

# SUBMISSION TO THE INDEPENDENT HOSPITAL PRICING AUTHORITY DEVELOPMENT OF THE AUSTRALIAN TEACHING AND TRAINING CLASSIFICATION PUBLIC CONSULTATION PAPER

September 2017

## 1 INTRODUCTION

Universities Australia welcomes the opportunity to respond to the Independent Hospital Pricing Authority's (IHPA's) consultation paper on the Development of the Australian Teaching and Training Classification (ATTC). Universities Australia understands that the ATTC is foundational to the development of activity based funding for teaching and training activities in public hospitals, a process which is intended to bring greater efficiency, transparency, equity and accountability to Australian public hospital teaching and training funding.

Universities Australia is the national peak body for Australia's 39 comprehensive universities. All universities in Australia deliver at least one - and in many instances - multiple, health professional courses. Universities therefore have a keen interest in IHPA's work given the role universities play in training our future health professional workforce and the compulsory requirement for all entry level health professionals to undertake clinical training, the majority of which occurs in public hospitals.

Universities Australia's response to the questions posed in IHPA's consultation paper are provided below. Responses have been developed in close consultation with Universities Australia's Health Education Workforce Group and Health Professions Education Standing Group, the latter of which includes representation from councils of deans of most professional health disciplines, all of whom have extensive clinical knowledge and experience as well as a deep understanding of the education and training needs of their respective health professional disciplines. Universities Australia also values the opportunity to contribute to this important work through its membership of IHPA's Teaching, Training and Research Working Group.

## 2 RESPONSE TO QUESTIONS POSED IN THE CONSULTATION PAPER

### **2.1 ARE THE CURRENT VARIABLES INCLUDED IN THE ATTC VERSION 1.0 RELEVANT TO CLINICIANS, HEALTH SERVICE MANAGERS, AND OTHER STAKEHOLDERS?**

Universities Australia believes that the proposed variables are relevant to the extent possible within the stated limitations of the current data set. Universities Australia continues to have

concerns about these limitations which are addressed further in responses to the questions below.

## **2.2 ARE THERE ANY FURTHER CONSIDERATIONS IN RELATION TO THE PROPOSED STRUCTURE?**

As outlined in the consultation paper Universities Australia understands that development of the ATTC is an iterative process and that IHPA is developing an expanded Hospital Teaching, Training and Research Activities National Best Endeavours Data Set (HTTRA NBEDS) to strengthen the dataset on which further iterations and analysis can be conducted. Universities Australia recommends that relativities are revisited once data sets are expanded.

## **2.3 ARE THERE OTHER VARIABLES WHICH SHOULD BE CONSIDERED IN FUTURE VERSIONS OF THE ATTC?**

As outlined in the paper, Universities Australia supports the inclusion of additional variables such as trainee type (year of training within pre-entry, new graduate, post graduate/vocational etc.) in future versions of the ATTC. This also includes the potential to look at teaching and training differences amongst individual allied health disciplines as more data becomes available.

Given limitations in the costing study for the January to April teaching and training data relative to the May to October data and evidence from IHPA's analysis of the impact of seasonality on teaching and training activity, Universities Australia also suggests that a further analysis on the impact of seasonality should be undertaken as the ATTC data base expands. If seasonality is shown to be a significant factor then it may need to be considered as a separate variable.

Similarly, given that hospital-specific variations have already been shown, Universities Australia believes that future versions of the ATTC based on a broader range of hospitals and jurisdictions needs to consider whether hospital type should be treated as a separate variable.

Universities Australia also suggests that it would be useful to explore as potential variables in future versions of the ATTC, the impact of different models of supervision and/or supervisor to student ratios and where these might intersect in relation to quality outcomes and economies of scale. This might be of particular value given the large variation in cost per trainee found in the 2015 data.

Measures around quality would also be useful – see also further responses below.

## **2.4 WHAT SUPPORTING MATERIAL WOULD BE BENEFICIAL FOR THE ATTC?**

Universities Australia has concerns that the ATTC has not yet given sufficient consideration to quality teaching, training and various aspects of quality which could have an impact on cost and pricing. Universities Australia therefore recommends the development of supporting material - and also further analysis (see also response to question 6 below) - around quality factors and would be pleased to provide input to IHPA regarding the development of such material.

The true cost of delivering quality, clinical teaching and training in public hospitals is a question that we still do not know the answer to but that it would be useful to know (see also response to question 5 below). Supporting work on this would be beneficial.

Supporting material emphasising the partnership approach between education providers and health services in clinical teaching and training would also be valuable – see also response to question 7 below.

Supporting material clearly outlining what data is being collected, how it will be collected and why as well as the benefits it will bring, would also be useful for those facilities providing IHPA with data - largely public hospitals and potentially also universities/higher education institutions.

## **2.5 WHAT COMMUNICATION AVENUES AND METHODS SHOULD IHPA CONSIDER IN ORDER TO INFORM AND ENGAGE STAKEHOLDERS OF THE ATTC AND FUTURE ABF FOR TEACHING AND TRAINING?**

Universities Australia has found ongoing engagement with IHPA through broader discussion with and presentations to its Health Professors Education Standing Group and Health Education Working Group to be of value and suggests that similar approaches with key stakeholder groups continue. The development of consultation papers for public comment are also useful.

Webinars and/or fact sheets outlining the ATTC and teaching and training costing, pricing and activity based funding development would also be useful. Such information needs to be presented in non-technical language and provide the history/context, benefits and limitations of teaching and training activity based funding, including what it can and cannot achieve.

Universities Australia is aware that a number of resources and documents broadly outlining classification and activity based funding development are already available on IHPA's website. In general communication will be enhanced if multi-modal approaches, targeted to specific end-users are provided.

Universities Australia believes it would also be of value to communicate clearly, through these avenues, how the classification system development relates to - but is different from - the pricing process. There are many concerns about the current ATTC data that do not affect the teaching and training classification and relativities (the purpose for which it is currently used) but that would affect teaching and training pricing or activity based funding if the same data set was used without further expansion. While some of this is explained in the current consultation paper, it needs to be further emphasised and clarified to develop greater confidence in the activity based funding development process amongst relevant stakeholder groups. This is especially so given the technical nature of the ATTC and activity based funding.

It is also important to note that the way the teaching and training activity based funding and national efficient price are developed is essentially an average cost rather than a measure of an efficient price based on knowledge of the true cost of delivering quality clinical education and training in public hospitals. Universities Australia understands that it has never been IHPA's remit to develop the latter. However, Universities Australia believes it is important to make this clear to guard against misunderstanding.

Information about the representativeness of the current data set, such as the different types of hospitals included and the proportions of these, would be useful, especially given that the current data set lacks data from either New South Wales or Victoria. A clearer description of what the end class "new graduate" means would also be helpful given that a number of entry level health professional courses are now postgraduate.

## **2.6 ARE THERE PARTICULAR ASPECTS OR AREAS OF THE ATTC THAT SHOULD BE PRIORITISED IN ITS DEVELOPMENT, OR ASPECTS THAT SHOULD BE DEVELOPED AT A LATER STAGE?**

Universities Australia strongly recommends that a reliable mechanism for determining the embedded component of teaching and training is developed. Universities Australia appreciates that determining such costs are challenging and that IHPA has already attempted to undertake such measurement as part of the teaching, training and research costing study. The survey approach employed at that time was not found to be feasible. However, calculation and inclusion of the embedded costs of teaching and training are important. Alternative ways of factoring in

embedded costs need to be explored and developed, including consideration of case study based and/or other approaches.

Mechanisms to assist easier and greater data collection also need consideration.

As mentioned in the response to question 3 above, it is also worth IHPA considering the inclusion of measures regarding future workforce quality and capacity in the ATTC. Quality, safety and innovation are key considerations for IHPA and these could usefully be considered even in the initial ATTC, with further analysis and potentially additional variables included as data sets expand.

## **2.7 ARE THERE ANY FURTHER CONSIDERATIONS THAT SHOULD BE TAKEN INTO ACCOUNT WHEN DEVELOPING THE ATTC?**

Universities Australia refers IHPA to our previous recent submission to IHPA's Draft Work Program 2017-18 and further reiterates here the concerns raised in that submission, particularly in relation to the embedded costs of teaching and training. A copy of Universities Australia's relevant submission is attached.

Universities Australia also seeks further clarification regarding the determination and use of the average teaching and training cost as being used as the efficient price. By necessity, setting the national efficient price at an average price will mean that a number of health services will likely not deliver at this price. Whilst those that deliver under the national efficient will be able to return unused funds to their own source revenue, Universities Australia is concerned that those services that deliver over the national efficient price will look to the higher education sector to make up the shortfall. Universities Australia therefore seeks further information from IHPA regarding how they intend to guard against the consequence of using averages in determining the national efficient price. In this vein, Universities Australia believes that it is important to continue to emphasise that health professional teaching and training in public hospitals (and elsewhere) is a partnership approach between health services and education providers. Each party brings value to the situation and these various contributions need to be adequately and respectfully acknowledged.