct agreements/contracts with the DHAC it is possible that they have established fit for purpose performance management arrangements with each of the PHNs: however, SARRAH is not in a position to assess this. If the performance management and reporting arrangements are consistent with the expectations described in the general PHN grant documentation it suggests the performance management framework is fit for purpose in at least some respects.
However, as indicated in the discussion above, there are questions of (in)consistency between the scope of agreements/contracts entered into with PHNs (as reflected in various parts of the Grant documentation) where the specific requirements and priorities outlined for PHNs appear to be at odds with other aspects that call for a much broader scope of activity in supporting primary health care services and access as a whole. SARRAH is not aware as to whether the funding conditions or amounts that are available to PHNs (in general or to particular PHNs) is sufficient to enable effective performance to be achieved or reported.

If the publicly available information detailing access, workforce and service distribution and shortage issues, wait times, the incidence of avoidable hospitalisations, and more is accurate and a proxy indication of a *fit for purpose performance management framework* being in place, then SARRAH would suggest this question warrants forensic analysis.

2. *Has DHAC effectively monitored and enforced compliance with PHN grant terms and conditions?*

It is difficult to assess on the basis of publicly available information whether DHAC has effectively monitored and enforced compliance with the PHN grant terms and conditions, which presumably reflect the details as set out in the grant application guidelines for the program.

The Department of Health and Aged Care 2022-23 Annual Report provides the primary record of the Departments oversight and management of the PHNs as part of its overarching responsibilities. The detail provided on page 37 of the Annual Report provides a single performance measure (relating to mental health service provision) and some summary information about the PHN program and trends at a broad level. This information is not sufficient to develop an informed view.

3. *Has DHAC demonstrated that the PHN program is meeting its objectives?*

We note the Department holds a PHN Program Evaluation report published in **July 2018** on its website. Again, referring to the DHAC Annual Report (page 37, mentioned above), SARRAH considers (based on our current understanding that relatively little information is publicly available) that DHAC has not demonstrated the PHN program is meeting its objectives.

If you would like to discuss issues raised in SARRAHs response or require further information, please contact Allan Groth at allan@sarrah.org.au.

Yours Sincerely

Allan Groth for

Cath Maloney
Chief Executive Officer