



NSW Health
**Commissioning for
Better Value Strategy 2021-25**

Shifting our focus from outputs to outcomes

“NSW Health is committed to a strategic response to the challenges of our health system.

The needs of our patients, clinicians and communities are changing, and impacted by rising healthcare costs and new technologies. A value based healthcare approach strives to improve health outcomes that matter most to patients, patient and clinician experience, and service efficiency and effectiveness.



Value is defined by outcomes and experiences that matter most to the people receiving and delivering care, relative to the costs of achieving those outcomes.

Commissioning for Better Value (CBV) is one of the statewide programs accelerating NSW Health’s move to value based healthcare. The approach puts the patient at the centre of service design, with a focus on measuring and achieving outcomes. It relies on us working with our internal and external stakeholders to prioritise outcomes and collaborating to deliver these.

The lessons learnt from applying a commissioning approach over the past few years have informed the Commissioning for Better Value Strategy. The strategy outlines the direction for implementing Commissioning for Better Value across services that support patient care over the next three years.

Embedding Commissioning for Better Value in the health system will help deliver high-quality and equitable healthcare, ensure our resources are allocated optimally, and support innovation to deliver outcomes that matter to patients. This is an important part of building a health system for the future.

Thank you to all who contributed their time and input to the development of the strategy.”



**Dr Nigel Lyons, Deputy Secretary,
Health System Strategy and Planning,
NSW Health**

Commissioning for Better Value (CBV)

Strategy at a glance

NSW Health vision

A sustainable health system that delivers outcomes that matter to patients and the community, is personalised, invests in wellness and is digitally enabled.

Goal

To enhance NSW Health services that support patient care by shifting our focus from outputs to outcomes.

Objectives

Drive awareness and understanding of CBV in alignment with value based health care

Support partnerships and networks to build CBV capability

Embed value based healthcare in CBV across the system

Monitor implementation and evaluate the impact of CBV

by June 2024

by June 2025

Implementation plan

Embed

Established 'business as usual' norms, culture and partnerships in NSW health services.

2021-24

- Build capability in districts, pillars, networks and our external partners to apply CBV.
- Influence policy to embed CBV in NSW Health strategies, service statements and agreements, contracts, grants, business cases and reform initiatives.

Sustain

Best practice sustained that reinforces an outcomes focus in NSW health services.

2024-25

- Explore new funding models that support a commissioning approach.
- Review and renew CBV strategy.

Outcomes focus on improving



Health outcomes that matter to patients

Services define, implement and measure outcomes that matter to patients. This contributes to the delivery of high quality, timely and safe patient care.



Experience of receiving care

Patient experience is improved by service delivery which is accessible, high-quality, appropriate, timely and safe.



Experience of providing care

Clinician engagement in CBV is strengthened to optimise the experience of providing care. This contributes to improved patient outcomes.



Effectiveness and efficiency of care

Drawing on evidence-based data, service managers and clinicians are equipped to use CBV to empower innovation and improve services.

CBV is accelerating our move to value based healthcare

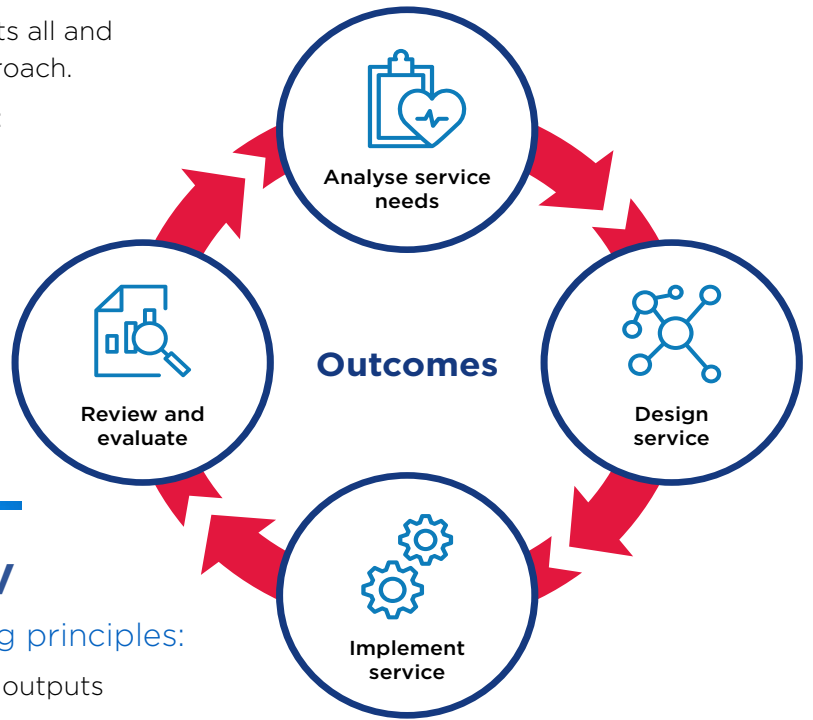
CBV provides a structure that puts the patient at the centre of service design, with a focus on measuring and achieving outcomes. Services that deliver improved outcomes for patients, better experiences for patients, clinicians and other end-users drive value within the health system.

Commissioning is about analysing service need and performance, developing models of care and delivering services based on this analysis. CBV helps shift the focus from outputs to outcomes designed around the person receiving care.

A commissioning approach is not a one-size fits all and not all projects may suit a commissioning approach.

A commissioning approach is commonly used:

- to develop and review service delivery policies, proposals and contracts
- as part of strategic planning and organisational redesign
- when the service contract or industry is affected by innovation or change.



Principles underpinning CBV

This strategy is guided by the following principles:

- services focus on outcomes rather than outputs
- patients are at the centre of service design
- service and outcomes are defined in collaboration with patients, their families and carers, communities, clinicians, service providers and other key stakeholders
- evidence and data is used to plan, implement, evaluate and continuously improve services
- service delivery models reflect local patient demographics, needs and preferences, as well as environmental sustainability and market capacity and capability
- robust governance and executive sponsorship guide the strategic direction.

Commissioning for Better Value is an outcomes-based approach that helps design, implement and manage services that support patient care.



Actions supporting implementation

We will collaborate with patients, clinicians, service managers and our external partners to implement the strategy.

Strategic Reform and Planning Branch at the NSW Ministry of Health sponsors this strategy. Governance and oversight lies with the Commissioning for Better Value Working Group which comprises members from local health districts, Ministry branches and other NSW Health organisations. An implementation plan accompanies the strategy to support delivery, mapping actions to identified responsibilities, time frames and evaluation.



Drive awareness and understanding of CBV in alignment with value based healthcare (VBHC)

- develop CBV information, resources and tools that support decision making
- use a variety of channels and leverage existing opportunities to promote CBV
- promote benefits of outcomes based commissioning



Support partnerships and networks to build CBV capability

- increase collaboration to facilitate partnerships
- promote knowledge sharing to enhance access to information and data
- strengthen commissioning capability through training and workshops
- provide strategic advice and support to assist NSW Health staff apply CBV in practice
- engage external partners such as service providers, markets and funders in outcomes-focused service delivery



Embed value based healthcare in commissioning across the system

- apply learnings from past and current projects
- support services to develop outcomes and measures for planning, design and review
- explore new commissioning projects and funding models to support innovation
- embed accountability for CBV into service statements and agreements
- maintain strong governance to provide strategic direction and executive sponsorship for CBV projects



Monitor implementation and evaluate the impact of CBV

- align CBV measurement with the broader VBHC evaluation
- track progress in achieving CBV outcomes
- complete an annual review of the CBV strategy with a focus on continuous improvement
- monitor CBV enquiries and developments in commissioning policy and practice

Monitoring and evaluation

A monitoring and evaluation plan will be developed to support this strategy. It will identify measures to monitor progress of the strategy and achievement of the CBV outcomes. The plan will be refined with advice from the Value Based Healthcare (VBHC) Monitoring and Evaluation Working Group which has been established to align and coordinate monitoring and evaluation activity across the statewide programs.

Some examples of intermediate measures of success may include:

- increased number and types of projects that use a CBV approach
- increased number of tenders and contracts that apply outcome measures
- increased adoption of co-design consultation processes
- increased CBV capability for districts, networks and pillars
- CBV is formalised in procurement policy and performance frameworks.

An annual review will be conducted to track performance, with a final review at the end of the strategy term.



We will apply a value based healthcare lens to commissioning, embed CBV practice and support change through a range of system-wide enablers.

CBV in practice

CBV helped Northern NSW Local Health District (NNSWLHD) shift the focus from outputs to outcomes for their medical imaging services. The district analysed service needs to design a medical imaging service that delivers the right services to the right places and focuses on the outcomes that matter most to patients. They used extensive consultation and co-design processes to ensure the feedback and perspectives of their stakeholders informed the design of medical imaging services for the district.

Transition to the new service began in October 2020. The district will monitor the service goals using key performance indicators (KPIs) informed by measurable outcomes. This will include annual patient and clinician experience surveys to identify continuous improvement opportunities.

"This opportunity was a true collaboration with genuine engagement of medical, nursing and technical staff throughout. We are now a few months into the transition to the new district-wide services, and our medical officers are providing positive feedback about the high quality of the services."

Wayne Jones
Chief Executive, NNSWLHD



Links to policies, strategies and initiatives

Several developments have occurred across NSW in recent years that drive the delivery of outcomes for the people of NSW.

Outcome budgeting facilitates the allocation of public resources with a focus on achieving outcomes.

NSW Human Services Outcomes Framework is a cross-agency approach to achieve better outcomes for the NSW population. The framework outlines seven wellbeing outcomes: safety, home, economic, health, education and skills, social and community, and empowerment.

Commissioning Policy provides a platform for NSW Government agencies to explore ways to create better service outcomes. It is a whole-of-government approach that sets out governing principles for commissioning.

NSW State Health Plan Toward 2021 provides the strategic framework that underpins plans, programs and policies across NSW Health to deliver the right care, in the right place, at the right time. Strategic direction for the next decade of care will progress NSW Health's vision for 'a sustainable health system that delivers outcomes that matter to patients, is personalised, invests in wellness and is digitally enabled'.

Elevating the Human Experience is a statewide strategy informed by patients, families, carers, volunteers and NSW Health staff. It focuses on what we can do together to create positive, personalised experiences.

The CBV Strategy supports value based healthcare together with other initiatives.

Value Based Healthcare (VBHC) is NSW Health's approach to delivering outcomes and experiences that matter to patients and the community. Programs accelerating our move to VBHC include:

Commissioning for Better Value
(CBV)

Applying an outcomes-based approach to help design, implement and manage services that support patient care.

Leading Better Value Care (LBVC)

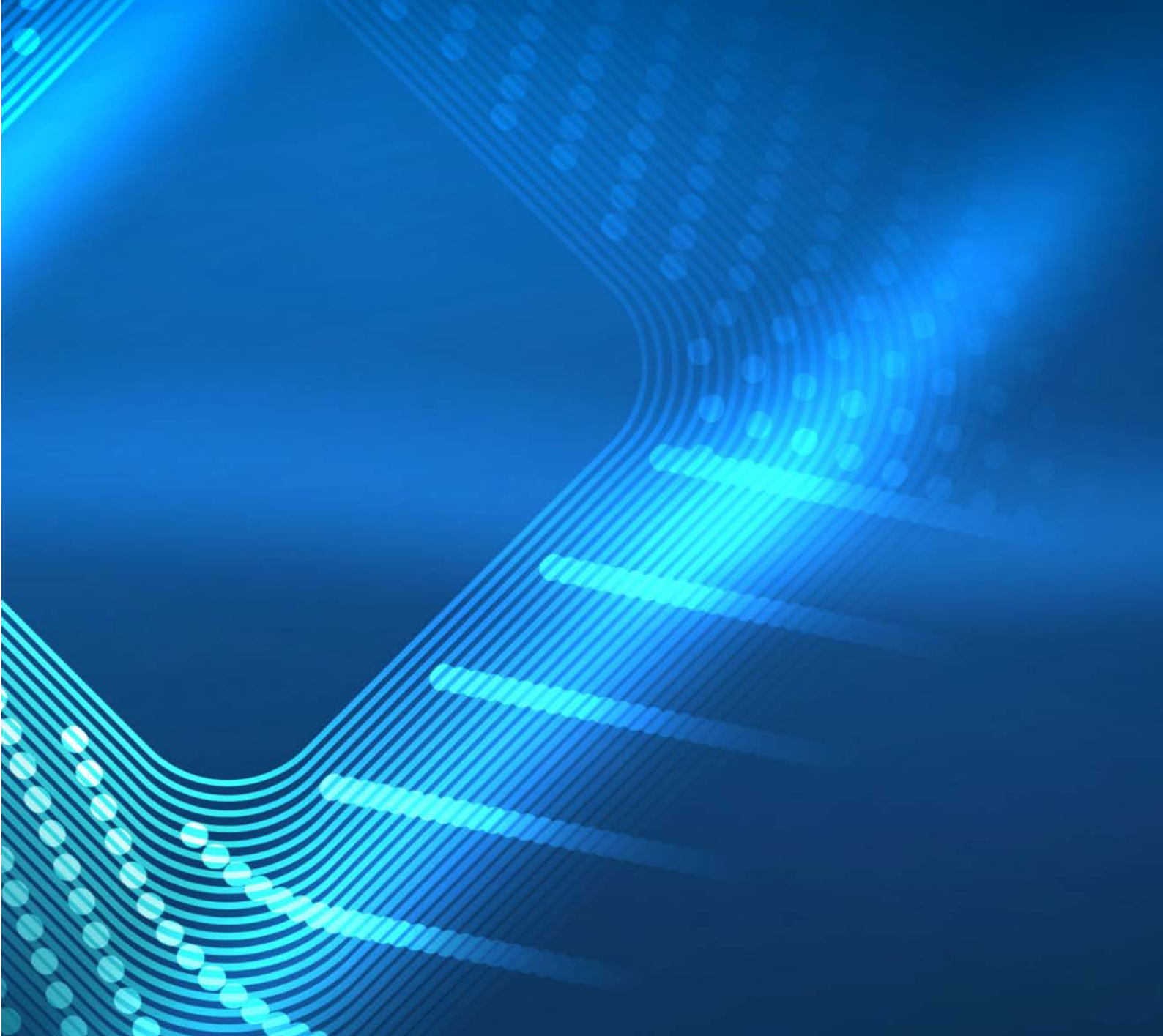
Delivering effective clinical models of care with patient centred outcomes.

Collaborative Commissioning

Co-commissioning services in partnership with districts and external organisations, such as primary health networks, for services delivered in the community.

Integrated Care

Leading partnerships to deliver seamless care anywhere that coordinates services around a patient to improve their experiences of care and health outcomes.



Revision history

Version	Approval date	Author	Approver	Description
1.0	25/06/2021	Strategic Reform and Planning Branch, NSW Ministry of Health	Deputy Secretary	Final draft
1.1	10/01/2023	Strategic Reform and Planning Branch, NSW Ministry of Health	Director	Revised dates to reflect extended CBV Strategy period of 2021-2025 due to the impact of COVID-19 on implementation.

To learn more and find out how to use
a commissioning approach visit:
www.health.nsw.gov.au/CBV

The Ministry of Health will collaborate with
NSW Health organisations including local health
districts, pillars and networks to deliver the
Commissioning for Better Value Strategy 2021-25.



Contact the CBV team for more information:
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