

Statement of Priorities

2019-20 Agreement between the Minister for Health and
Health Purchasing Victoria (HPV)



VICTORIA
State
Government

Health
and Human
Services

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Background

Statements of Priorities are key accountability agreements between Government and Victorian publicly funded health, mental health and ambulance services. The content and process for preparation and agreement of the annual Statement of Priorities is consistent with sections 40G, 65ZFA, 65ZFB and section 26 of the Health Services Act 1988.

Statements of Priorities are consistent with the health services' strategic plans and aligned to government policy directions and priorities. The annual agreements support the delivery of, or substantial progress towards the key shared objectives of quality and safety, good governance and leadership, access and timeliness, and financial sustainability.

HPV's Statement of Priorities consists of three main parts:

- Part A provides an overview of the service profile, strategic priorities and deliverables the health service will achieve in the year ahead.
- Part B lists the performance priorities and agreed targets.
- Part C lists funding and associated activity.

Performance expectations and mechanisms used by the Department of Health and Human Services to monitor and manage performance are described in the *Victorian Health Service Performance Monitoring Framework 2019-20*.

High standards of governance, transparency and accountability are essential. In this context, the Victorian Government commits to publish Statements of Priorities in November each year and present data on the performance of our health system in the public domain.

Strategic priorities

The Victorian Government is responsible for ensuring that a wide range of health care services are delivered to the Victorian community. The Department of Health and Human Services (the department) delivers policies, programs and services that support and enhance the health and wellbeing of all Victorians. By working together, we strive to build stronger functional, policy and service delivery connections to support the health, wellbeing and safety of all Victorians, no matter what their personal circumstances or stage of life.

Government commitments

This year's \$25.6 billion *Victorian Budget* will help us continue our work in supporting the most vulnerable Victorians and provide more services locally.

- \$2.3 billion of additional funding for meeting hospital services demand
- \$321.9 million for the roll-out of free dental care to all Victorian government school students
- \$299.6 million for more paramedics, vehicles and stations
- \$136.2 million to deliver 500,000 specialist appointments in regional Victoria
- \$117.8 million to recruit and train more nurses, midwives and frontline health workers and make further ratios improvements that will see 1,100 nurses & midwives in Victorian public hospitals.
- \$213.6 million for new parenting centres and more maternal and child health nurses
- \$116.5 million for medical research projects such as new cancer therapies
- A \$100 million boost to the Regional Health Infrastructure Fund to support hospitals and health facilities for rural and regional communities
- \$72 million on hospital and community based palliative care to ensure the end of life care choices of Victorians continue to be met
- \$67.6 million to meet critical mental health service demand
- \$1.5 billion to build a new Footscray Hospital
- \$59.5 million for a new rehabilitation centre at Bendigo Health
- \$31.4 million for an expansion of the Royal Children's Hospital
- \$2.4 million to plan for a new hospital in Melton

This investment will support the implementation of *Health 2040: advancing health, access and care* - which presents a clear vision for the health and wellbeing of Victorians and for the Victorian healthcare system.

Part A: Strategic overview

Mission statement

Vision - Advancing safe, affordable and sustainable healthcare.

Values - Health Purchasing Victoria's (HPV's) values drive our culture, processes and behaviours, and how we work internally and externally to achieve our vision.

The values of HPV are:

- **WE ARE CUSTOMER-FOCUSED** - *We focus on customer and patient outcomes*
- **WE KEEP IT SIMPLE** - *We strive for efficient and effective ways to achieve our goals*
- **WE ARE COLLABORATIVE** - *We work as a team toward common goals*
- **WE TAKE RESPONSIBILITY** - *We challenge the status quo. We are responsible for our behaviours, actions and results*
- **WE INSPIRE CONFIDENCE** - *We do the right thing. We are open, honest and trustworthy*

Service profile

Established in 2001, HPV works in partnership with Victoria's public health services and hospitals to understand their requirements and support high-quality patient outcomes.

HPV is an independent statutory authority under section 129 of the *Health Services Act 1988* and is responsible to the Minister of Health, whilst working closely with the Department of Health and Human Services.

HPV facilitates large-scale collective tenders in collaboration with health services for the goods and services they purchase, manages common-use contracts on behalf of the state, and drives supply chain and probity initiatives that add value to Victoria's health sector. HPV also develops, implements and reviews policies and practices to promote best value and probity, providing advice, staff training and consultancy services.

Strategic planning

In order to deliver more for Victoria's public health services, HPV's five-year strategy focuses on redefining its value proposition to go beyond cost reduction and deliver increased value. HPV is expanding its focus in five key areas:

- Deliver best value healthcare outcomes
- Increase customer engagement
- Support procurement and probity practice improvement
- Improve the integrity and availability of information used to drive supply chain decisions
- Enhance capability and capacity

Health Purchasing Victoria's Strategic Plan 2018-2022 is available online at:

<https://www.hpv.org.au/assets/Uploads/HPV-2018-2022-Strategy3.pdf>

Strategic priorities – Health 2040;

In 2019-20 Health Purchasing Victoria will contribute to the achievement of the Government’s commitments within *Health 2040: Advancing health, access and care* by:

Better Health

Goals:

A system geared to prevention as much as treatment
Everyone understands their own health and risks
Illness is detected and managed early
Healthy neighbourhoods and communities encourage healthy lifestyles

Strategies:

Reduce State-wide Risks
Build Healthy Neighbourhoods
Help people to stay healthy
Target health gaps

Deliverables:

- Support the DHHS Food Safety Unit in delivering food allergen management training to Victorian health stakeholders to reduce state-wide risk whilst improving patient outcomes.

Better Access

Goals:

Care is always being there when people need it
Better access to care in the home and community
People are connected to the full range of care and support they need
Equal access to care

Strategies:

Plan and invest
Unlock innovation
Provide easier access
Ensure fair access

Deliverables:

- Through the innovation being deployed via the HPV Common Catalogue which will deliver more consistent and accurate data to help identify clinical product equivalents and support ongoing clinical care during international supply shortages. This helps to ensure the right product is in the right place at the right time.

Better Care

Goals:

Targeting zero avoidable harm
Healthcare that focusses on outcomes
Patients and carers are active partners in care
Care fits together around people’s needs

Strategies:

Put quality First
Join up care
Partner with patients
Strengthen the workforce
Embed evidence
Ensure equal care

Deliverables:

- HPV’s extended Benefits Reporting Framework identifies and evidences how HPV’s purchasing decisions impact, improve and contribute to better patient outcomes.

Specific priorities for 2019-20

In 2019-20 Health Purchasing Victoria will contribute to the achievement of the Government's priorities by:

Supporting the Mental Health System

Improve service access to mental health treatment to address the physical and mental health needs of consumers.

Support a more inclusive and diverse workplace through organisational initiatives:

- Roll out mental health first aid training for all HPV employees.

Addressing Occupational Violence

Foster an organisational wide occupational health and safety risk management approach with a focus on prevention and improved reporting and consultation. An approach supported by the implementation of the department's security training principles to address identified security risks.

Roll out training for all HPV employees that covers understanding of occupational violence and strategies in how to respond to threats including of:

- Violence, verbal abuse and technological-based violence.

Addressing Bullying and Harassment

Actively promote positive workplace behaviours, encourage reporting and action on all reports by supporting the implementation of the department's *Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination* and *Workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services*.

HPV has a zero tolerance to bullying.

- Continue to support organisational initiatives to minimise bullying e.g. tailored training and education throughout the employee life cycle.

Continue HPV's 'Speak Up' program with ongoing monthly group discussions also providing support for gender-based harassment and avenues to address discrimination.

Supporting Aboriginal Cultural Safety

Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.

Support a more inclusive and diverse workplace through organisational initiatives:

- Undertake Aboriginal cultural competence training to inform an appropriate program for HPV employees.

Addressing Family Violence

Strengthen responses to family violence in line with the *Multiagency Risk Assessment and Risk Management Framework* (MARAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.

Rolling out family violence training for all HPV employees, providing learning and strategies to understand and support. Aspects of the program would cover aggression and abuse targeting children, partners, elders and siblings.

Implementing Disability Action Plans

Ensure a disability action plan is in place which seeks to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of care and employment opportunities for people with disability.

Support a more inclusive and diverse workplace through implementation of the Accessibility Action Plan 2019-2022.

Deliver best value healthcare outcomes

Achieve benefits from HPV agreements	Achieve financial benefit of \$96 million from HPV agreements.
	Grow collective agreements to \$1,170 million of annual health service expenditure.
Implement the three-year strategic procurement roadmap to extend value add beyond HPV collective sourcing	Support delivery of five cluster or collective sourcing projects to support rural and regional collaborations that encourage opportunities for local content and employment.
	Conduct supplier relationship management meetings with Tier 1 suppliers (strategic and/or critical to the health care supply chain) to investigate additional value to be delivered.
	Improve information-sharing with health services regarding strategic planning, operational contract transitions and management.
Implement the five-year clinical engagement roadmap to demonstrate how HPV can derive value from existing contracts to reduce variation and increase the safety and quality of patient care	Undertake clinical engagement with three regional health service or government agency clinicians. Identify and prioritise three initiatives in 2019-20.

Increase Customer Engagement

Enhance stakeholder relationships	100 per cent of health services engaged bi-monthly.
	Maintain a minimum of 75 per cent overall satisfaction of stakeholder engagement through the Customer Engagement survey.
	Identify and support health services in at least five health service-based efficiency projects to add value.
Maintain response time for health service queries	85 per cent of urgent queries closed within three business days.
	85 per cent of complex queries closed within 15 business days.

Support procurement and probity practice improvement

Deliver procurement training program to metro and regional health services	Deliver 12 health service-based face-to-face training sessions.
Maximise health service compliance with the five Health Purchasing Policies (HPPs)	90 per cent of mandated health services compliant with HPPs.
Maximise health services compliance with the HPV collective agreements	95 per cent of health services, using HPV collective agreements, are compliant.

Improve the integrity and availability of the information used to drive supply chain decisions

Implement the Common Catalogue.	Implement the Common Catalogue across 20 health services by 30 June 2020.
Support effective roll out of e-procurement platform (Bravo) to health services	Conduct two user group meetings to share learnings across health services implementing the Bravo e-procurement platform.

Enhance capability and capacity

Operationalise the Victorian Government’s Social Procurement Framework	Promote the following four objectives from the Social Procurement Framework in HPV procurement activities: <ul style="list-style-type: none"> • Women’s equality and safety • Supporting safe and fair workplaces • Environmentally-sustainable outputs • Environmentally-sustainable business practices
	Continue to rollout the training and education framework to assist health services implement the Victorian Government’s Social Procurement Framework.

Environmental Sustainability

Actively contribute to the development of the Victorian Government’s policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measurable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.	<p>Maintain reporting to the Environmental Data Management System relating to waste, natural gas, electricity, office paper use, nitrous oxide and solar.</p> <p>Scope and commence trials at health services to investigate the viability of organic (food) waste services</p> <p>Roll out workforce education on the use, cost and greenhouse gas emissions impact of various anaesthetic gases based on current data analysis.</p> <p>Review the Sustainability Victoria research report Waste in Health, and provide a response on recommendations relevant to HPV’s functions.</p> <p>Conduct collaborative health service workshops to share learnings and ideas on incorporating the objective of environmentally-sustainable project outcomes into procurement activity.</p>
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Part B: Performance Priorities

The *Victorian Health Services Performance monitoring framework* outlines the Government's approach to overseeing the performance of Victorian health services.

Changes to the key performance measures in 2019-20 strengthen the focus on high quality and safe care, organisational culture, patient experience and access and timeliness in line with Ministerial and departmental priorities.

Further information is available at www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability

Effective financial management

Key performance measure	Target
Operating result	\$900,000 Deficit
Average number of days to pay trade creditors	60 days
Adjusted current asset ratio	Maintain a current asset ratio greater than 1.5
Actual number of days available cash each month.	14 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000

Part C: Activity and funding

The performance and financial framework within which state government-funded organisations operate is described in 'Volume 2: Health operations 2019-20 of the *Department of Health and Human Services Policy and funding guidelines 2019*.

The *Policy and funding guidelines* are available at <https://www2.health.vic.gov.au/about/policy-and-funding-guidelines>

Further information about the Department of Health and Human Services' approach to funding and price setting for specific clinical activities, and funding policy changes is also available at

<https://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability/pricing-funding-framework/funding-policy>

Funding	Budget
Operational funding	\$17,538,000
Targeted Initiatives	\$810,000
TOTAL	\$18,348,000


Accountability and funding requirements

The health service must comply with:

- All laws applicable to it;
- The National Health Reform Agreement;
- All applicable requirements, policies, terms or conditions of funding specified or referred to in the Department of Health and Human Services policy and funding guidelines 2019;
- Policies and procedures and appropriate internal controls to ensure accurate and timely submission of data to the Department of Health and Human Services;
- All applicable policies and guidelines issued by the Department of Health and Human Services from time to time and notified to the health service;
- Where applicable, all terms and conditions specified in an agreement between the health service and the Department of Health and Human Services relating to the provision of health services which is in force at any time during the 2019-20 financial year; and
- Relevant standards for programs which have been adopted e.g. International Organisation for Standardisation standards and AS/NZS 4801:2001, Occupational Health and Safety Management Systems or an equivalent standard. This includes the National Safety and Quality Health Service Standards ('NSQHS standards') as accredited through the Australian Health Service Safety and Quality Accreditation Scheme.

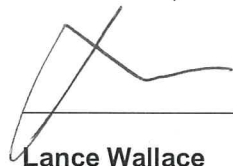
Signature

The Minister and the health service board chairperson agree that funding will be provided to the health service to enable the health service to meet its service obligations and performance requirements as outlined in this Statement of Priorities.



Jenny Mikakos MP
Minister for Health

Date: 25/10 /2019



Lance Wallace
Chairperson
Health Purchasing Victoria

Date: 28/10 /2019

