

Annexure A2 – Drug and Alcohol Treatment Services

This Annexure is specifically related to the Drug and Alcohol Treatment Activity and supplements the *Primary Health Network Grant Programme Guidelines*. All information contained in the Programme Guidelines applies to this Activity.

1) Activity summary

On 6 December 2015, the Australian Government announced the release of the [*Australian Government Response to the National Ice Taskforce's Final Report*](#) (the Response), available on the Department's website. The Response underpinned the [*National Ice Action Strategy \(NIAS\)*](#), which was endorsed by the Council of Australian Governments (COAG) on 11 December 2015.

The Response included establishing a role for Primary Health Networks (PHNs) in the planning and commissioning of drug and alcohol treatment services, to reduce the harms associated with drugs and alcohol, with a focus on methamphetamine use in the community, including Indigenous-specific services. Funding of up to \$241.5 million was committed under the NIAS to assist PHNs in achieving these objectives.

The Government's announcement also included a 12 month extension to existing direct funding arrangements for drug and alcohol treatment services under the Substance Misuse Service Delivery Grant Fund (SMSDGF) and the Non Government Organisation Treatment Grants Program (NGOTGP) while a review of funding arrangements was undertaken, particularly in the context of PHNs new role in commissioning these services. The SMSDGF and NGOTGP have now been amalgamated into the Drug and Alcohol Program.

On 3 March 2017 the Minister for Health and Minister for Sport, the Hon Greg Hunt MP announced the outcome of this review. A further \$42.6 million per annum in Drug and Alcohol Program funding will be provided to the PHNs for them to commission and administer an additional two years funding to existing services until 30 June 2019.

Implementation of this Drug and Alcohol Treatment Activity (the Activity) will align with the Response.

The Activity contributes to the Programme's objectives by:

- Increasing the service delivery capacity of the drug and alcohol treatment sector through improved regional coordination and by targeting areas of need with a focus on methamphetamine use in the community; and

- Improving the effectiveness of drug and alcohol treatment services for individuals requiring support and treatment, particularly for methamphetamine use, by increasing coordination between various sectors, and improving sector efficiency.

2) Activity outcomes

The Activity will include drug and alcohol treatment planning, commissioning and contribution to coordination of services at a regional level, to improve sector efficiency and support better patient management across the continuum of care, including methamphetamine use in the community. This activity will also assist in addressing the impact of alcohol and other drugs including methamphetamines on individuals, their families and the community. PHNs will work in consultation with state and territory government regional health services, jurisdictional and national drug and alcohol peak bodies and relevant stakeholders including Local Hospital Networks (LHNs) and Aboriginal Community Controlled Health Organisations (ACCHOs) and other service providers to achieve this outcome.

3) Activity objectives

The objectives of the Activity are to:

1. Support drug and alcohol treatment services through PHN commissioning of existing Commonwealth funded drug and alcohol treatment services from 1 July 2017. This funding will be provided for a further two years to ensure service continuity for communities and individuals;

While using funding provided under the NIAS to:

1. Address the increased demand for access to drug and alcohol treatment services, with a focus on methamphetamine use, through needs based and targeted planning responsive to the changing needs of the community, taking into consideration currently funded services, and in consultation with state and territory health services and other relevant stakeholders including LHNs and ACCHOs;
2. Support region specific, cross-sectoral and integrated approaches to drug and alcohol treatment services, based on the needs of clients locally, and focused on improving care coordination at the local level;
3. Facilitate and support evidence-based treatment for clients using a range of substances, including methamphetamine, including flexible and stepped care models tailored to individual need;
4. Promote linkages with broader health services, including mental health services, to better support integrated treatment and referral pathways to support clients with comorbid mental health disorders. This objective will encourage service linkages with other relevant support sectors;

5. Ensure Indigenous-specific and culturally appropriate drug and alcohol treatment services for Indigenous Australians are linked with broader Indigenous health services; and
6. Promote quality improvement approaches and support health professionals through education and training.

4) Funding available

Under the NIAS, funding of around \$241.5 million (GST exclusive) over four years commencing 1 July 2016 is expected to be available for this Activity. \$78.6 million of this funding is to be specifically utilised to deliver Indigenous-specific drug and alcohol treatment services. Funding for this Activity can only be used to support actions identified at Item 6.

The value of available grants to each PHN will be allocated taking into consideration a number of factors, such as population, rurality, Indigenous status and socio-economic factors.

The Activity funding will include a capped operational component to be used to support PHNs to manage the Activity.

From 1 July 2017, a further \$42.6 million per annum in Drug and Alcohol Program funding will be made available to PHNs to continue funding for existing drug and alcohol treatment services for an additional two years until 30 June 2019.

Type of selection process

The grant funding available under the NIAS will be available through a non-application targeted process and allocated to all PHN organisations that were selected from the open competitive process that was used to establish PHNs. PHNs that are determined to have adequate capability to reduce the harms associated with drugs and alcohol, including methamphetamine, will be approached by the Department and allocated funding under the current Funding Agreement commencing in 2016-17.

Funding for existing treatment services from 1 July 2017 will be based upon activities funded by the Commonwealth prior to being transferred to PHNs.

5) Who is eligible for grant funding?

The funding will be allocated to selected PHN organisations.

6) What actions are eligible for grant funding?

NIAS grant funding is not available for the direct provision of drug and alcohol treatment services by the PHN. Funding for drug and alcohol treatment organisations should be consistent with the outcomes and objectives of the Activity. The funding

under this Annexure can only be used for the following actions to support the Activity. The operational guidance material will include further information on the Activity.

Targeting areas of need by commissioning evidence-based drug and alcohol treatment and support, undertaken by both the drug and alcohol specialist treatment sector and primary health services that align with the following service types:

- Early intervention targeting less problematic drug use, including brief intervention;
- Counselling;
- Withdrawal management with pathways to post-acute withdrawal support and relapse prevention;
- Residential rehabilitation with pathways to post rehabilitation support and relapse prevention;
- Day stay rehabilitation and other intensive non-residential programmes;
- Post rehabilitation support and relapse prevention;
- Case management, care planning and coordination;
- Information and education and other evidence based treatments with Departmental approval; and
- Supporting the workforce undertaking these service types through activities that promote joined up assessment processes and referral pathways and support continuous quality improvement, evidence-based treatment and service integration/coordination.

To support these commissioning actions, PHNs will also be expected to undertake the following actions:

- Develop evidence-based regional drug and alcohol treatment plans, based on needs assessments (in consultation with relevant stakeholders) and service mapping designed to identify gaps and opportunities for optimal use of services to reduce duplication and promote efficiencies;
- Establish and maintain partnerships and integration/coordination with regional stakeholders, including LHNs, state and territory health services, non-government organisations, alcohol and other drug services and peak bodies, mental health services, Indigenous organisations, general practices and other regional stakeholders;
- Develop and implement clinical governance and quality assurance arrangements to guide the drug and alcohol activity undertaken by the PHN, in line with section 1.3 of the *Primary Health Networks Grant Programme Guidelines and the operational guidance*;

- Encourage and support the provision of early intervention and brief intervention, including assessment, development of care plans and referral into drug and alcohol treatment services;
- Ensure appropriate data collection and reporting systems are in place for all commissioned services to inform service planning and contribute to ongoing monitoring and evaluation at the regional and national level, utilising existing infrastructure where possible and appropriate;
- Develop and implement systems to support sharing of consumer history and information as appropriate between service providers and consumers, building on the foundation provided by My Health Record and according to privacy provisions;
- Facilitate ongoing sharing of information across the PHN network and with the Department, including on innovative approaches; and
- Establish and maintain appropriate consumer feedback procedures, including complaint handling procedures, in relation to services commissioned under the Activity.

7) Principles for purchasing/commissioning drug and alcohol services

The actions identified at Item 6 will be undertaken in accordance with the following overarching principles:

1. Service planning and commissioning needs to be evidence-based and in accordance with the operational guide and in line with an integrated, person-centred, stepped care approach, with optimal use of available resources, including workforce and infrastructure;
2. Service commissioning needs to be responsive to changing drug trends and community need and be able to effectively provide evidence-based treatment for all drug types. The most resource intensive services should be reserved for those with the greatest need;
3. Service commissioning needs to involve consultation across the region with Commonwealth, and state and territory health services to ensure services are not duplicative, address gaps where appropriate and are delivered in the most efficient manner, directed at the areas of greatest need;
4. Commissioning of services must represent value for money, in line with section 1.6.1 of the *Primary Health Networks Grant Programme Guidelines*;
5. Mechanisms must be in place for commissioned services to ensure workforce skills and qualifications and registration are appropriate for the drug and alcohol needs being targeted within an evidenced-based approach;

6. PHNs are encouraged to commission responsive and efficient services which optimise consumer access to services, and to which a fair pricing approach is applied which recognises differential capacity of consumers to pay for care;
7. Mechanisms must be in place to ensure continuous monitoring and performance reporting can be undertaken and supported;
8. Services commissioned should promote integration/coordination and complement, not duplicate or replace, other drug and alcohol services; and
9. Services commissioned should complement and align with relevant national reforms, where appropriate or directed by the Minister or Department.

8) What actions are not eligible for grant funding?

Section 3.2 of the *Primary Health Networks Grant Programme Guidelines* outlines items that are not eligible for funding under the Activity. Funding for the Activity is quarantined and is only to be used for the actions identified at Item 7.

In addition, funds cannot be used for capital works. Where services are also funded by the Commonwealth or state and territory government, the funded activity must be needs based and complementary not duplicative.

9) Contractual arrangements

To participate in this Activity, eligible PHNs will be offered a Schedule to their existing funding agreement, and as such, the terms and conditions of the Standard Funding Agreement will apply.

10) Reporting requirements

Specific reporting requirements will form part of each PHN's agreement with the Department. The reporting requirements for the Activity include:

- an annual approved Activity Work Plan (drug and alcohol treatment plan) and Budget;
- six monthly performance reporting;
- performance indicators;
- ongoing data reporting via the Alcohol and Other Drug Treatment Services National Minimum Data set (AODTS-NMDS);
- annual income and expenditure reports; and
- others as negotiated.

Reporting requirements may vary depending on the Department's risk assessment of each funding agreement. Risk assessments will be regularly reviewed by the Department at any time during the life of the funding agreement and reporting requirements may be adjusted accordingly.

The Department is responsible for assessing the information provided in progress reports and monitoring the performance of grant recipients.

11) Decision making

The Minister for Health has delegated authority to the Department of Health for decision making in relation to this Activity. The Approver for grants under this Activity is the Assistant Secretary, Drug Strategy Branch, Population Health and Sport Division or the First Assistant Secretary, Population Health and Sport Division, or the delegate sitting in the relevant position responsible for drug and alcohol treatment services.

Refer to section 2.3 of the *Primary Health Networks Grant Programme Guidelines* for further information.