Mr James Downie
Acting CEO
Independent Hospital Pricing Authority
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submissions.ihpa@ihpa.gov.au

1/06/2016

Dear Mr Downie,

Re: IHPA Work Program 2016-2017 released for public comment

I write on behalf of Universities Australia's (UA) Health Professionals Education Standing Group (HPESG). Universities Australia — the national peak body for Australian universities — convened HPESG as a policy forum through which to progress cross-portfolio health and higher education matters, chief among which is clinical education and training. The group comprises senior leaders across all health professional disciplines. Further information about HPESG is attached.

HPESG acknowledges the ongoing work of the Independent Hospital Pricing Authority (IHPA) in progressing the intentions of the National Health Reform Agreement and appreciates the opportunity to comment through this short submission on IHPA's draft work program for 2016–2017. Our response is in relation to Program Objective 3(f): the development of a new classification for Activity Based Funding (ABF) for Teaching, Training and Research (TTR).

Recently IHPA's Executive Director presented to HPESG on the TTR work. The presentation indicated that despite some limitations in hospital data collected in 2015, IHPA believes that a comprehensive classification can be developed, at least for the Teaching and Training (TT) component of TTR. In contrast, the complexities of research activity suggest that this specific part of TTR requires further exploration and is likely to be classified and costed separately. HPESG appreciates the clarity that the TT component of IHPA's 2016–2017 work program will bring to the health and education sectors alike in respect of clinical education and training for pre-registration students in the health professions, and in relation to hospital-based research activities.

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Comments on IHPA's 2016–17 work program objective 3f: ABF classification system development and revision — teaching, training and research (TTR)

1. Factoring in the benefits as well as the costs in determining ABF for TTR

Hospital-based teaching, training and research is critical for the health system in terms of public health outcomes, workforce renewal, clinical staff development and academic career opportunities. HPESG urges IHPA to continue to take these factors into account in developing the TTR classification. Adequate clinical education and training of the next generation of health professionals must be a key target for hospitals alongside consumer health outcomes. Potential incentives or disincentives for hospitals that result from teaching and training costing must therefore also be taken into account. Sustainability of the health workforce is not the only issue here. High quality clinical education, teaching and training are critical to the quality, efficiency and safety of care, and the same applies to research for the public good.

In addition to the broad principles upon which costing and classification in TTR must be undertaken, there are complex historical arrangements and both financial and non-financial understandings between universities and local health networks that must also be taken into account. Although the precise range and value — both monetary and non-monetary — of such arrangements across different universities and local health networks is yet to be completely understood and articulated, it is well accepted that there are real and measurable benefits to hospitals that accrue from clinical education, teaching and training. Some of these have been described in the Sax Institutes' Rapid Review Evidence Check on "The costs and benefits of providing undergraduate student clinical placements"[1] as well as in the University of Sydney's Clinical Education Scoping Study[2]. HPESG encourages IHPA to take these benefits into account when determining costing models for TTR.

2. Ensuring proposed costs are representative of current TTR activity

Policy and operations in health professional education and clinical training over recent years have seen significant changes. Requirements for hospital clinicians to undertake teaching and training as part of their professional role have decreased over this time and responsibilities and costs for such activity have increasingly moved to the Higher Education sector. Anecdotal feedback suggests that direct investment by hospitals in teaching and training, particularly for nursing, midwifery and allied health trainees, is the lowest it has been for many years. Attaining a representative cost of hospital based clinical teaching and

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[1] Bowles K, Haines T, Molloy E et al. 2014.The costs and benefits of providing undergraduate student clinical placements for a health service organisation: A Sax Institute Evidence Check rapid review through the Health Education Training Institute (HETI). http://www.saxinstitute.org.au/wp-content/uploads/The-costs-and-benefits-of-providing-undergraduate-student-clinical-place....pdf

[2] Buchanan J, Sascha J and Scott, L. 2014. Student Clinical Education in Australia: A University of Sydney Scoping Study. University of Sydney, Workplace Research Centre.

training therefore needs to consider those costs previously included in hospital activity that are now borne by other sectors. HPESG recommends that IHPA takes this into account when determining TTR costs.

3. *Increased engagement with the university sector regarding ABF for TTR*

The public health and higher education systems are both currently under significant financial pressure and policy uncertainty. It will be increasingly important for the sectors (and their respective federal, state and territory agencies) to work together to maximise efficiencies in our common goals of succession planning for a highly skilled health workforce. A key component of this is maximising the potential for hospital-based clinical education, teaching, training and research. For this reason, HPESG asks that IHPA continue to consult actively with the higher education sector, both collectively through Universities Australia/HPESG and with individual universities as required. HPESG also urges IHPA to reconsider its previous request for representation on its Teaching Training and Research Working Group. While HPESG recognises that individual disciplines are already represented on this group, we believe there is a unique national, sectoral and cross-disciplinary approach that can be brought to this group through HPESG representation.

4. *Broader sampling and consultation across Australia*

HPESG notes that the TTR costing study of 2015, while broad-ranging, included information from hospitals in only three states — specifically West Australia, South Australia and Queensland. HPESG understands that all states and territories were offered the opportunity to opt into the study and that decisions to do so were at the determination of each jurisdiction. We do, however, encourage IHPA to renew its efforts to collect data from additional states and territories, especially those with larger populations and health systems, such as Victoria and New South Wales, before completing the initial TTR classification. As well as expanding data collection to include more sites, we also urge IHPA to ensure that data collection extends beyond survey and focus group data and includes other objective observations to improve the quality of data for embedded teaching and training.

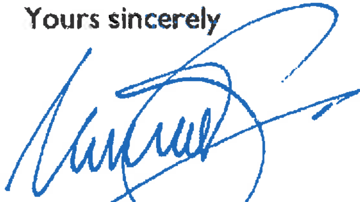
We also encourage IHPA to consult widely with Deans of health professions in the coming months, to ensure that disciplinary perspectives are gathered and that new models of delivery of clinical education are not unintentionally excluded by a costing and classification model framed around current professional and disciplinary norms. HPESG again offers a useful cross-disciplinary health and education forum for consultation on such matters.

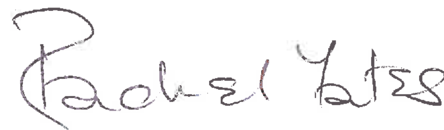
In 2011, developing a useful classification system for TTR was discussed largely in conceptual terms. IHPA's achievements in this work to date suggest that, for teaching and training at least, it could shortly become a reality. Given the potential impact of this work on different sectors, HPESG encourages IHPA to raise awareness among all stakeholders that a

comprehensive TT(R) classification is now likely to be in scope in the near future. This will enable stakeholders to have further input into this work, especially in the more complex costing areas, and allow a comprehensive understanding of the cost-benefit mix in relation to clinical education and training.

Thank you once again for the opportunity to comment on IHPA's 2016–2017 work plan. We acknowledge IHPA's achievements to date in progressing this area and look forward to working with you throughout this time on the TTR classification project.

Yours sincerely





Dr Michael Spence,
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Health Professionals Education Standing Group

Ms Rachel Yates
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