

No 52



GOVERNANCE BOARD REPORT

Revitalising the Primary Care Structure – *Better Coordination of
Primary Care Services*

RECOMMENDATION

That the Governance Board:

- a) Note the contents of this report.
- b) Approve the Oversight Group's recommendations to:
 - Establish a new single "fit for purpose" PHO for Hawke's Bay
 - Establish a Primary Care Division within HBDHB
 - Develop relevant strategies, principles and relationship concepts by which the new PHO and HBDHB may evolve, work together and/or integrate to build primary care capability and achieve the service change goals agreed.
- c) Authorise the Oversight Group to continue with the planning and implementation processes for the above structures and relationships with updates and recommendations being submitted to the Board and other key stakeholders as appropriate.

PURPOSE

The purpose of this paper is to outline the recommendation made by the Oversight Group to the Hawke's Bay District Health Board (HBDHB) following the sector's feedback on the Discussion document.

BACKGROUND

In March the Board received a paper that provided four possible Primary Care structures to consider. Of these four options the Board recommended two options to be consulted on. These were:

- A consolidation of the existing three PHOs into a single PHO entity, or
- The establishment of a Primary Care Division under the DHB umbrella.

Following the Board's recommendations a Discussion document, titled *Better Coordination and Delivery of Primary Health Care in Hawke's Bay* was developed and released for consultation.

DISCUSSION

CONSULTATION PROCESS

A period of approximately four weeks was given for the sector to provide comment on the Discussion document. Following the completion of this process, a total of seventy one (71) submissions were received from a range of Providers across the sector.

As an overview of the feedback, the sector essentially signalled a fairly even response to the proposed two options. The sector predominantly endorsed and agreed with the *service change goals*, which are to:

- Reduce health disparities
- Improve quality and safety of patient care

- Ensure focus on key health priorities
- Improve efficiency and effectiveness
- Encourage entrepreneurial spirit and innovation
- Improve coordination of care and reduce waste
- Enable integration between primary and secondary care
- Enable better use of information systems to improve patient care
- Reduce bureaucracy

The goals are consistent with the intentions of *Better, Sooner, More Convenient Primary Care*. It will further place greater emphasis on progressing particular areas that need enhancement such as: targeting high needs populations and reducing disparities; quality improvement through the establishment of multi-disciplinary teams; a broader range of services provided in the primary care setting and extended nursing roles.

In relation to the two proposed options, more GPs opted for a single PHO, whereas those Providers or NGOs who were not closely aligned to HBPHO preferred Option Two, the establishment of a Primary Care Division under the DHB umbrella. Several significant GP practices also preferred Option Two. A number of submissions advocated an evolutionary pathway involving a hybrid of both options with emphasis on developing strong connections between a single PHO and a Primary Care Division within the DHB.

DECISION MAKING PROCESS OF THE OVERSIGHT GROUP AND INITIAL RECOMMENDATION

The Board approved the establishment of an Oversight Group to oversee the development of the Discussion document and the consultation and feedback process. The Group met on three separate occasions and deliberated over the responses received from the consultation process. The Group considered all the consultation feedback and in order to appropriately respond to the sector's requests, harness the desire for sector change and innovative spirit, the Group agreed on an evolutionary model to achieve these outcomes. The Oversight Group was concerned to capture the best from both models to achieve the goals of more effective provision to high need populations, integrated service provision and resource efficiency. It was also concerned to avoid division and competition and support a cooperative and collaborative health service sector across all communities in Hawke's Bay.

Consequently, the proposed model was a combination or 'hybrid' of both Option's One – A Single PHO structure and Option Two – A Primary Care Division. Put simply, Providers who preferred a single PHO model would become members of this organisation. This would mean that the three existing PHOs and the DHB would meet to discuss how consolidation and transition of these entities occur within a specified timeframe. Congruently, the DHB would commence the development of a structure to accommodate the set up of a Primary Care Division and directly liaise with those Providers who wish to pursue this option. Regardless of which option providers chose for their "PHO" services the DHB Primary Care Division would engage with all providers (directly and through the PHO) to further the service change goals identified above. The Primary Care Division would have the key role for the sector in overseeing the developing primary care and would bring a range of DHB resources together including pharmaceutical spending, Options Hawke's Bay and Community Based DHB clinical services.

As part of the development and implementation of these new organisational structures, the Primary Care Division and the PHO would work effectively together to ensure services result in improved health outcomes and are seen to make a difference for patients.

MINISTRY OF HEALTH RESPONSE

As part of the process for preparing a Board paper containing the Oversight Group's initial recommendations, a copy of the draft paper was forwarded to the Ministry of Health (MoH) for information. Despite the belief that a precedent had been set for Option Two, and that the recommendations would therefore meet the Government's requirements and policy direction for Better, Sooner, More Convenient primary care, the MoH responded on 21 July 2010 advising that this belief was incorrect. Specifically the MoH advised that the proposed 'hybrid' model may be "contrary to the Government's preferred approach, which is for general practice to continue to function as autonomous businesses independent of the Crown".

The MoH indicated a preference for "momentum to one PHO, or an agreed primary care focussed arrangement, that unifies all PHO and primary care activity in Hawke's Bay, which works alongside and is accountable to the DHB sooner – potentially by end of 2010 calendar year."

Further background and advice was provided by ministerial and MoH advisors via a video conference with a number of Oversight Group members on 28 July 2010. Whilst acknowledging the levels of collaboration and engagement achieved to date, and the positive and collective intent to achieve the service change goals, the advisors noted that any proposed changes needed to be made within the Government's intentions around Better, Sooner, More Convenient Primary Health Care. Specifically these included:

- Commitment to the implementation of the Primary Health Care Strategy through PHO structures
- PHOs generally need to be larger, more capable and "fit for purpose"
- New positive relationships need to be developed within primary care and between primary and secondary care
- Clinical leadership is essential
- A whole of system approach is to be adopted

OVERSIGHT GROUP REVIEW

The Oversight Group met again on 29 July 2010, to review its recommendations, in light of the MoH response and advice. The challenge was to find a solution that would

- Reflect the intent of the initial recommendations
- Acknowledge the common themes contained in the submissions received through the consultation process
- Build mutual trust and respect within the Hawke's Bay health sector
- Galvanise local primary health care providers
- More closely align with the Government's direction to evolve towards Better, Sooner, More Convenient primary care services

Following further deliberation, the Oversight Group identified three major components for a Hawke's Bay solution.

1 A new single "fit for purpose" PHO

This would require the three existing PHOs to be re-established into a new single PHO with an appropriate ownership, constitution and governance structure that reflects and represents the diverse nature of the primary health care sector and the communities of interest within Hawke's Bay. The new single PHO would also need to be:

- “Fit for purpose” to contribute significantly to the achievement of the agreed service change goals
- Able to galvanise and build the capacity of primary health care providers
- Sufficiently capable and flexible to be able to evolve and work more closely with (or integrate with) the DHB
- Innovative in how it links with the diverse communities of interest, practices and providers it serves and how it progresses those areas of primary care identified as needing enhancement.

2 A Primary Care Division of the HBDHB

This would require the HBDHB CEO to bring together into one division, under one manager (who would report to the CEO) all appropriate primary care related services currently provided or contract managed by the DHB. This structure would then provide for equivalence or balance for primary care with the secondary care structure that already exists within the DHB. It also provides for a single point of contact for executive level primary care issues within the DHB and provides a conduit for enhanced primary/secondary integration in conjunction with the DHB CEO and COO. This Primary Care Division would also then be required to work more closely with the new single PHO and contribute significantly to the achievement of the shared service change goals.

3 Relationship Concepts, Strategies and Principles of how the new single PHO and the DHB will work together.

There was clear agreement that the closer the various components of the health sector worked together or integrated, the better the outcome. This therefore was agreed as the ultimate goal. At this early stage however, there was no clear view or agreement on either:

- How this could be achieved structurally or contractually
 - with options including alliance contracting, shared governance, shared management, shared intelligence/back office and joint project management and funding; or
- when this could be achieved
 - with options ranging from full integration or alliance contracting from the outset, to a predetermined phased plan over a fixed time period, to a more flexible evolutionary process over time.

It was also acknowledged that the pending appointment of the Hawke’s Bay Clinical Council needed to be factored in as part of the overall solution.

NEXT STEPS

The Oversight Group identified that the next key step was to obtain Board approval for the proposed structures and relationships:

- Establish a new single “fit for purpose” PHO for Hawke’s Bay
- Establish a Primary Care Division within HBDHB
- Develop relevant strategies, principles and relationship concepts by which the new PHO and HBDHB may evolve, work together and/or integrate to build primary care capability and achieve the service change goals agreed.

With this approval, it would then be necessary to develop a more detailed plan to establish the structures and implement the relationship concepts. Work on the three components would need to proceed concurrently.

Given that all the key stakeholder groups are represented on the existing Oversight Group, it was agreed that it would be appropriate for this group to continue in this coordination and oversight role, assisted by external facilitators and advisors as appropriate. The Oversight Group may appoint a Management Group to complete much of the detailed planning and documentation required, for approval by the Oversight Group. The development of the overall plan to implement the new structures and relationships may itself be phased, but it will first require a detailed analysis of the issues, identification of responsibilities (including costs) and the development of a coordinated timeline. A target date for establishment of the new structures by 31 December 2010 was noted but not necessarily agreed at this stage, given the detailed analysis and planning yet to be undertaken.

It was therefore agreed that Board approval be sought for the Oversight Group to continue with this planning and implementation process, with updates and recommendations being submitted to the Board and other key stakeholders as appropriate.