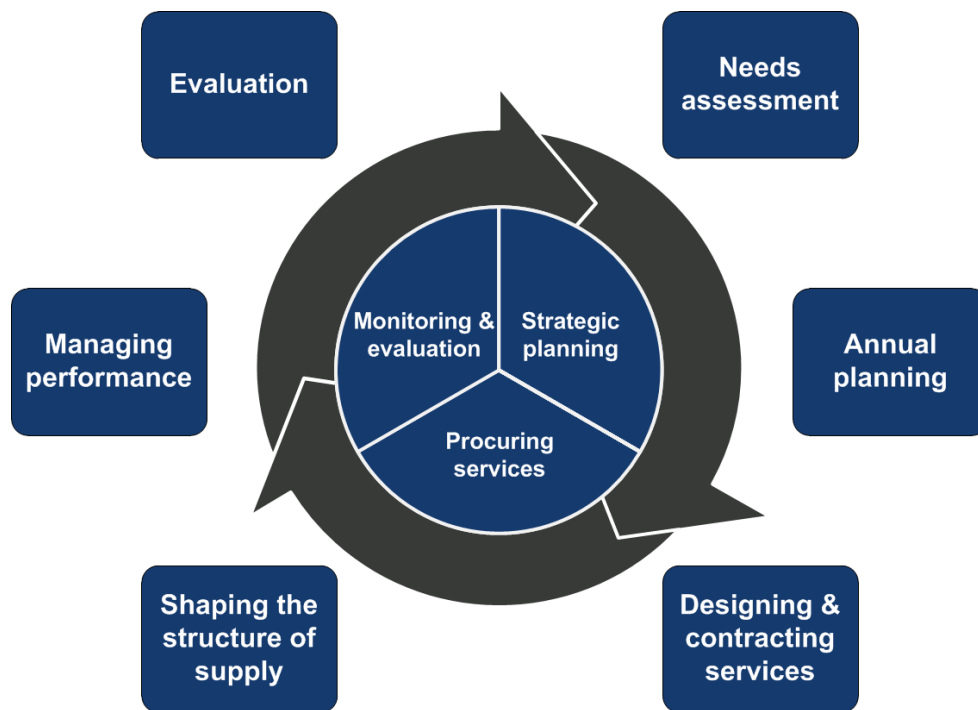




# Market Making and Development Toolkit



---

July 2018

## Acknowledgement

This document has been developed by the Australian Government Department of Health and PwC as part of a project funded by the Department to develop guidance, tools and training for Primary Health Networks (PHNs) on commissioning. It has been co-designed with PHNs through the PHN Commissioning Working Group and the relevant sub-group and informed by interviews with, and case studies from, some PHNs.

The active contribution of the PHNs in the development of this toolkit is appreciated.

Contributions from Helen Dickinson, Associate Professor Public Service Research and Director Public Services Research Centre, University of New South Wales, Canberra have provided insight on the commissioning evidence base.

© Commonwealth of Australia 2018

This work is copyright. You may download, display, print and reproduce the whole or part of this work in unaltered form for your own personal use or, if you are part of an organisation, for internal use within your organisation, but only if you or your organisation do not use the reproduction for any commercial purpose and retain this copyright notice and all disclaimer notices as part of that reproduction. Apart from rights to use as permitted by the Copyright Act 1968 or allowed by this copyright notice, all other rights are reserved and you are not allowed to reproduce the whole or any part of this work in any way (electronic or otherwise) without first being given the specific written permission from the Commonwealth to do so. Requests and inquiries concerning reproduction and rights are to be sent to the Communication Branch, Department of Health, GPO Box 9848, Canberra ACT 2601, or via e-mail to [copyright@health.gov.au](mailto:copyright@health.gov.au).

Preferred citation: Australian Government Department of Health. (2018). *Market Making and Development Toolkit*. Available at: <http://www.health.gov.au/internet/main/publishing.nsf/Content/PHNCommissioningResources>

## Disclaimer

Opinions expressed in this document are those of the authors and not necessarily those of the Australian Government Department of Health. Data may be subject to revision.

## Note

This guidance does not override the requirements set out in the PHN Funding Agreement.

## Table of contents

Acknowledgement .....	2
Note.....	2
Table of contents .....	3
Acronyms used in this guidance .....	4
Definitions of some key terms used in this Toolkit.....	5
1 Introduction.....	6
1.1 How to use this Toolkit.....	6
Tool 1: Planning and delivering market soundings .....	7
Determine the purpose of the market sounding .....	7
Plan the market sounding.....	7
Run and report on the market sounding .....	8
Tool 2: Market sounding question areas .....	10
Tool 3: Planning and delivering an industry day.....	11
Tool 4: Planning and delivering an industry briefing .....	13
Tool 5: Market assessment approach and data sources .....	14
Tool 6: Engagement with providers.....	17
PHN tips for approaches to provider engagement .....	17
Engagement with providers throughout the commissioning framework.....	17
Tool 7: Flow charts for decommissioning .....	19
Decommissioning flowchart (1).....	19
Decommissioning flowchart (2).....	20
Other guidance.....	20

## Acronyms used in this guidance

<b>ACCHS</b>	Aboriginal Community Controlled Health Services
<b>ACOS</b>	Australian Council of Social Services
<b>AMS</b>	Aboriginal Medical Services
<b>EOI</b>	Expression of Interest
<b>LHN</b>	Local Hospital Network
<b>NACCHO</b>	National Aboriginal Community Controlled Health Organisation
<b>PHN(s)</b>	Primary Health Network(s)
<b>RACGP</b>	Royal Australian College of General Practitioners
<b>TAFE</b>	Technical and further education

## Definitions of some key terms used in this Toolkit

### Cultural awareness (in relation to Aboriginal and Torres Strait Islander cultures)

Demonstrates a basic understanding of Aboriginal and Torres Strait Islander histories, peoples and cultures. There is no common accepted practice, and the actions taken depend upon the individual and their knowledge of Aboriginal and Torres Strait Islander culture. Generally accepted as a necessary first step and a foundation for further development, but not sufficient for sustained behaviour change.<sup>1</sup>

### Cultural competency

Cultural competency is a key strategy for reducing inequalities in health care access and improving the quality and effectiveness of care for Indigenous people.

Cultural competence is more than cultural awareness; it is the set of behaviours, attitudes and policies that come together to enable a system, agency or professionals to work effectively in cross-cultural situations.<sup>2</sup>

### Cultural safety

Identifies that health consumers are safest when health professionals have considered power relations, cultural differences and patients' rights. Part of this process requires health professionals to examine their own realities, beliefs and attitudes. Cultural safety is not defined by the health professional, but is defined by the health consumer's experience - the individual's experience of care they are given, ability to access services and to raise concerns. The essential features of cultural safety are:

- a) An understanding of one's culture
- b) An acknowledgment of difference, and a requirement that caregivers are actively mindful and respectful of difference(s)
- c) It is informed by the theory of power relations; any attempt to depoliticise cultural safety is to miss the point
- d) An appreciation of the historical context of colonisation, the practices of racism at individual and institutional levels, and their impact on First Nations people's living and wellbeing, both in the present and past
- e) Its presence or absence is determined by the experience of the recipient of care and not defined by the caregiver.<sup>3</sup>

---

<sup>1</sup> Australian Health Ministers' Advisory Council. (2016). Cultural Respect Framework 2016-2026 for Aboriginal and Torres Strait Islander Health. Available at: <http://www.coaghealthcouncil.gov.au/Publications/Reports>

<sup>2</sup> Bainbridge R, McCalman J, Clifford A, and Tsey K. (July 2015). Cultural competency in the delivery of health services for Indigenous people. Issues Paper No.13 produced for the Closing the Gap Clearing House. Available at: <https://aifs.gov.au/publications/cultural-competency-delivery-health-services-indigenous-people>

<sup>3</sup> Australian Health Ministers Advisory Council. (2016). *Cultural Respect Framework 2016-2026 for Aboriginal and Torres Strait Islander Health*. Available at: <http://www.coaghealthcouncil.gov.au/Publications/Reports>

# 1 Introduction

## 1.1 How to use this Toolkit

This Toolkit has been developed to complement the 2018 *Market Making and Development Guidance*. It should be read in conjunction with the guidance document.

Shaping the structure of supply is a phase of the PHN commissioning framework. To successfully secure the primary health care services and outcomes that PHNs identify as priorities based on their needs assessments and planning, they need a market that can understand, interpret, respond and deliver effectively. Therefore, it is critical that PHNs are able to understand, influence, support, develop and work collaboratively with markets. This requires PHNs to understand the structure of the market in their regions, where the market may require development, and the root causes of gaps or deficiencies. It also requires PHNs to develop an awareness of the tools that they can use to improve markets and to put these levers into practice.

This toolkit provides a range of approaches that can be used to support PHNs in understanding, collaborating with and improving markets. These tools should be considered within the local context of each PHN, and adapted accordingly, as appropriate.

## Tool 1: Planning and delivering market soundings

Market soundings can provide valuable input that can be used to shape a commissioning process. They are a useful approach for PHNs to further develop their understanding of the market around a specific topic. This can be related to broad service issues, or a more specific procurement process. Market soundings can be constructed in a range of different ways, and the following methodology should be considered in delivering them.

### Determine the purpose of the market sounding

- A well-defined process will ensure that the market sounding is properly planned and executed, and that it provides the desired information.
- The primary purpose of the market sounding should be to gather a range of information around a specific issue/s that the PHN could then use to inform their thinking. Market soundings are most commonly used prior to the commencement of a formal procurement process, and can be used to gain feedback on key aspects of the procurement approach such as financial arrangements, key requirements or even procurement process steps.
- PHNs should also consider what any wider objectives of the market sounding might be. Typically, these can be around stimulating interest from the market before a procurement process commences. Other objectives may include the facilitation of networking, opportunities for providers, and relationship development between the PHN and providers.
- Collectively, the objectives will have a key bearing on the process used to deliver the market soundings.

### Plan the market sounding

- **Format:** PHNs should consider what structure and approach will best achieve the objectives of the market sounding. PHNs should consider the format of the market soundings, the location and setting in which they are held, the sounding structure and the attendees from the PHN. Each of these aspects should be aligned appropriately. Potential sounding formats include:
  - In person interviews between the PHN and each provider. This approach is suited to gaining insights and (often confidential) information around key issues, which the provider may be otherwise reluctant to share.
  - Open workshops. This approach is suited to innovation and the sharing of views, and can help the PHN to get a collective sense of market views and perceptions. This approach can also be used to stimulate networking opportunities between providers. Note that some providers may be reluctant to share views, particularly if the sounding is related to a procurement process.
  - Written soundings. This approach is suited to providing an accessible form of input for providers who may be otherwise unable to participate in person. The written format enables providers to offer considered views. However, this approach has limited potential for collaboration or discussion.
  - Webinars. This approach is suited to geographically diverse regions where getting providers 'in the room' may not be a feasible option.

- **Market participants:** PHNs should seek to have a representative sample of provider groups to participate in the sounding process. The selection of these groups should align to the purpose of the soundings, and individual providers should be selected appropriately. Within this selection, PHNs should consider the involvement of established and new entrants, and providers who do not currently deliver services to the PHN, such as those who operate in different locations or markets. Consideration should also be given to sounding non-providers such as peak bodies, who may also be able to offer valuable industry-wide perspectives. The total number of participants should be of sufficient volume to provide an indicative and balanced representation from the market. Practical considerations in delivering the sounding should also be remembered when determining participant numbers.
- **PHN participants:** Where possible, PHN participants should be consistent throughout the soundings to ensure consistency of approach and soundings analysis. Segmenting roles into an interview lead and a note taker (for in person interviews) can help ensure that the soundings are focussed. Participation by probity advisers should also be considered, where appropriate.
- **Questions:** Questions should be developed based on achieving the purpose of the market sounding, focusing on what the PHN is seeking to find out, or is uncertain of. Where possible, questions should be open-ended and specific, with a focus on understanding the rationale behind answers. If the market soundings are to be conducted via workshop or written submission, the structure of the questions will need to be tailored accordingly.
- **Supporting materials:** PHNs should consider what information (if any) should be provided to the market in advance of the soundings. This could include the questions to be asked, or broader supporting information that will help providers to answer the questions effectively.
- **Timing:** Depending on the purpose of the soundings, the PHN should ensure that they have sufficient time from the completion of the soundings, to action any ideas that have emerged. This is particularly important for soundings that are being undertaken to inform procurement specifications or processes.
- **Governance:** Soundings should ensure that they reflect governance and probity rules, as they define such interactions with the market. Commonly, there can be a preference to undertake approaches that are more risk averse, with a higher degree of probity and risk management than may be required. This can include the need for confidentiality agreements to be signed prior to soundings taking place which in some circumstances may be unnecessary. PHNs should note that input to market soundings can be constrained as a result of this and that a sensible balance of managing risks and gaining valuable market input should be pursued.

## Run and report on the market sounding

- Soundings should be completed efficiently, with the PHN pausing after the first quarter has been completed to ensure that the process is meeting the desired objectives. Where necessary, and to the extent possible, the market sounding approach should then be refined.
- For soundings related to Aboriginal and Torres Strait Islander people and communities, specific consideration should be given to the location(s) in which they are held, the need to ensure a culturally appropriate approach and optimise potential for community involvement, and how to operate the sounding with the market and communities, for example, in the design and approach to the market sounding, as well as the reporting and outputs of it.
- The PHN will need to ensure that market sounding meetings are documented.
- Once the sounding process is completed, the PHN should summarise the findings, and confirm what actions should be undertaken in relation to the market sounding objectives. These steps are important in making effective use of the information obtained from participants during the soundings process.
- On completion, the PHN should also summarise key lessons learned in relation to the market sounding process, so that future processes can be improved.



## Tool 1: Planning and delivering market soundings

- The PHN should also consider how it reports back to the market after the soundings process, and whether a high level public summary could be provided to participants and the wider market. This can be used strategically to further build market relationships.
- PHNs should seek to action the findings from the market sounding process in a balanced and considered manner.

## Tool 2: Market sounding question areas

Market sounding questions should be closely aligned to the purposes of the sounding, and will therefore need to be tailored to each specific sounding process. In addition, the format of the soundings will also heavily influence what questions are asked, and how. The following market sounding questions have been provided for illustrative purposes. These questions would suit in person confidential interviews; however, they could be adapted for wider formats.

Topic	Question
Interest and appetite	<ul style="list-style-type: none"> <li>• Questions should determine whether the project is of interest to the market and what could be changed to stimulate further interest, including changes in packaging, bundling or design of services, as well as risk allocation e.g.               <ul style="list-style-type: none"> <li>○ What is your level of interest in delivering these types of services?</li> <li>○ What drives / limits this level of interest?</li> <li>○ What would need to change to increase your level of interest?</li> <li>○ What concerns do you have in relation to delivering these types of services?</li> </ul> </li> </ul>
Operational capability and capacity	<ul style="list-style-type: none"> <li>• Questions to understand if the market has the appropriate skills and resources to deliver the project e.g.               <ul style="list-style-type: none"> <li>○ Does your organisation have the required capacity to deliver these services?</li> <li>○ Does your organisation have the required capability to deliver these services?</li> <li>○ How would you manage delivery of the key aspects of these services?</li> <li>○ Does your organisation provide culturally safe and culturally appropriate responses?</li> <li>○ Would you seek to work in partnership with other organisations to support delivery? What type of organisations?</li> <li>○ Do you have any concerns in relation to financial, risk or operational elements of delivery (e.g. the workforce)?</li> <li>○ What support could be provided to help manage these issues?</li> </ul> </li> </ul>
Innovation	<ul style="list-style-type: none"> <li>• Questions to understand what opportunities there are to innovate and introduce new ways of working e.g.               <ul style="list-style-type: none"> <li>○ The PHN is seeking to drive better outcomes through increased use of innovation. Where do you perceive opportunities to exist to support innovation?</li> <li>○ How could the PHN better support innovation for this service? Consider access to data or introductions to other entities.</li> </ul> </li> </ul>
Procurement process	<ul style="list-style-type: none"> <li>• Questions to understand how the procurement process could be structured to help generate the largest volume of high quality proposals possible e.g.               <ul style="list-style-type: none"> <li>○ What are your thoughts on the proposed procurement approach? Is this sufficient for you to develop a high quality submission?</li> <li>○ How could the procurement approach be simplified?</li> <li>○ Will you be able to provide the necessary level of information to complete the procurement process?</li> <li>○ In the context of Aboriginal and Torres Strait Islander people and communities, is the procurement culturally appropriate and culturally safe?</li> <li>○ What broader information could be provided to assist you in the completion of the procurement process?</li> </ul> </li> </ul>

## Tool 3: Planning and delivering an industry day

Industry days can be useful approaches for the PHN and providers to share industry insights, learn about the industry and encourage new ways of working, while also helping to develop relationships in the market. Similar to market soundings, industry days need to be well planned and considered, to ensure that the structure and format align with their overall objectives.

The key difference between a market sounding and an industry day is that the latter is typically used as a more informal way to share and build knowledge, and therefore serve as a reoccurring activity that the PHN performs regularly (e.g. annually). This could be a whole of sector industry day where the PHN talks about all services that it is seeking to commission and invites all providers (both existing and potential), or it could be more focussed on a particular service.

For industry days related to Aboriginal and Torres Strait Islander people and communities, specific consideration should be given to the locations in which they are held, the need to ensure a culturally appropriate approach and optimise the potential for community involvement, and how the industry day might be operated with the market and communities, for example, in the design and approach to the industry day, as well as the reporting and outputs of it.

An example agenda for an industry day is set out below.

Agenda item	Notes
Welcome to Country	<ul style="list-style-type: none"> <li>Flag the importance of this opportunity for Aboriginal and Torres Strait Islander people and communities (as applicable)</li> </ul>
Purpose of the day	<ul style="list-style-type: none"> <li>Introduce PHN attendees and their roles</li> <li>Set out the purpose of the day: to develop better relationships, share knowledge and help to work together to ensure the delivery of primary health care services and achieve outcomes to meet identified needs</li> </ul>
Overview of the PHN	<ul style="list-style-type: none"> <li>Overview of the role of the PHN</li> <li>Articulate what is important to the PHN</li> <li>Articulate why the PHN is good to work with</li> </ul>
Service discussion	<ul style="list-style-type: none"> <li>Introduce the key priorities of the PHN</li> <li>Share information and knowledge about what the PHN is trying to achieve in terms of addressing the identified primary health care needs of patients and communities and achieving outcomes</li> <li>Share information around the challenges faced in achieving the articulated goals</li> <li>Identification of good practice service delivery and the desire to incorporate this</li> <li>How the PHN wants to work with providers as partners</li> </ul>
Group work and discussion	<ul style="list-style-type: none"> <li>Table discussion between the PHN and providers on how outcomes can be better achieved</li> <li>Discussion to focus on how providers and the PHN can work better together</li> <li>Collaboration on how to solve key issues that are being faced</li> </ul>
Breaks	<ul style="list-style-type: none"> <li>To support networking amongst participants and help establish relationships that could foster consortia</li> </ul>

Agenda item	Notes
Sharing of ideas	<ul style="list-style-type: none"> <li>• Groups to share ideas and thoughts</li> <li>• PHN to demonstrate active acknowledgement of ideas</li> <li>• Key actions and commitments to be documented</li> </ul>
Communications	<ul style="list-style-type: none"> <li>• Distribution of information to attendees as well as others who were not able to attend.</li> </ul>

## Tool 4: planning and delivering an industry briefing

Industry briefings form part of a procurement process, and are typically used to launch a process. As such, they are different from industry days in that they are:

- Specific towards particular opportunities where services are being procured
- Bound by probity rules and guidance
- Presentations and Q&As should generally also be made available to potential bidders who were unable to attend, so that they are not unintentionally disadvantaged.

Given this difference, industry briefings need to be tightly scheduled and managed to ensure that they do not create a flawed procurement process or result in problematic governance issues.

An example agenda for an industry briefing is set out below.

For industry briefings related to Aboriginal and Torres Strait Islander people and communities, specific consideration should be given to the locations in which the briefings are held, the need to ensure culturally appropriate approaches and optimise the potential for community involvement, and how the industry briefing might be operated with the market and communities, for example, in the design and approach to the industry briefing as well as the reporting and outputs of it.

An example agenda would include:

Agenda item	Notes
Welcome to Country	<ul style="list-style-type: none"> <li>• Flag the importance of this opportunity for Aboriginal and Torres Strait Islander people and communities (as applicable)</li> </ul>
Purpose of the day	<ul style="list-style-type: none"> <li>• Introduce the attendees and their roles</li> <li>• Set out the purpose of the day</li> <li>• Set out any restrictions due to probity requirements</li> </ul>
Introduction to the opportunity	<ul style="list-style-type: none"> <li>• Overview of the opportunity</li> <li>• Overview of the requirements from providers</li> <li>• Overview of the procurement process</li> <li>• Overview of evaluation criteria</li> </ul>
Questions and answers	<ul style="list-style-type: none"> <li>• An opportunity for providers to ask questions</li> <li>• PHN to answer these within probity rules</li> </ul>
Next steps	<ul style="list-style-type: none"> <li>• What providers can expect next</li> <li>• Indication of where a written summary of Q&amp;As will be provided.</li> </ul>

## Tool 5: Market assessment approach and data sources

Understanding the markets that PHNs work with is a key aspect of commissioning. To do this, PHNs should seek to leverage a broad range of data sources that will assist them in better understanding the dynamics of their markets and how to influence them. The following table sets out the steps of a market analysis process and the data sources that can be used to obtain this information. PHNs should not be restricted by only using these sources, nor should they feel the need to access all of the sources. However, as appropriate, they should seek to build as informed a position as possible about their markets.

For market assessment relating to the needs and outcomes for Aboriginal and Torres Strait Islander people and communities, specific consideration should be given to how these are designed and organised, and how participation occurs. Initial discussions with the ACCHS in the PHN region are essential for planning, organising and implementing the market assessment, and for demonstrating the PHN's cultural awareness and cultural competency. This consideration should be carried throughout the phases listed below.

Phase	Activity	Potential sources
<ul style="list-style-type: none"> <li>Phase 1 – Plan analysis</li> </ul>	<ul style="list-style-type: none"> <li>Define the specific market to be analysed by service and geography. Include other definitions where relevant</li> <li>Gather internal background documents and data for context and to support an understanding around need</li> <li>Summarise future needs from the market considering services, outcomes, locations and diversity</li> <li>Communicate program of analysis to stakeholders and request input and insights</li> </ul>	<ul style="list-style-type: none"> <li>PHN needs assessment and past/existing services and agreements</li> <li>Previous PHN contracts and funding reports</li> <li>Healthdirect Australia</li> <li>Industry peak bodies</li> <li>Providers including primary, secondary and community health providers, ACCHS, pharmacy and allied health providers</li> <li>Commonwealth and state or territory health departments</li> <li>Australian Institute of Health and Welfare</li> <li>Australian Bureau of Statistics</li> <li>Public Health Information Development Unit, Torrens University</li> <li>My Aged Care</li> <li>Australian Digital Health Agency</li> <li>Department of Veterans' Affairs</li> <li>LHNs, or their equivalent</li> <li>Government justice, education, family, community, housing and human services departments/branches</li> <li>Local governments/local government associations and state/territory local government offices</li> <li>NACCHO, ACCHS and AMS</li> <li>Health institutes and advocacy groups, Australian Healthcare and Hospitals Association, Public Health Association of Australia</li> <li>Service profession associations</li> <li>Health insurers</li> </ul>

Phase	Activity	Potential sources
<ul style="list-style-type: none"> <li>Phase 2 – Identify the barriers to entry</li> </ul>	<ul style="list-style-type: none"> <li>Identify regulatory barriers</li> <li>Identify investment barriers</li> <li>Identify workforce barriers</li> <li>Identify locational barriers</li> <li>Identify skills barriers</li> <li>Identify wider barriers</li> </ul>	<ul style="list-style-type: none"> <li>Existing (private and public) primary, secondary and community health service providers and networks</li> <li>Previous (private and public) primary, secondary and community health service providers</li> <li>Commonwealth and state or territory health departments</li> <li>Australian Health Practitioner Regulation Agency</li> <li>Australian Institute of Health and Welfare</li> <li>Government departments of training and education</li> <li>Training organisations: Universities, TAFE and other vocational and education providers</li> <li>Royal Australian College of General Practitioners (RACGP), Australian Nursing and Midwifery Federation and other professional associations</li> <li>Australian Digital Health Agency</li> <li>NACCHO, ACCHS an AMS</li> <li>Government multicultural organisations</li> <li>Government departments of justice, housing, human, family, community services</li> <li>Productivity Commission</li> <li>Consultancy industry sector reports</li> <li>Advocacy, research and public policy groups, e.g. the Grattan Institute</li> </ul>
<ul style="list-style-type: none"> <li>Phase 3 – Review current market providers</li> </ul>	<ul style="list-style-type: none"> <li>Review overall market appetite and reasons for this</li> <li>Review providers by service / location / type / size / price offering</li> <li>Review market share of providers</li> <li>Review providers performance data</li> <li>Review provider risk and quality data</li> </ul>	<ul style="list-style-type: none"> <li>Funding, service and performance data based on current and past contracts between PHN and providers, including evaluations of programs/contracts</li> <li>Existing providers (websites and annual reports)</li> <li>NACCHO, ACCHS an AMS</li> <li>Industry peak bodies</li> <li>Commonwealth and state or territory health departments</li> <li>Other PHNs</li> <li>LHNs or their equivalent</li> <li>Health Care Complaints Commission / Ombudsman</li> <li>Government departments of justice, housing, human, family, community services</li> <li>Healthdirect Australia</li> <li>Consultancy industry sector reports</li> </ul>

Phase	Activity	Potential sources
		<ul style="list-style-type: none"> <li>• IBIS World Industry Reports and Global Trends, Company360, GlobalData</li> <li>• Targeted searches on provider performance reported in the media, FACTIVA</li> </ul>
<ul style="list-style-type: none"> <li>• Phase 4 – Identify broader providers</li> </ul>	<ul style="list-style-type: none"> <li>• Identify providers in adjacent markets who may consider service delivery</li> <li>• Understand why these providers do not currently deliver services</li> <li>• Understand what changes or support would be required for these providers to enter into the market</li> </ul>	<ul style="list-style-type: none"> <li>• PHNs and primary health care providers operating in other regions, particularly bordering regions</li> <li>• Recently established primary health providers</li> <li>• Secondary care providers</li> <li>• Allied health providers</li> <li>• LHNs or their equivalent</li> <li>• NACCHO, ACCHS an AMS</li> <li>• Telehealth providers</li> <li>• Adjacent industry peak bodies, such as Australian Council of Social Services (ACOSS)</li> <li>• First Peoples Disability Network and Aboriginal and Torres Strait Islander Land Councils</li> <li>• Disability service providers</li> <li>• National Disability Insurance Agency</li> <li>• Health insurers</li> </ul>
<ul style="list-style-type: none"> <li>• Phase 5 – Summarise findings and determine market health</li> </ul>	<ul style="list-style-type: none"> <li>• Summarise findings against the characteristics of high performing markets</li> <li>• Test and confirm root causes of market issues with providers</li> </ul>	<ul style="list-style-type: none"> <li>• See section 4.1 of the 2018 <i>Market Making and Development Guidance</i>.</li> </ul>
<ul style="list-style-type: none"> <li>• Phase 6 – Plan approaches to improve the market</li> </ul>	<ul style="list-style-type: none"> <li>• Review the PHN's available tools and identify which may facilitate market change most effectively</li> <li>• Test thinking with providers</li> <li>• Consider use of pilots as a way to trial changes</li> <li>• Plan approach and confirm next steps</li> </ul>	<ul style="list-style-type: none"> <li>• Reconnect with the above relevant sources of information and data, as appropriate</li> <li>• Note that the 2013 Australian Government review of health workforce programs<sup>4</sup> provides detailed analysis of programs to develop healthcare workforces</li> <li>• An Australian Government A-Z list of programs to improve the adequacy, quality and distribution of Australia's health workforce<sup>5</sup> is also available.</li> </ul>

<sup>4</sup> Mason J. (2013). *Review of Australian Government Health Workforce Programs*. Available at: <http://www.health.gov.au/internet/main/publishing.nsf/content/review-australian-government-health-workforce-programs>

<sup>5</sup> Australian Government Department of Health (2016). *A-Z list of health workforce programmes*. Available at: <http://www.health.gov.au/internet/main/publishing.nsf/Content/work-prog>



## Tool 6: Engagement with providers

Commissioning encourages the development of new relationships between providers and PHNs, that are more iterative and collaborative and less transactional. Moving towards this new way of working can take time and PHNs are encouraged to consider the following tips in evolving their engagement approaches with providers.

### PHN tips for approaches to provider engagement

- Seek to understand provider perspectives, challenges, operational context and histories. Put yourself in the shoes of a provider and consider their experience in delivering services and working with the PHN to date.
- Seek to be open and transparent about the desire to work collaboratively together to improve primary health outcomes. Building and evolving relationships will take time.
- Understanding if there are common themes emerging amongst providers, and seek to address these where possible. PHNs need to demonstrate that they have listened and are responding to providers.
- Think about what the PHN has done or could do to make itself more attractive to providers, considering feedback about how easy the PHN is to do business with. PHNs need to group and prioritise feedback and focus on key aspects that they can change.
- Consider whether there is opportunity to work collaboratively with the market to derive or test new approaches.
- Consider cultural competence and cultural safety, and the ability to make effective judgements on this. The PHN may need to partner with ACHHS, local Aboriginal and Torres Strait Islander people and communities and representative bodies to strengthen its own capacity in this area.
- Understand what scope the PHN has to change and be adaptable.

A key theme of the guidance is ensuring that the PHN is 'easy to work with'. Some questions that PHNs should consider in determining and improving this are:

- How has the commissioning strategy been communicated to providers?
- How does the PHN engage with the market? Is it directed or inclusive?
- How does the PHN communicate with the market? Is it open, formal or closed?
- How willing is the PHN to co-design and work with the market?
- What are the PHN's contractual expectations? Are they overly onerous?
- What are the PHN's monitoring and payment arrangements? Are they seen as fair or overly pedantic?

### Engagement with providers throughout the commissioning framework

PHNs need to communicate with providers throughout the commissioning process as part of more iterative and continual communications. It is important that PHNs consider the timing, extent and consistency of communication, as their approaches will influence the confidence and desire of providers to engage with PHNs. Some issues to consider in preparing and effecting a communications strategy include:

- Understanding the key messages that PHNs want to convey and what PHNs are seeking to achieve through communications
- Tailoring communications to recipients
- Considering different and appropriate media

- Providing the opportunity for feedback and interaction
- Consistency of communications
- Communicating regularly, particularly in formal processes
- Understanding the impact of communications.

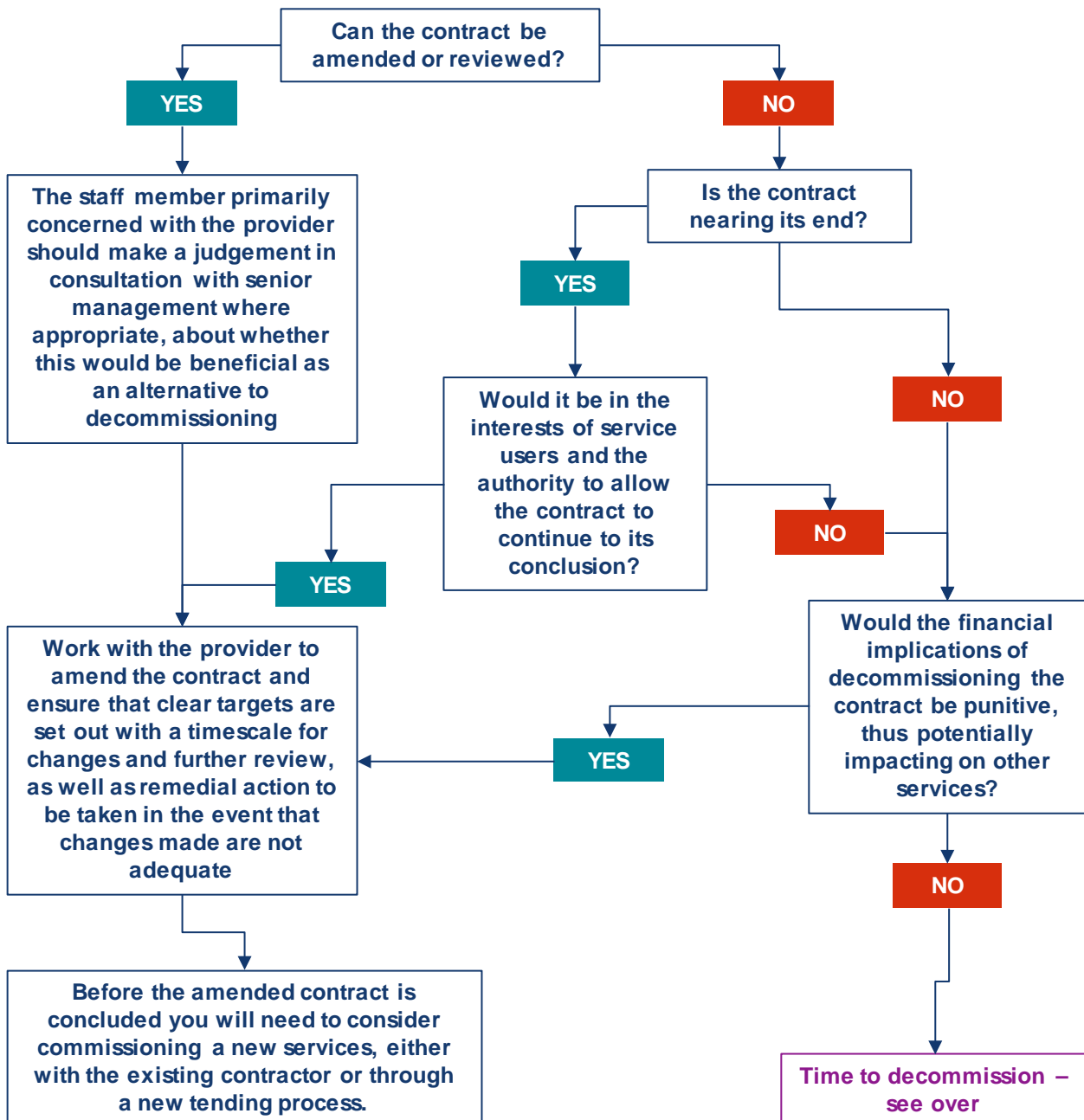
The focus and approach to communications will naturally differ at each stage of the commissioning framework. A guide for typical communications by PHNs is set out below:

Commissioning cycle stage	Communication consideration
Needs assessment	<ul style="list-style-type: none"> <li>• <i>Why:</i> To build a better picture of the health needs of the population</li> <li>• <i>What:</i> Data, insights and expert views on levels and types of demand and the services that are needed</li> <li>• <i>How:</i> One-on-one interviews, surveys and co-design workshops</li> </ul>
Activity planning	<ul style="list-style-type: none"> <li>• <i>Why:</i> To align providers with primary health care priorities for the region</li> <li>• <i>What:</i> Their views on the priorities before confirming them, supporting information on why they should be a priority and what activities they can contribute to</li> <li>• <i>How:</i> Interactive consultation and communications</li> </ul>
Designing and contracting services	<ul style="list-style-type: none"> <li>• <i>Why:</i> To ensure the services are best practice, innovative and reflective of the diverse population, as well as stimulate provider interest</li> <li>• <i>What:</i> Service quality, equity, safety, coordination, integration, interdependencies and opportunities, as well as risk allocation, performance regime and commercial arrangements to inform service design and delivery</li> <li>• <i>How:</i> Co-design workshops, market soundings, industry briefings, EOI, RFP, interactives, negotiations</li> </ul>
Shaping the structure of supply	<ul style="list-style-type: none"> <li>• <i>Why:</i> To discover issues, develop solutions to these issues and leverage opportunities in the market</li> <li>• <i>What:</i> Provider position and performance, how/why it has/has not grown and the root causes for a lack of market competition and scale up</li> <li>• <i>How:</i> Industry days, knowledge sharing sessions and online forums</li> </ul>
Monitoring performance	<ul style="list-style-type: none"> <li>• <i>Why:</i> To gain a shared understanding of performance and progression in the delivery of services and against the achievement of outcomes, as well as facilitate further improvements</li> <li>• <i>What:</i> Data needs, availability and collecting/measuring arrangements, performance data and quality improvement opportunities</li> <li>• <i>How:</i> Frequent communication, project and governance meetings, service reviews, benchmarking, training and redesign workshops</li> </ul>
Evaluation	<ul style="list-style-type: none"> <li>• <i>Why:</i> To determine the value for money and extent that the services and investments achieved the intended outcomes</li> <li>• <i>What:</i> Data and information needs and evaluation approach</li> <li>• <i>How:</i> Co-design workshop, interviews and data validation sessions</li> </ul>

## Tool 7: Flow charts for decommissioning

This area was covered in the 2016 *Designing and Contracting Services Guidance*<sup>6</sup> and in section 6 of the 2018 *Market Making and Development Guidance*. The PHN Commissioning Working Group has further considered decommissioning and has identified the following flow-charts that may be useful to PHNs, adapted from the Institute of Public Care (UK)<sup>7</sup>.

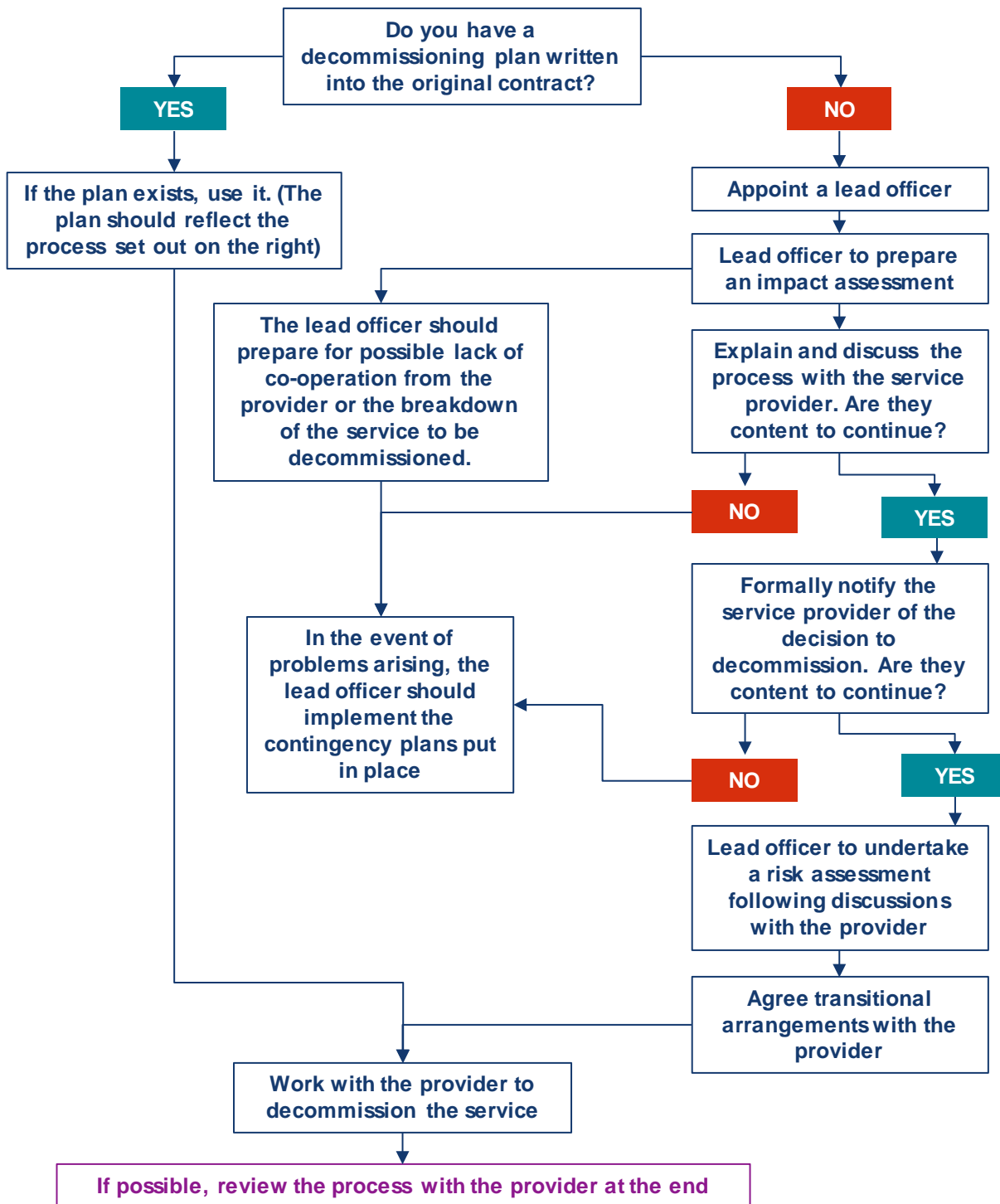
### Decommissioning flowchart (1)



<sup>6</sup> Australian Government Department of Health. (2016). *PHN 2016 Designing and Contracting Services Guidance*. Available at: [www.health.gov.au/internet/main/publishing.nsf/Content/PHNCommissioningResources](http://www.health.gov.au/internet/main/publishing.nsf/Content/PHNCommissioningResources)

<sup>7</sup> Institute of Public Care. (2010). *Decommissioning and reconfiguring services: a good practice guide for commissioners of adult social care*. Available at: [ipc.brookes.ac.uk/publications/pdf/Decommissioning\\_and\\_reconfiguring\\_services.pdf](http://ipc.brookes.ac.uk/publications/pdf/Decommissioning_and_reconfiguring_services.pdf)

## Decommissioning flowchart (2)



## Other guidance

The UK National Audit Office<sup>8</sup> has further information and a toolkit on decommissioning that may be of use or interest, and the UK NHS Library also includes information on disinvestment<sup>9</sup>

<sup>8</sup> UK National Audit Office. (2010). *Decommissioning Toolkit*. Available at: [www.nao.org.uk/decommissioning/](http://www.nao.org.uk/decommissioning/)

<sup>9</sup> UK NHS. (2018). Commissioning guidance – Disinvestment. Available at: <http://commissioning.libraryservices.nhs.uk/commissioning-cycle/disinvestment>