

Government announces new Primary Health Networks

Update for APS members, April 2015

Background

In March 2014, the Government received the final report of an independent review into Medicare Locals. In response, the Government's 2014-15 Budget announced that the 61 Medicare Locals across Australia would be replaced by 31 new Primary Health Networks (PHNs). A competitive tender process to select PHN operators was undertaken in late 2014, and closed on 27 January 2015. The outcomes of this tender process were announced by the Minister for Health, the Hon Sussan Ley MP on 11 April 2015.

New Primary Health Networks (PHNs)

The Health Minister's [media release](#) announced the successful bids for 28 of the 31 PHNs, with the remaining PHN areas still under consideration. The Minister's announcement lists the [lead organisation of successful bids for operating PHNs](#), noting that most bids were for collaborative partnerships, or consortium arrangements, between several organisations. Information is yet to be released regarding the consortium partners in each of the successful PHN bids.

Transitioning from Medicare Locals to PHNs

Medicare Locals will continue to receive Commonwealth funding until 30 June 2015, after which funding will transfer to PHNs with operations commencing from 1 July 2015.

The Government has indicated there will be a transitional period from April 2015, and comparable funding agreements put in place during the first year of PHN operation for services currently funded by Medicare Locals (see [PHN FAQs](#) on the Department of Health's PHN website). However, it is unclear what these arrangements will mean in practice. As a result, many service providers (including those employed directly and under programs such as ATAPS and Partners in Recovery) have no information on whether their existing contracts with Medicare Locals will be continued beyond 30 June 2015, or in what form. Much of this detail will be subject to contract negotiations that will take place between PHNs and Medicare Locals over the coming weeks. The APS is continuing to seek further details and will keep members informed as these become available.

Information about PHN boundaries, including [maps](#) and an online [PHN map locator](#), is available on the Department of Health's [PHN website](#).

PHNs and mental health

Mental health has been identified as one of six priority areas for targeted work by PHNs (the others are Aboriginal and Torres Strait Islander health, population health, health workforce, eHealth and aged care). This also aligns with a recommendation of the National Mental Health Commission's Review of Mental Health Programmes and Services (a summary of which was [leaked to the ABC](#)) to:

Extend the scope of Primary Health Networks (renamed Primary and Mental Health Networks) as the key regional architecture for equitable planning and purchasing of mental health programmes, services and integrated care pathways.

Members will be kept informed if and when further details of the Review of Mental Health Programmes and Services become available.