

# Primary Health Networks Role and Boundaries

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## Introduction

The Victorian Healthcare Association (VHA) is the major peak body representing the public healthcare sector in Victoria. Our members include public hospitals, rural and regional health services, community health services, aged care facilities and Medicare Locals. Established in 1938, the VHA promotes the improvement of health outcomes for all Victorians, from the perspective of its members.

On 15<sup>th</sup> October, the Department of Health released information about Primary Health Networks (PHN) boundaries, further information about the role of PHNs and the approach to market process, and an opportunity for interested parties to register interest.

The VHA is committed to a health system that cost effectively delivers care to the population, and sees PHNs as playing a critical role in the health system. However, the VHA is concerned about the proposed role and the boundaries of the PHNs in that they may hinder rather than facilitate improvements in the coordination of care between health services. Further, VHA is concerned that the cost of providing state funded health services could increase as a result of the proposed boundaries and role, due to the administrative burden of state funded health services increases as they work with multiple PHNs and as the potential that poorer coordination of care between health services increases the care burden in the acute sector.

These concerns are supported by the experiences of Victorian health services with Medicare Locals. For instance, the catchment of *East Wimmera Health Service* overlaps the catchments of the Grampians and the Loddon Mallee Murray Medicare Locals. The experience of this health service is that while the purpose and priorities of the respective Medicare Locals may be similar, their rollout plans are different in terms of approach and timing, and their reporting requirements are significantly different. This unnecessarily increases the cost implementing initiatives for this health service. The VHA's expectation is that PHN's need to learn from the experience of Medicare Locals, and therefore, the VHA is disappointed that the stated Victorian PHN boundaries exacerbate rather than improve the issues experienced with the establishment of Medicare Locals.

## Key issues

### 1. The role of PHNs

The documentation about the role of PHNs and the approach to market process<sup>1</sup> states, “The PHN name reflects the critical role they will play in networking health services across local communities so that patients, particularly those needing coordinated care, have the best access to a range of health care providers, including practitioners, community health services, and hospitals”. The VHA is supportive of such a role, and of increased coordination between State and Commonwealth funded services.

However, where the document describes what the PHNs will do, it largely describes their role working with general practice. Apart from purchasing services, the documentation is otherwise silent on how PHNs will work with health services other than GPs.

Further, the boundaries of the Victorian PHNs don’t align with catchments for state based and municipal planning, state based health services and programs, and existing organisations and networks addressing issues concerning the health and social determinant needs of a population. The VHA is concerned this will act to further fragment care, and is discussed further below.

### 2. PHN boundaries

Based on the information released by the Department of Health on 15<sup>th</sup> October, Victoria has been allocated 6 primary health networks, including North Western Melbourne, Eastern Melbourne, South Eastern Melbourne, Gippsland, Murray, and Grampians and Barwon South West.

The key issues with this configuration are:

- A. The catchments of the PHNs do not reflect the catchments of established state based and local government planning areas, established health networks and programs, other organisations and networks that have a role in addressing population based health needs, and the natural inclination and flow of patients.**

Specific issues concerning the PHN catchments are:

- i. The PHN catchments do not reflect the catchments of the Victorian Department of Health, the Victorian Department of Human Services, and local government.

For example, the *Victorian Department of Health* defines its regions as 3 metropolitan regions (with different catchments to that described by the PHNs), and 5 rural regions (as opposed to 3 rural PHNs). Whilst these boundaries could be changed, this is not something we would expect the State Government to do lightly and without serious consideration of the impact on other service providers, catchments and natural patient flows. The consequences of having PHN boundaries misaligned with state health planning boundaries is that the

<sup>1</sup> See: [http://www.health.gov.au/internet/main/publishing.nsf/Content/79BB19905F6385AECA257D6B0082D20D/\\$File/info15oct.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/79BB19905F6385AECA257D6B0082D20D/$File/info15oct.pdf)

potential for joint planning, purchasing and pooling of funds for integrating services will be reduced.

Similarly, the local government area of the *Macedon Ranges Shire Council* is split across the Murray and North Western Melbourne PHNs. This affects the planning and delivery of services at the local government level.

ii. The PHN catchments do not reflect the catchments of established health networks and programs.

For example:

- The catchments of *Northern Health*, *Austin Health* and *Mercy Hospital for Women* are split across the Eastern Melbourne and the North Western Melbourne PHNs
- The catchment of *Kilmore and District Hospital* is split across the Murray, North Western Melbourne, and Eastern Melbourne PHNs
- The catchment of *Cobaw Community Health* is split across Murray and North Western Melbourne PHNs
- The catchment of *Albury Wodonga Health* is split across the Murray and Western NSW PHNs
- The catchment of *East Wimmera Health Service* is split across the Murray and the Grampians and Barwon West PHNs – specifically the majority of the catchment is in the Grampians and Barwon West PHN, while St Arnaud and Stuart Mill are in the Murray PHN
- The catchment of *Northern Mental Health Service* is split across the North Western Melbourne and Eastern Melbourne PHNs
- The catchment of *Goulburn and Southern Mental Health Service* is split across the Murray and Eastern Melbourne PHNs
- The catchment of the *Loddon Campaspe/Southern Mallee Mental Health Service* is split across the Murray and North Western Melbourne PHNs
- The catchment of *Outer East Mental Health Service* is split across the Eastern Melbourne and Murray PHNs
- The catchment of the *Northern Melbourne Medicare Local Partners in Recovery Program* is split across the North Western Melbourne and Eastern Melbourne PHNs.

The consequences of splitting these services across different PHN catchments are:

- It will be difficult to maintain established GP led clinical councils, patient pathways, and agreements for integrating services, necessitating the re-establishment of these mechanisms for integrating care.
- As the PHN's don't align with the catchments of established health services and programs, then the difficulty of establishing future mechanisms and programs for integrating care is increased, thereby reducing the likelihood of the future establishment of arrangements for facilitating integrated care for a population of patients.

- The experience to date where a health service has worked across the catchment of more than one Medicare Local is that while the purpose and priorities of the respective Medicare Locals may be similar, their rollout plans are different in terms of approach and timing, and their reporting requirements are significantly different. This unnecessarily increases the cost of implementing initiatives to health services.

Additionally, the PHN boundaries do not acknowledge agreements between different state governments. Under an intergovernmental agreement between the Victorian and NSW governments, the Albury Base Hospital and Wodonga Regional Health Service merged to form *Albury Wodonga Health*. This arrangement has enabled services to be delivered more seamlessly in this region, and for the more effective utilisation of resources in the Albury Wodonga area. The PHN boundaries in this area do not reflect this arrangement, and for the reasons stated above may adversely impact the establishment of arrangements for seamless care delivery to the people in this area.

- iii. The PHN catchments do not reflect the catchments of other key organisations and networks that have a role in addressing health and social determinants of health.

Examples of key organisations and networks that are now split across two PHNs are:

- *Hume Whittlesea Primary Care Partnership* is split across Eastern Melbourne and North Western Melbourne PHNs.
- *Women's Health in the North* is split across Eastern Melbourne and North Western Melbourne PHNs
- *Victoria Police North West Metro Region* is split across Eastern Melbourne and North Western Melbourne PHNs
- *Hume Whittlesea Local Learning & Employment Network* is split across the Eastern Melbourne and North Western Melbourne PHNs.

The consequences of splitting the catchments of these types of organisations and networks across different PHNs is that it makes it more difficult for these organisations to develop a coordinated response for addressing health and social determinants of health issues for their populations.

Related issues with the proposed configuration of PHNs and their relationship with existing arrangements include:

- *Providers based in Whittlesea, Nillumbik and Banyule municipalities* who are now mostly part of the Eastern Melbourne PHN, have always participated in regional meetings of other providers that are mostly in the North Western Melbourne PHN. Many of the providers in these municipalities do not see themselves as part of, and don't necessarily have any pre-existing relationships with, equivalent structures in the Eastern Melbourne catchment. Whilst these can be built, this will take time and will potentially negate the positive relationships already in existence.

- In rural areas, the health service may use General Practitioners (GPs) to provide after-hours on-call medical services to the health service and the community across the catchment of the health service. Where the catchment of a health service is split across different PHNs, as is the case with *East Wimmera Health Service*, then the GP's will receive support from different PHN's. As PHNs may be at different points of implementation of their programs, then two system processes may be required based on what services are available to the GP. *East Wimmera Health Service* has experienced this as an issue to date with the existing catchments of the Medicare Locals. Consideration should be given as to how this situation can be avoided through the rollout of PHNs.

iv. The PHN catchments do not reflect the natural inclination and flow of patients.

Geographical natural features, such as the “green wedge” formed by the Shire of Nillumbik, have traditionally separated the Northern and Eastern catchments of Melbourne and have been a natural inhibitor to patient flows and service provision. People living in the municipalities of Whittlesea, Nillumbik and Banyule do not identify as living in Eastern Melbourne, and so generally do not seek out services providers in the East.

**B. Some Victorian PHN catchments are very large and diverse.**

The size and population makeup of the PHN catchments differ significantly across the state. For example, the Murray PHN catchment currently has a population of approximately 550,000 and this catchment is expected to increase by approximately 20% by 2021. The geographic land area is approximately 90,000 km<sup>2</sup>, and the population in this catchment is very diverse with significant differences in terms of socioeconomic status, cultural background, and remoteness. By contrast, the population of the Gippsland PHN is currently approximately 250,000 and is expected to grow to approximately 300,000 by 2021. The land area is approximately 40,000 km<sup>2</sup>.

In the metropolitan region, the population of North Western Melbourne PHN is currently significantly larger than the other areas, and this PHN contains areas with municipalities expecting high population growth, including Hume, Melton and Wyndham. Future consideration should be given to balancing the differences in the size of this PHN with other metropolitan PHNs.

## Recommendations

1. Align PHN boundaries with the boundaries of existing state defined regions, health services and major programs and networks. This may require increasing the number of PHNs in the short to medium term to facilitate alignment of PHNs with existing state based catchments.
2. Over time, and through consultation and co-ordination with the Victorian state government, redefine PHN boundaries together with the relevant state based regions, health services and major programs and networks to accommodate population change and the objectives of establishing PHNs.
3. On a continued basis, Commonwealth and State governments work closely on a bi-lateral basis to further facilitate the alignment and integration of care delivery of PHNs with state funded agencies.

## Further information

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