

Service Providers

A new governance framework has been developed for the Department of Health and Human Services. It will help the Agency better deliver high quality care and support to patients and clients within the resources available. For more information, read the [‘New Governance Framework’ fact sheet](#).

Under the new governance framework, service providers look similar to our current service providers. They include:

- Tasmanian Health Organisations (currently the Area Health Services)
- Ambulance Tasmania
- Children and Youth Services
- Disability, Housing and Community Services and
- Statewide and Mental Health Services.

Consideration is being given to the arrangements that would best support the functions of programs and services such as Population Health services including Cancer Screening and Control Services, and other statewide prevention programs.

The future role of service providers

The main function of service providers will be to deliver the services they are contracted to provide under a service agreement and/or as required under legislation.

Service providers will be responsible for:

- delivering care or support consistent with service agreements
- designing service delivery processes
- monitoring, addressing and improving performance
- enhancing and improving systems of care and support
- advising government of major issues affecting viability
- human resource management
- asset management
- local capital planning
- clinical and operational policy (including quality and safety)
- risk management
- contract management

- clinical product purchasing
- minor project management
- financial management
- local corporate services
- workforce development
- industrial relations and workplace bargaining (collaborating with other providers and the Ministry) and
- linen, food and other support services.

Tasmanian Health Organisations

National health reform requires the establishment of Tasmanian Health Organisations (THOs), which will clearly separate the main 'health provider' arms of the current Department of Health and Human Services into new entities.

Ambulance Tasmania

The commissioning functions will go to the Purchasing Commissioner Unit and the Minister for Health will be asked to re-assign the statutory role of Director of Ambulance Services from the Secretary to the CEO Ambulance Tasmania. Legislative and policy changes will be considered.

Children and Youth Services and Disability, Housing and Community Services

The commissioning and ministry functions will move to the Purchasing Commissioner Unit and the Ministry by 1 July 2013. This will be planned throughout 2012 and will involve staff consultation. The remaining focus will be on service delivery. The purchaser and provider roles will be separated administratively rather than legislatively.

Statewide and Mental Health Services

These will remain statewide services. The purchasing and ministry functions will go to the Purchasing Commissioner Unit and the Ministry by 1 July 2013. The focus will move to performing service provider roles.

Why are these changes being made?

Across Australia, fundamental changes are being made to the way health and hospital services are funded, delivered and structured. Tasmania has until 1 July 2012 to put some key changes in place, including establishment of the Tasmanian Health Organisations (currently Area Health Services).

At the same time, we are facing significant budget challenges across the Agency and across government which mean we have to change the way we do business. We've already seen areas including Housing Tasmania, Children and Youth Services, and Disability and Community Services take steps towards meeting these challenges by adopting the purchaser/provider approach.

DHHS needs more efficient and effective structures to support these changes so we can continue to deliver high quality care and support to Tasmanians with the resources we have. It makes sense to make sure new structures benefit all areas of our Agency, not just those facing major reform in the next six months.

What impact will the changes have?

The devolution of operational responsibility to THOs for health services will mean that some resources currently in the Ministry will be allocated to providers. It is expected that these resources will come from streamlining clinical governance arrangements, streamlining operational policy and process development and from the support services that will no longer be provided centrally.

The purchasing/commissioning model is already being progressed in Human Services, in the areas of Housing and Children and Youth Services. Disability Services already operate on a purchaser/provider model with all disability services now outsourced to community sector providers.

Overall, this will produce a more accountable system for delivering care and support to Tasmanians. This will mean more funding is available for direct patient/client services.

How will the changes be implemented?

The [functional outline](#) will be used as the basis for developing a revised organisational structure and will be finalised by the end of 2011 and released early in 2012.

The transfer of ministry and purchasing functions from Children and Youth Services and Disability, Housing and Community Services will be done in consultation with the responsible Ministers and the Deputy Secretaries of these areas, supported by strong consultation with staff and their representatives. This decision will allow a further rationalisation of resources across the current Department of Health and Human Services.

Implementation will be staged. Generally, the critical health-related reforms that support the national health reforms will be put in place by 1 July 2012 (as required under the National Health Reform Agreement). A further 12 months (until 1 July 2013) will be allowed for the transition of all other providers.

A dedicated project team will facilitate the establishment of THOs, ensuring systems, resources and processes are in place to operate in accordance with the national health reform requirements. A small number of dedicated project resources will also be identified to help with other service provider transition processes.