



Co-design in the PHN commissioning context

What is co-design?

Co-design, in a PHN commissioning context, brings together various stakeholders as a mechanism for better informing and supporting commissioning by harnessing a range of views, ideas and experience. Co-design focuses on gathering input and contributions from those stakeholders who have direct contact with the issue at hand, rather than just the views of certain stakeholders (e.g. funders).

This approach goes beyond consultation, and involves PHNs working closely with providers, communities, other stakeholders and potentially other co-commissioners, who are affected by or attempting to address health needs. Effective co-design requires active contribution from a diverse mix of stakeholders (including providers) and ensures that patient experience and needs are central to the design process. In working towards achieving the PHN Program objectives, it is particularly important that co-design includes engagement with Aboriginal and Torres Strait Islander people and communities, and those at risk of poor health outcomes.

When might PHNs use a co-design approach?

Co-design, which may include relevant providers, can be used for a range of purposes throughout the commissioning cycle, as listed below.

- *Needs assessments:* To work with communities, stakeholders and potential providers to get a more holistic and patient-centred perspective of health care needs.
- *Planning and prioritisation of commissioning intentions:* To build a broader knowledge base and understanding of potential priorities and solutions, including defining the outcomes relevant to the population.
- *Designing services or deriving solutions:* To develop place based models of care that are patient-centred and work towards achieving the desired outcomes.
- *In designing a procurement process:* To help make procurements straightforward for providers to respond to and to maximise high quality responses.
- *During contract negotiation:* To refine the key performance measures to drive improved outcomes.
- *Monitoring and evaluating:* To assist in identifying what is to be monitored and in designing monitoring and evaluation processes, and to inform continuous improvement in service delivery including identifying and implementing better ways of working, and improved data sources that support effective monitoring and evaluation.

Why is co-design being used by PHNs?

The key benefits of co-design include that it:

- helps to shape thinking and inform decision making processes;
- enables ongoing improvements to cultural safety¹, cultural appropriateness and patient centred care;

¹ 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>

- enables better relationships and cooperation between key stakeholders to help inform the implementation of services and the delivery of outcomes;
- increases levels of support and enthusiasm for innovation and change, with stakeholders more likely to support new service delivery models;
- improves knowledge of patient needs and understanding of how services impact them;
- enables testing of current understanding and emerging ideas in real time with relevant parties; and
- brings stakeholders on the commissioning journey, which builds capacity and creates collective leadership and ownership in achieving the intended outcomes.

What does co-design mean for providers?

Co-design processes are likely to be effective where providers:

- are open to changing the way they or other providers deliver services;
- actively participate in the co-design process and share experiences and insights during commissioning stages;
- engage in a culturally safe, culturally appropriate and culturally competent manner;
- work willingly with multiple stakeholders and patients;
- innovate and provide fresh thinking; and
- recognise PHNs' commitments to preserving confidential intellectual property.

PHN approaches to co-design

As PHNs adopt a co-design approach, providers may see a range of features, as listed below.

- The use of co-design at various stages through the commissioning process, as it is not simply about co-designing services.
- Clarity provided around the purpose, scope and nature of co-design processes or exercises that providers are invited to participate in (including the process to identify or select providers to participate).
- Sharing of different perspectives.
- Recognition of the value of lived experience in defining outcomes and the supporting processes and approaches.
- Testing of various service packages and procurement approaches with the market.
- Use of co-design as part of the formal procurement process to develop better solutions and minimise the need for future re-design.
- Respect for the confidential nature and commercial value of the intellectual property that potential providers might share.
- Openness and willingness for providers to proactively suggest new and innovative ideas.
- Processes that seek to avoid or manage conflicts of interest, and ensure that probity, due diligence, impartiality and fairness are maintained throughout the commissioning cycle.

Providers should note that at times, it may not be optimal or feasible for PHNs to undertake co-design, when the disadvantages outweigh the benefits of utilising a co-design approach (such as the cost or time required). Also, while co-design may be used at a certain point/s in a process, it may not be feasible to utilise co-design at all stages in the commissioning cycle.

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