

Review Implementation Committee
Divisions of General Practice: Future Directions

COMMUNIQUE SIX – MEETING OF 4 MARCH 2005

The Review Implementation Committee (RIC), established to provide advice to the Australian Government on implementing the government's response to the 2003 *Review of the Role of Divisions of General Practice*, held its sixth meeting on 4 March 2005.

The committee discussed the further development of the new National Quality and Performance System for the Divisions network, focussing on the development of a funding formula, data strategy to support the performance framework and improving structural efficiency. Progress in relation to recognising and improving performance, development of the 2005-2008 funding agreements, national and state information sessions and new planning and reporting arrangements (incorporating national performance indicators) was also considered.

New Member

This was the first meeting attended by a new member of the committee, Dr Christopher Jambor, an independent GP from rural NSW.

Information for the Divisions Network and Other Stakeholders

The range of changes arising from the review and government response will have a significant impact on the Divisions network.

The ADGP has been contracted to run National and State level information sessions in conjunction with SBOs in March 2005 that will clearly explain the changes to the Divisions network. The ADGP and SBOs will have a key part to play in working with Divisions to ensure they are well prepared for the changes that will occur.

A resource kit for all Divisions network members has been developed to accompany the information sessions. The kit will contain resources to assist Divisions in implementing and managing changes under the new arrangements. A copy of the presentations and information sessions will also be provided to assist those attending to bring Boards and staff up to date with the changes.

Funding Formula

Developing and implementing a new funding formula is complex and will require substantial consultation and staged implementation.

A new funding formula cannot impact on Divisions' funding until the 2007-08 financial year at the earliest, as funding has already been locked in under the Transitional Funding Agreements for this period.

The committee considered it important that the development of a new funding formula is not rushed and that any new arrangements reflect the best possible outcome for the Divisions network, and allow adequate time for consultation.

It was agreed that the review of the formula should be based on a clear outline of what the Divisions network is set up to achieve. Divisions have been established as a regional mechanism to improve health outcomes through general practice. It was recognised that there was a need to ensure there were services in all regions across Australia, but this may not mean that all Divisions have the capacity to deliver under the new arrangements in the long term as currently structured.

The total amount of funding available to the Divisions network will not change. This means that an appropriate change management strategy will be vital and could include phasing in any increases and decreases over a period of time so that Divisions have time to plan and adjust.

Data Strategy to Support the Performance Framework

Implementation of the National Performance Indicators for Divisions will be staged to accommodate the varying capacity within the sector. Most of the performance indicators do not require patient level data.

There are, however, a number of Divisions that already collect extracts of patient records from GPs, aggregate and analyse that information, and provide feedback to practices to support patient management. It is important that these and other developments inform future work to assist Divisions move to higher level indicators more focussed on intermediate health outcomes.

A number of factors warrant implementation of a data strategy which is an essential element underpinning the performance framework. Data collection is about improving health outcomes by helping Divisions to help GPs to help their patients.

A data strategy for the Divisions network should produce tangible benefits for GPs, practices and Divisions and provide an opportunity to more systematically drive data sharing improvements. This work will be forward looking, and focussed on where data collection is already working both within the Divisions network and elsewhere and will also consider the roll out of related Department of Health and Ageing programs and funding to ensure a streamlined and consistent approach.

A working group will be established to progress development of a data strategy and identify areas where the Department and Divisions network should focus their efforts to encourage improved information management capacity.

Improving Structural Efficiency

If Divisions are to maximise the delivery of services and programs to general practice and the community it is vital that their structural arrangements support this. Members of the network may wish/need to examine their structural arrangements to ensure they are able to fulfil the roles and expectations outlined in the government response as these will be incorporated within contractual arrangements.

The Structural Efficiency Working Group (SEWG), chaired by Mr Bill Newton, CEO, General Practice Divisions Victoria, met for the second time by teleconference on 16 February 2005.

A draft information sheet for Divisions, developed by SEWG, was considered by the committee. This paper titled *Improving Structural Efficiency: Information Sheet for Divisions* provides information for Divisions about what is involved in considering their

capacity and possible structural change options. This information sheet will be made available in the resource kits available at the March 2005 information sessions.

The committee also discussed the process for consideration of individual funding applications submitted to the Department for reviewing structural change. It was agreed that the Department will take advice from a small sub-group of the SEWG on individual applications to ensure funding is prioritised and spent appropriately.

The SEWG is also developing draft capacity self-assessment checklist to help Divisions and their Boards' consider whether they have sufficient capacity and whether structural change might improve this.

The working group's membership and terms of reference are available on the Department's website at www.health.gov.au/pcd/programs/divisions/index.htm.

Planning and Reporting (including implementation of performance indicators)

It is vital that planning and reporting is 'fit for purpose' to be useful to Divisions as well as providing appropriate accountability for public funding. It should contribute to assessing and driving the capacity of the network, facilitate self-reflection, allow comparison of performance and inspire government confidence in the network's ability to deliver programs, thereby improving potential to attract more programs and funding to the network.

The final National Planning and Reporting Framework for Divisions of General Practice and State Based Organisations, includes the National Objectives and Performance Indicators for each of these Divisions network members, and consists of two sections:

- Program planning and reporting, through a new pro forma; and
- Financial planning and reporting through a new pro forma.

New Program Planning and Reporting Pro Forma

The Primary Health Care Research and Information Service (PHCRIS) have developed a new planning and reporting pro forma in conjunction with the Planning and Reporting Working Group. This work has been informed by the efforts of Divisions in trialling new arrangements under the Business Management Advisory Group (BMAG). The pro forma encapsulates the reporting required for the national performance indicators while allowing flexibility for Divisions to plan and report local priorities and activities. PHCRIS have also developed a user guide to accompany the template.

Improved Financial Reporting

Bentleys MRI Healthcare Sydney were contracted to provide advice on improving the financial reporting arrangements and have finalised the national financial planning and reporting requirements in consultation with the Financial Reporting Working Group.

The new templates have the following improvements:

- Standard high level categories consistent with accounting packages;
- Clearer definitions (committed/uncommitted allocations);
- Extracts from existing accounting packages;
- Easier interpretation across programs;
- Accrual basis only; and
- Effective design and entry for monitoring.

The Department wrote to the Divisions network in December 2004 advising that information about the new planning and reporting arrangements would be provided in February 2005. It advised that the deadline for annual plans should be further extended to the end of April to give Divisions more time to develop their plans using the new template after Information Sessions are held in mid March.

Points System

In addition, a points system associated with the implementation of the national performance indicators for Divisions and SBOs was developed in response to criticisms about transparency and the need for clear expectations with respect to the national indicators.

Although points will not be allocated for local indicators for the 2005/06 financial year to allow time for consultation and the development of guidelines so that they are put in place in a manner that is consistent and well-grounded. Benefits of hindsight and feedback from the Divisions network will help to inform improvements to these arrangements over time.

Implementation of Framework

Both the framework and national performance indicators have been sent to the Divisions network together with key dates and advice for processes for future planning and reporting cycles.

The Divisions network will be supported to implement the Framework, including through training, user support materials and ongoing support through PHCRIS, ADGP, SBOs and STOs.

Recognising and Improving Performance

The Performance Working Group, chaired by Ms Vicki Murphy, QLD State Manager, Department of Health and Ageing, will further develop the performance framework including guidelines to assess performance. It will also consider and provide advice on the performance and development fund, support for under performance and earned autonomy. The working group will examine the detail of the framework and provide comment on the best way to implement the various components. The working group will report progress for the committee's consideration in April and May 2005, with a final report to the 1 July 2005 meeting.

The performance working group met on 15 February 2005. It recognised that designing a system that provides incentives is a complex task. It has identified the following requirements for performance assessment: it encourages continuous quality improvement commitment, is simple and transparent, does not create another layer of red tape, is consistent in application to ensure fairness for all Divisions, and takes into consideration the variety across the network.

The working group next meets on 7 April 2005 and will report progress to the 17 April 2005 RIC meeting.

Development of the 2005-2008 Funding Agreements

A three year Transitional Funding Agreement is now in place with Divisions and SBOs to provide certainty for the network while new arrangements can be developed. The Department has committed to offer new funding agreements to the Divisions network in early 2005, with the agreements due to start on 1 July 2005.

In December 2004, the Department wrote to members of the Divisions network requesting feedback on the Transitional Funding Agreement. This letter also outlined the process and timetable for developing the new funding agreements so Divisions are clear about their involvement. Submissions and comments will inform the lessons from the current agreement.

The new funding agreements will contain a more streamlined approach to Divisions funding, with reporting, payments and other requirements standardised for different streams of funding from the Department. Although not all streams of funding can be brought into the new arrangements from 1 July 2005, the Department made a commitment to doing this over time.

A draft funding agreement and schedules template will be provided to members of the Divisions network for their initial consultation and comment on 18 March 2005. This second phase of consultation will be conducted over a period of approximately three weeks with feedback provided to the Department in April 2005.

By late May 2005, the finalised funding agreement and schedules will be forwarded to members of the Divisions network. This will allow further time for the funding agreements to be executed by both parties prior to the commencement of the funding agreement on 1 July 2005.

The Funding Agreement Working Group, chaired by Ms Lisa McGlynn, Assistant Secretary, Budget and Performance Branch, Department of Health and Ageing will consider and comment on the templates and draft funding agreements prior to consideration by the Divisions network.

Implementation Strategy

Implementation of the new arrangements will happen on a State by State basis, with locally appropriate implementation strategies developed within each State.

SBOs and the Department's State and Territory Offices will look at implications of changes in their State as a basis for development of implementation plans.

ADGP will support the implementation process and pull together a national picture of implementation.

The Department will take note of issues raised at the March information sessions and will work with the ADGP and the SBOs to consider the implications of these issues.

Subsequent Meetings

The next meeting will be held on Thursday 14 April 2005. A further meeting is planned for Tuesday 17 May 2005.

Further Information and Providing Feedback

Further information is available on the Department's website at:

www.health.gov.au/pcd/programs/divisions/index.htm. Comments and feedback on the implementation of the government response can be sent to the department at divisions.response@health.gov.au