

Australian National Audit Office

**Effectiveness of the Department of Health and Aged Care's performance
management of the Primary Health Network program**

November 2023

Advocacy and collaboration to improve access and equity

Royal Australian and New Zealand College of Psychiatrists submission

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About the Royal Australian and New Zealand College of Psychiatrists

The Royal Australian and New Zealand College of Psychiatrists (RANZCP) is responsible for training, educating and representing psychiatrists in Australia and New Zealand. The RANZCP has more than 8,000 members, including around 5,800 qualified psychiatrists.

Introduction

The RANZCP welcomes the opportunity to contribute information to the Australian National Audit Office (ANAO)'s audit of the effectiveness of the Department of Health and Aged Care's (DHAC's) performance management of the Primary Health Network program (the Audit). The RANZCP's responses are based on consultation with Australian state and territory Branch Committees, and with our members who have previously provided advice to DHAC on the Primary Health Network (PHN) program through national advisory bodies.

Our advice is informed by our [Position statement 37: Principles for mental health systems](#), emphasising the need for mental health services to be evidence-based, integrated, and comprehensively evaluated for quality improvement. We are therefore well-positioned to comment on the progress of the program towards its goals of improving efficiency, effectiveness, coordination, accessibility and quality of health services.

This response will refer to the following government publications relating to PHNs.

- [DoHAC, Report of the PHN Advisory Panel on Mental Health](#), September 2018 (the PHN Advisory Panel Report).
- [DoHAC, Reform and system transformation – a 5-year horizon for Primary Health Networks](#), September 2018 (the 5-year Horizon).
- [DoHAC, Primary Health Networks \(PHN\) performance and quality framework](#), September 2018 (the PHN Performance Framework).
- [DoHAC, Primary Health Network Program Annual Performance Report 2020-21](#), 1 June 2023 (the PHN Annual Report 2020-21).

The RANZCP acknowledges that several of these DHAC documents pre-date the declaration of the COVID-19 global pandemic, and that DHAC experienced significant disruption to its business priorities and capacity from March 2020 onwards.

The RANZCP would be keen, however, to see greater progress in implementing improvements identified in the PHN Advisory Panel Report and the 5-year Horizon of 2018. RANZCP members were members of this Advisory Panel and engaged extensively with DHAC in regard to the PHN program from 2016 to 2019, but are not aware of any activity after 2019 to advance the recommendations of the 5-year Horizon.

The RANZCP acknowledges the advice of the PHN Advisory Panel Report that '*the current level of administrative funding [for PHNs] ... is inadequate to support best practice*' and that '*relatively short duration of contracts and ultra-short notice of renewal ... has impacted on [PHNs'] ability to undertake best practice commissioning*' (pp.9–10).

The RANZCP recognises that with these funding conditions, individual PHN organisations cannot reasonably engage in strategic self-reform. There is an opportunity for DoHAC either to provide strategic leadership, or to reconsider their funding situation.

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Detail of key issues

1. Improving coordination with local and state-funded services

Advocacy from the RANZCP has [highlighted](#) for many years that fragmentation, siloing and lack of coordination of mental health services in Australia is leading to poor outcomes for Australians with mental health conditions.

The [Productivity Commission Mental Health Report](#) found that 'financial incentives impede cooperation between PHNs and LHNs [Local Hospital Networks] and undermine accountability for consumer outcomes, so effective cooperation is unlikely to emerge without reform' (vol 1, p.1137).

RANZCP members continue to report that PHN-commissioned services lack integration with local hospital-run and other state-funded services. We highlight that there could be greater coordination and visibility of psychiatry across the PHN-commissioned services.

2. Systematising evidence-based care

The RANZCP's members on the [PHN Advisory Panel](#) highlighted the risks regarding fragmentation of clinical governance and service design across the PHN network, including the need for mechanisms for disseminating clinical evidence and learnings from in-network trials.

The evidence basis for alcohol and drug services has been raised by the RANZCP. In our [response](#) to the Productivity Commission, we submitted that in the long-term absence of adequate public funding for alcohol and drug treatment, an industry of underregulated private service providers has grown up, often offering non-evidence-based treatment.

When the Mental Health Reform Stakeholder Advisory Group was discontinued, the responsibility of advising DoHAC on best evidence regarding mental health services and programs specifically for the PHN context does not appear to have been reassigned.

The RANZCP and its members engaged extensively with DoHAC in regard to the PHN program from 2016 to 2019, as described above, including providing expert subject-matter consultancy to the development of the [Primary Health Networks \(PHN\) collection of primary mental health care resources](#). The RANZCP is not aware of any activity after 2019 in relation to the recommendations of the [5-year Horizon](#). The RANZCP would expect to have knowledge of ongoing activities, given its extensive previous involvement.

The RANZCP would highlight that reporting on performance of alcohol and drug use services in the [PHN Annual Report 2020-21](#) comprises only two indicators: whether services were delivered, and whether partnerships with stakeholders existed (p.17). The RANZCP is concerned that there are no qualitative or outcome-based measures.

3. Integrating mental health care with care for alcohol and drug use and other comorbidities

Evidence shows that mental health conditions are commonly comorbid with alcohol and drug use, and that neither psychiatric nor addiction-focused treatments on their own are sufficient to manage these conditions when comorbid.[1] The RANZCP advocates for integration of these two service categories as described in [Position statement 73: Mental health for the community](#) and [Position statement 87: Recognising and reducing alcohol-related harm](#).

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There is significant mortality gap between people with severe mental illness and the general population. The RANZCP supports integration of services for mental and physical health as described in the National Mental Health Commission's [Equally Well Consensus Statement](#).

The [Productivity Commission Mental Health Report](#) (vol 2, pp.621–656) strongly supported both these recommendations.

The [PHN Advisory Panel Report](#) agreed that in the PHN system, there was a 'need for a stronger focus on integrating mental health and alcohol and drug services and suicide prevention services, and social and emotional wellbeing services with mental health' and also warned that 'separate funding and reporting structures inhibit PHNs in achieving the desired level of integration.' Additionally, the Report cautioned that due to lack of funding, 'PHNs have had no ability to commission services in this area.' (p.8)

The Australian Government is also a signatory to the National Mental Health Commission's [Equally Well Consensus Statement](#), which contains explicit directions to PHNs around prioritising the physical health of and collaborative care for people living with mental illness (p.20).

The [PHN Annual Report 2020–21](#), released mid-2023, continued to use the performance indicators from the [PHN Performance Framework](#) of 2018, which has not been reviewed in line with the [PHN Advisory Panel Report](#). It uses separate performance indicators for mental health and alcohol and drug use services, and has not progressed the development of a promised performance indicator on system integration and impact on health outcomes for vulnerable populations (Framework, p.17).

The RANZCP continues to seek PHN-commissioned services that are integrated with local hospital-run and other state-funded services and improve the access to psychiatrists working in local communities.

4. Progressing development of outcome-based performance measures

The RANZCP advocates that mental health systems, services, and practice must be based on evidence and regularly evaluated, as described in our [Position statement 37: Principles for mental health systems](#).

The [PHN Advisory Panel Report](#) advised that 'enhanced visibility of the performance of PHNs would be well received' (p.10). This report also acknowledged that 'the reforms implemented through PHNs have impacted a range of professional groups in the primary mental health domain... it is important that the rationale for the changes be widely understood' (p.10). The RANZCP suggests that outcome-based performance measures may assist in achieving this aim.

The [PHN Performance Framework](#) of 2018 contains several performance indicators that are 'aspirational... for future versions of the framework' (p.15) but currently have no measurement available. Of particular interest to the RANZCP are:

- 'Indicators on system integration and impact on health outcomes for [at-risk] patients' (p.17).
- 'People in PHN region enjoy better mental health and social and emotional wellbeing' (p.18).
- 'Decrease in harm to population in PHN region from drug and alcohol misuse' (p.26).

The RANZCP highlights that [PHN Annual Report 2020-21](#), released mid-2023, continued to use the performance indicators from the [PHN Performance Framework](#) of 2018, in which the outcome-based measures had not yet been developed.

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5. Improving availability of reporting, together with transparency of response to non-conformance

[The RANZCP](#) emphasises that monitoring, evaluating and improving mental health systems are key for quality improvement. In a publicly funded program, this should normally involve publicly available reporting on the outcomes of monitoring and evaluation, and on the corrective actions taken.

The [PHN Advisory Panel Report](#) advised the mental health, drug and alcohol treatment services and Indigenous services constitute the majority of commissioning for PHNs (p.57). This suggests that these areas represent the majority of PHN budgetary expenditure and should therefore be priority areas for performance management activity.

The [PHN Annual Report 2020-21](#), released mid-2023, continued to use the performance indicators from the [PHN Performance Framework](#) of 2018, which has not been reviewed in line with the changes recommended in the [PHN Advisory Panel Report](#).

The RANZCP is aware that the Annual Report 2020-21 reported extensive non-conformance against the mental health section indicators. The report provided potentially valid explanations for some of the non-conformance, including the COVID-19 pandemic and chronic mental health sector workforce shortages. It is not clear to the RANZCP that action is proposed to rectify these non-conformances.

The Annual Report's reporting on alcohol and drug services comprises only criteria on whether services were delivered and whether inter-agency partnerships existed. It is difficult to draw conclusions about quality from these measures.

Conclusion

The RANZCP appreciates the opportunity to contribute information to the Australian National Audit Office's audit of the effectiveness of the Department of Health and Aged Care's performance management of the Primary Health Network program. If you have any questions or wish to discuss any details in this submission further, please contact Nicola Wright, Executive Manager, Policy, Practice, and Research via nicola.wright@ranzcp.org or on (03) 9236 9103.

References

1. Deady; M, Barrett; EL, Mills; KL, Kay-Lambkin; F, Haber; P, Shand; F, et al. Effective models of care for comorbid mental illness and illicit substance use: An Evidence Check review brokered by the Sax Institute (www.saxinstitute.org.au) for the NSW Mental Health and Drug and Alcohol Office.: Sax Institute 2014.