

# Strategic planning guidelines for Victorian health services

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Where the term 'Aboriginal' is used it refers to both Aboriginal and Torres Strait Islander people. Indigenous is retained when it is part of the title of a report, program or quotation.

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# Introduction

Healthcare planning is complex, multi-dimensional and dynamic. It involves the translation of clear goals and objectives into meaningful strategies for implementation. It mandates leadership and decision making about priorities, timeframes, resources and an ongoing commitment to monitoring progress and driving achievement.

These strategic planning guidelines aim to provide a summary overview of the theory and process involved in developing strategic plans, but also highlight key contextual elements that would need to be considered by Health Services when developing their upcoming strategic plans.

In particular, these include Victoria's health sector goals and strategic priorities as outlined in the recently released *Health 2040* strategy and the heightened focus on preventing avoidable harm as recommended by the *Targeting zero, the review of hospital safety and quality assurance in Victoria* review. *Victoria's 10-year mental health plan* provides a long-term vision to improve mental health services and outcomes for Victorians with a mental health illness.

Also important to note is the broader planning reform currently underway aimed at developing a *State-wide design, service and infrastructure plan for Victoria's health system* and the stronger need for integration and collaboration in health service planning and delivery at a local, regional and system-wide level.

Further guidance on strategic goals and strategies will be provided during the individual Health Service strategic plan development and consultation process. Prioritising implementation will also be considered during the annual Statement of Priorities negotiation process.

# Planning framework

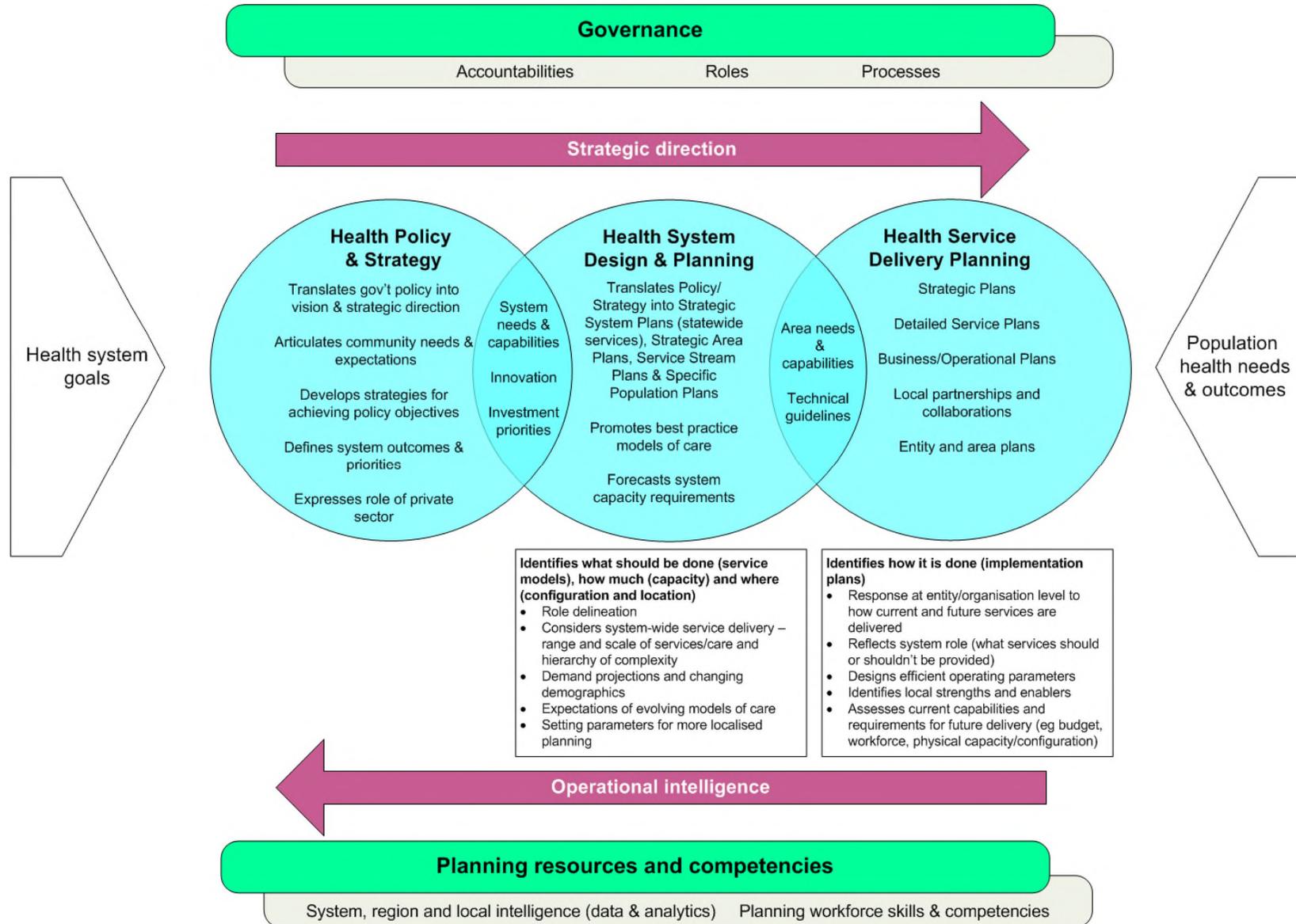
Victoria's health system and service planning framework is underpinned by the department's role as a translator of government policy into a vision and strategic direction for the health system, the expression of this vision and direction into the design and planning of the state-wide service system, and the realisation of that design in the service delivery plans of each health service.

The relationship between these components represents the creative interface of the planning process: an interplay between policy and strategic direction setting, operational intelligence, service design, and delivery.

Critical interfaces relate to the budget investment cycle, facility planning processes and related state and/or local planning processes.

Effective oversight of the end-to-end service planning process and optimal resource capability (in particular a skilled planning workforce and access to quality system/local data and analytics) are key support mechanisms to ensure optimal translation of needs into sustainable and integrated services.

**Figure 1: Victorian health system and service planning framework**



# Health service strategic planning

It is a legal requirement that Victorian public health services develop a strategic plan and submit for approval to the Minister for Health.

Public hospitals are required by the department to submit their strategic plans for approval.

The Victorian Institute of Forensic Mental Health (Forensicare) is required to develop a strategic plan and submit for approval to the Minister for Mental Health.

Denominational health services are encouraged to liaise with the department in relation to their strategic plans, in particular the sections which relate to the provision of public health services.

Other health or related services (including Health Purchasing Victoria and Ambulance Victoria) may use these guidelines when developing their strategic plans. Submission and Ministerial approval requirements is outlined in the respective legislation. For example:

- Health Purchasing Victoria is required at the times determined by the Minister for Health, to prepare and submit to the Minister for approval a strategic plan under section 134M of the *Health Services Act 1988*
- Ambulance Victoria is required to submit a strategic plan approved by the Minister for Ambulance Services under section 22E of *Ambulance Services Act 1986*

For the purposes of these guidelines, the generic term, health services is used to cover all of these entities.

## The purpose of strategic planning

Strategic planning can be defined as the process of producing fundamental decisions and actions that shape and guide what an organisation is, what it does and why it does it<sup>1</sup>.

The purpose of health service strategic plans are to demonstrate:

- how the health service will ensure that they are able to meet the needs of their population for equitable, accessible, safe, high quality, appropriate and sustainable healthcare services, and
- the contribution of the health service to system-wide goals, including addressing specific performance and policy priorities set by the Victorian Government
- the approaches the health service will develop with key partners to addressing population health needs for the catchment population.

To achieve these purposes, a health service's strategic plans must demonstrate a clear understanding of internal capacity and capability, the health care needs of the population it serves, its role in the healthcare system (including its relationship to other health services and healthcare providers) and the policy and regulatory environment in which it operates.

A strategic plan is an important formal product of strategic planning. However, strategic planning is a process. The value of a strategic plan is also created by the decision-making it generates, the choices made through the process and the actions coming out of that process.

## Relationship to service and operational planning

Strategic plans cover a period of three to five years and are concise documents that describe the organisation's context, purpose, vision, objectives and longer term strategies to deliver on their vision in line with Government policy and system and statewide plans.

Strategic plans also frame the development of detailed service plans by health services, either at an entity or area level, and in turn the longer term requirements for the infrastructure to support these service plans.

Operational plans translate these strategic plans into short term activities and/or milestones over a defined period (e.g. the coming year), describing the actions an organisation will take to deliver its services to its community.

Service planning needs to be carried out in conjunction with the department and other agencies and service providers to set longer-term directions for specific service types or care needs (including local area planning).

This planning will represent the local application of statewide planning directions or requirements for particular services, reflect the role delineation and capability frameworks established for the state as a whole, and identify any capital planning needed to address facility requirements to deliver planned services.

Service planning should also reflect service improvement work undertaken or in progress, changes to models of care and associated service configuration, or decisions to provide services more effectively or efficiently in another way or by another provider.

Within the parameters of strategic, operational and service planning, functional planning is done to set direction for specific business units or to provide organisational direction in a particular area, such as quality, information and communications technology (ICT) or research.

## Core activities of strategic planning

There is a variety of ways to undertake the strategic planning process. All of them involve an assessment of the external environment and the organisation's internal strengths and weaknesses, from which direction-setting goals are identified and a plan is developed to bridge the gap between the current situation and the desired future state.<sup>2</sup>

The strategic planning process should begin with developing an understanding of the organisation's mandate and clarity about its vision, mission and values. The mandate refers to what the organisation must do (that is, its legal, regulatory and governance requirements).

The vision, mission and values describe what an organisation wants to be. The vision, mission and values should be meaningful to, and supported by, the organisation's key stakeholder groups. For health services, these include: patients and the broader community, staff members, members of the board of directors, other health services and external partners and collaborators.

Effective strategic planning requires detailed understanding of the external and internal environment in order to determine the strategic issues facing the organisation and its ability to address them. This will typically look ahead 10–15 years, based on population projections and other forecast changes in the environment.

Analysis of the external environment involves gaining an understanding of:

- the political, economic, social and technological environment in which the health service is operating, including the trends (local, national and international) and challenges in the external environment that are impacting (or will impact) on the health service
- the healthcare needs of the population it serves, including: demographics, key social indicators, burden of disease, and health behaviours
- the marketplace in which the health service operates, including documenting relationships with key collaborators and partnerships (such as the Rural and Regional Health Partnerships) and analysis of the competitive environment (e.g. for aged care services).

Analysis of the internal environment involves gaining an understanding of:

- the resources the health service has to support service delivery
- its service profile, including: the types of services the health service provides, service volumes, locations of services, and the infrastructure and facilities used to provide the services
- its performance, including how the health service performs in the delivery of its services across locations, over time, and in comparison to peers, benchmarks and internal and external targets.

Analysis of the internal and external environment provides the basis for identifying the health service's strengths and weaknesses, and the opportunities and threats it faces.

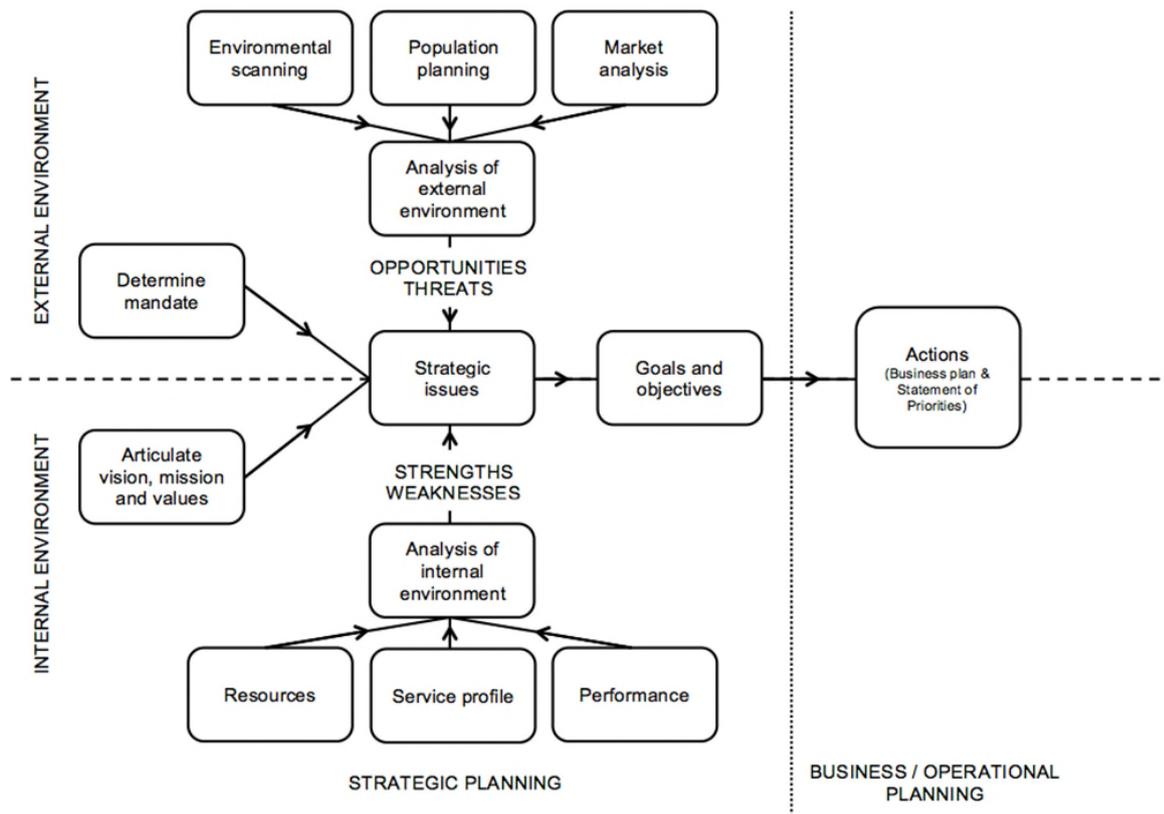
Some health services regularly review and update their service plans, which may largely or wholly fulfil the need for internal and external environmental analysis.

Articulating the strategic issues it needs to address provides the basis for making strategic choices about the direction for the health service. Strategic choices are circumscribed by factors in the internal and external environment and, particularly in the case of public entities, are circumscribed by the organisation's mandate. The strategic choices made by health services must accord with their legal and regulatory responsibilities and align with government policies and priorities.

As illustrated in Figure 2, strategic issues are translated into a strategic direction through the formulation of strategic goals and objectives for the health service. Strategic goals should describe the outcomes the health service intends to achieve that will address one or more strategic issues. Objectives should describe the measurable results of actions that need to be taken to achieve the goals.

This leads directly into the most important outcome of the strategic planning process: taking action to address strategic issues by translating strategic priorities into meaningful action plans, including clear allocation of responsibility, timelines and resources.

**Figure 2: Core activities in the strategic planning process<sup>3</sup>**



## Key elements of a health service strategic plan

As a formal product of the strategic planning process, health service strategic plans should reflect the process undertaken to create them.

Health service strategic plans should cover a period of three to five years and incorporate the following key elements:

- Articulation of the role and contribution of the health service in delivering against key healthcare system policies and priorities that form the core mandate for the health service
- The agreed vision, mission and values
- Documented outcomes of external environmental analysis, including healthcare system trends and challenges (environmental scanning), population planning outcomes and market analysis
- Description of the health service capacity, capability and performance
- Health service strategic goals and objectives, demonstrating how the health service will contribute to system-wide goals and work to meet the needs of its catchment population
- The measures that will be used to gauge progress against the strategic goals and objectives and to evaluate success at the end of the period

While not all of these elements need to be part of a single document, they should be documented and evidence of this documentation accompany any draft strategic plan submitted for approval.

## Stakeholder consultation

Consultation is a key component of strategic planning, helping health services challenge traditional thinking, providing opportunity for creativity and innovative solutions and greater contextual awareness, as well as informing and managing stakeholders expectations.

Health services should undertake early and wide consultation on the preparation of their strategic plans by engaging with both internal and external stakeholders, including consumers and the department and their partners in key strategic partnerships such as the Rural and Regional Health Partnerships.

The Director, Commissioning, Performance and Regulation or the Director, Rural and Regional Health should be included in the consultation process and will coordinate departmental input. For Forensicare, the Director, Mental Health and Executive Director, Justice Health (Department of Justice) should be included in the consultation process and will coordinate relevant departmental input.

## Approval of health service strategic plans

Strategic plans for Victorian health services should be endorsed by the respective board of management and then submitted to the Department of Health and Human Services:

- for ministerial approval in the case of public health services.
- for departmental approval in the case of other health services.

Health services need to allow sufficient time for the department to review the strategic plans before they are submitted for approval.

Strategic plans (including Health Purchasing Victoria and Ambulance Victoria ) should be sent to the Director, Commissioning, Performance and Regulation, or the Director, Rural and Regional Health. The Forensicare strategic plan should be sent to the Director, Mental Health, Health Services Policy and Commissioning Division.

Following notification of approval, health services should advise the Department of Health and Human Services when their strategic plans are made public on the health service's website.

# Health strategy

Health strategy is a pre-requisite to planning, providing focus and direction on key, system-wide priorities. Health services should demonstrate how their strategic plans would support the broader health strategy for Victoria.

## System challenges

Directions for the health service system in Victoria are driven by a set of challenges that are common across the state, at the national level and in many other countries.

These challenges include:

- addressing inequalities and disparities in health outcomes, especially for Aboriginal people, people living in areas with low socio-economic status, people living in rural and remote areas, people with disabilities, and people with a mental illness
- responding to the changing needs and expectations of consumers, including providing person-centred care and equitable access by ensuring consumer participation in the planning, design and delivery of healthcare services
- intervening early to maintain wellness and prevent ill-health
- addressing the multiple needs of older people and sufferers of chronic disease
- ensuring the distribution of services reflects the needs of communities and appropriate levels of service capability for the population catchments they serve
- ensuring sustainable resource allocation to deliver the greatest value and benefit for individuals now and into the future, including finding innovative ways of managing and reducing demand for high-cost healthcare
- adapting to changes in technology and research, both in healthcare and the wider society
- developing a diverse and adaptable workforce with the right mix of skills to meet the needs and expectations of consumers for high-quality, person-centred healthcare.

System-level solutions require more than just an individual health service response. They demand collaborative, networked responses that deliver system integration and sustainable service delivery.

As a result, future planning for the provision of health services will need to consider how best to co-ordinate and integrate their strategies and operational capability so as to achieve a greater overall health system outcome for Victorians.

## Health 2040: Advancing health, access and care

*Health 2040: Advancing health, access and care* outlines the future vision for the Victorian health system including the need for:

- better health – skills and support to be healthy and well
- better access – fair, timely and easier access to care
- better care – world-class healthcare every time.

This vision is underpinned by ten key principles for reform:

1. Person-centred care with equitable access – valuing and respecting people and their preferences, taking into account the whole person and what is important to them, and addressing disparities in access and outcomes
2. Integration – ensuring that patients experience services as one system, and receive care tailored to their needs
3. Prevention and early intervention – investing in preventing poor health and acting earlier so that serious illness is avoided wherever possible

4. Technology and data – sharing information across providers, making better use of the information we have and using new technologies to improve patient care and outcomes
5. Workforce – making better use of the skills and capabilities of our workforce and using their expertise to inform service design and delivery
6. Transparency and accountability – improving transparency and accountability to drive improvement
7. Evidence-based care – ensuring interventions are evidence-based, reducing low-value care, and translating new evidence into better service delivery
8. Sustainable – ensuring the way we allocate resources delivers the greatest value and benefit for individuals now and into the future
9. Innovation – systemic innovation that is responsive to the changing needs of the community
10. Medical research – strengthening medical research, and translating new discoveries into improved treatments, technologies and tools.

Key actions already implemented and next steps required to address the *Health 2040* vision are outlined in the *Health 2040: Achievements and next steps (December 2016)*. In particular, more action is required to address:

- better health, including more integrated approaches to improve health and wellbeing of Aboriginal people, strengthening hospital responses to family violence and a stronger focus on early intervention and prevention
- better access, including the completion of the state-wide Plan, delivering on vital infrastructure projects and developing new/innovative community workforce roles
- better care, including improving hospital safety and quality of care, creating new models of integrated care and conducting systematic measurements of patient-reported outcomes to support effective and patient-centred care, improving practice, research, collaboration and access to expertise across the health workforce.

*Health 2040: advancing health, access and care* can be found at [Health strategies – Victorian Government Health website](https://www2.health.vic.gov.au/about/health-strategies) <https://www2.health.vic.gov.au/about/health-strategies>.

## Targeting zero avoidable harm

*Targeting zero, the review of hospital safety and quality assurance in Victoria* (the review) recommends stronger oversight and accountability for quality and safety across the system. In particular, it highlights the need for improved governance, consumer participation and clinician engagement, outcomes monitoring and information sharing, including cross agency collaboration.

Consistent with the review's recommendations the Department has articulated its vision for quality and safety in Victoria as follows:

- The world-class care patients receive is supported by a world-class system of quality and safety assurance.
- Patient views and experiences are heard and shared at every point of our health system to drive continuous improvement.
- Individual safety and quality success is shared and built into our state-wide system.
- Health services and their boards get the information and training they need to best serve their communities and provide better, safer care.
- Frontline healthcare workers have a real say on how to make the system safer and lead the way on improvement and best practice.
- The health service leaders of the future are identified and supported, with a focus on getting the right skills, knowledge and experience.
- Data is collected, analysed and shared so the community is better informed about health services and health services receive better information about their performance.

- People with mental illness, their families and carers receive access to high quality, integrated services that can provide coordinated treatment and support.

The review can be found at [Review of hospital safety and quality assurance in Victoria – Victorian Government Health website](https://www2.health.vic.gov.au/hospitals-and-health-services/quality-safety-service/hospital-safety-and-quality-review) <<https://www2.health.vic.gov.au/hospitals-and-health-services/quality-safety-service/hospital-safety-and-quality-review>>.

## Victoria's 10-year mental health plan

*Victoria's 10-year mental health plan* sets out a comprehensive approach to changing how services are designed and delivered to ensure that Victorians experience the best possible health, including mental health. It prioritises five important ways to improve the services people with mental illness and their families and carers use, including mental health services:

- **Co-produce services.** Service providers and users should guide government policy and system management, as well as service design and delivery. This co-production approach will add the expertise of people living with mental illness to the planning and delivery of care, and will in turn strengthen services' ability to respond to the needs and preferences of patients.
- **Provide services that fit together into a whole.** Services should have good linkage, communication flow, coordination and integration. People should be linked to the right services at the right time and their journey through these services should be safe, seamless and make sense. For effective integration, mental health and other services must be supported to develop new ways of working together that build ongoing relationships, and develop compatible infrastructure and service delivery models.
- **Understand, respect and respond to diversity.** Service design and delivery should promote equitable access and safe and inclusive services for people with diverse cultural, religious, racial, linguistic, sexuality and gender identities. All health services must work to ensure that Victorians, regardless of their circumstances, have the opportunity to experience their best mental health in services that are welcoming, responsive and safe.
- **Build and support the best possible workforce.** A capable, responsive, diverse and supported workforce is necessary to create services that are recovery oriented, trauma informed, evidence based, outcomes focused, culturally safe, inclusive and accessible, and that adapt to the diverse needs of service users, their carers and families. A new Mental Health Workforce Strategy will outline what health services need to do to attract, develop and retain staff with the mix of skills and values that will support the outcomes set out in this plan.
- **Learn what works and do it.** The Minister for Mental Health has established an expert group on innovation that will guide the commissioning and translation of research about prevention, treatment and practice. The group will advise on the best ways to embed improvements in mental health services, use of telemedicine and e-health to improve mental health outcomes, and the effective translation of knowledge into policy, practice and service delivery across the specialist mental health service system and in other services.

Health services can contribute to the delivery of this broad vision through four focus areas:

- Victorians have good mental health and wellbeing
- Victorians promote mental health for all ages and stages of life
- Victorians with a mental illness live fulfilling lives of their choosing, with or without symptoms of mental illness
- The service system is accessible, flexible and responsive to people of all ages, their families and carers and the workforce is supported to deliver this.

# System and statewide planning processes

## System design

Health system design considers a broad and long term (five to 20 years) perspective on how best to configure and distribute services at a system, or sub-system level including consideration for:

- the type of care services and settings required across the system – e.g. primary care, ambulance services, hospitals, home-based care, rehabilitation centres
- how service delivery is best organised – e.g. which centres provide which specialist services, geographically networked services
- how services are best integrated – e.g. co-located service delivery, memorandums of understanding between services, shared appointments, shared patient records
- what enablers are required for effective and safe service delivery including clinical governance, consumer engagement, education, training and research
- how best to align supply with demand – including consideration of demographic changes, location and best use of capacity
- changing models of care and innovations in clinical practice and technology.

## Service planning

Health service planning can occur at different levels (geographic, service stream or individual health service level) and usually adopts a medium-term perspective (three to five years).

It aims to align health service delivery with the changing patterns of needs and making the most effective use of available and future resources. For example, it looks at:

- matching services to changing populations and demographics
- responding to market driven changes
- exploring alternative models of care that can optimise service delivery
- forecasting future areas of service need - by assessing how demand is likely to grow or decline at a geographic, population or service stream level
- identifying resource requirements - recognising that resources are limited, planning considers how best to utilise and direct resources to the areas of greatest need.
- The system design, service and infrastructure planning process will set priorities and parameters for local or area based planning. The Department will work with and support health services to translate these locally.

## Service streams

The term service stream refers to the grouping of services under a clinical stream.

As part of the system design, service and infrastructure planning process, the Department is leading the development of statewide service stream plans, with the cardiac plan the first to be released in May 2016 at [Design, service and infrastructure plan for Victoria's cardiac system – Victorian Government Health website](https://www2.health.vic.gov.au/hospitals-and-health-services/health-system-design-planning/cardiac-design-service-and-infrastructure-plan) <<https://www2.health.vic.gov.au/hospitals-and-health-services/health-system-design-planning/cardiac-design-service-and-infrastructure-plan>>.

## Infrastructure planning

Planning for infrastructure responds to changes in demand and reinstatement needs of deteriorating assets. Investment can involve growth and/or modernisation of the health asset portfolio to contemporary standards. It can also involve maintenance and replenishment of the existing stock of facilities.

Infrastructure planning supports and is guided by service planning by:

- reconfiguring existing sites (where possible) to meet service and demand capacity requirements
- maximising asset utilisation or increasing flexible use of assets, to enable planned role changes and/or functionality that supports effective and safe care delivery
- consolidating existing facilities (where appropriate) to gain maximum value from growth, investments and economies of scale
- including co-investment opportunities with health services and/or leveraging private sector investment (where possible)
- using the most efficient service profile and role delineation (e.g. bed numbers, services configuration) that supports evidence based practice.

## Statewide design, service and infrastructure plan

Future health service planning for Victoria will take place in the context of a *Statewide design, service and infrastructure plan for Victoria's health system* (the Statewide Plan). The Plan will build on the recommendations from the independent review into the capacity of the Victorian hospital system (the Travis Review).

An intended outcome of the Statewide Plan is to aid local area planning by providing direction and certainty on future system design, configuration and distribution of health services across the state. The Statewide Plan will be published in 2017.

Under the Statewide Plan, a series of service stream and locality planning processes are underway in consultation with the sector, to enable a focus on key service capacity, configuration and governance issues at a sub-system level.

To further strengthen the focus on quality and safe outcomes, a role delineation framework for Victoria will also be developed. Adherence to the scope of practice and clinical governance requirements will be informed by capability frameworks and volume-outcomes relationships, particularly for the higher complexity/risk procedures and interventions.

# Strategic planning elements

Element	Description
Objective	What you are setting out to achieve.
Strategies	How the objectives in your strategic plan will be achieved.
Actions	Detailed description of the key actions to be undertaken to achieve each strategy.
Prioritise actions	The importance of each particular action: low, medium, high. This gives an indication of which actions should be completed earlier or later in the plan.
Timeframes	Describes the 'due date' for completion of each action.
Resources	Resource implications: financial, material and human resources.
Responsibility	Who is responsible for completing the actions.
Performance indicators	Indicators of what successful completion of each action looks like.
Risk management	Assess the potential for elements of the plan to be unsuccessful and plan to manage this.

# References

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