

UNIVERSITIES AUSTRALIA RESPONSE TO THE INDEPENDENT HOSPITAL PRICING AUTHORITY'S (IHPA'S) CONSULTATION PAPER ON THE PRICING FRAMEWORK FOR AUSTRALIAN PUBLIC HOSPITAL SERVICES 2021–22

October 2020

Universities Australia welcomes the opportunity to comment on the Independent Hospital Pricing Authority's (IHPA) Consultation Paper on the Pricing Framework for Australian Public Hospital Services 2021–22.

Universities Australia is the peak body for Australia's 39 comprehensive universities. Our interest in the consultation focuses on IHPA's cost determinations for teaching and training block funding to public hospitals/health services, especially as this relates to pre-registration health professional students. Our responses mainly focus on Section 3 of the Paper, especially how this has affected clinical education and placement activity.

Our responses to the relevant consultation questions are provided below.

RESPONSE TO RELEVANT SECTIONS

SECTION 3. IMPACT OF COVID-19 AND ITS IMPLICATIONS ON THE PRICING OF PUBLIC HOSPITAL SERVICES:

CONSULTATION QUESTIONS:

- What changes have occurred to service delivery, activity levels and models of care as a result of COVID-19?
- How will these changes affect the costs of these services in the short and long term?
- What aspects of the national pricing model will IHPA need to consider adapting to reflect changes in service delivery and models of care?

Universities Australia wishes to draw attention to the substantial impact that COVID-19 has had on the teaching and training activities of pre-registration students in public hospitals - now and into the future.

In March/April this year, most health professions education and training across most service settings was interrupted due to COVID-19. The extent of the interruptions varied by discipline, jurisdiction and service setting. In some cases, all placements within the jurisdiction were cancelled. In other instances, all placements nationally within a discipline were cancelled and/or all placements within a particular service setting (such as aged care) were cancelled. By far, most cancellations were instigated by health services due to their need to prioritise the pandemic response and to keep patients and staff safe.

Joint national guidelines promoting clinical placement continuity assisted in sustaining placement activity where possible¹. Placement innovation and adaptation was also supported by flexible accreditation processes – although for a range of reasons, not all disciplines have been as amenable to change as others. Despite these measures and improvements in access to service-based clinical education in most jurisdictions as COVID-19 eased, clinical teaching and training activity was - and has remained – constrained. The situation in Victoria is exacerbated due to its second outbreak.

Universities Australia has two major concerns relating to ongoing and future teaching and training activity:

- immediate capacity issues to address delayed pre-registration health professional student placements in Victorian health services. These have been significantly disrupted due to the second outbreak in Victoria; and
- future placement backlogs in most jurisdictions to address the teaching/training needs for continuing health professional students.

Universities Australia is currently in the process of gathering more specific estimates from members, through its Health Professions Education Standing Group (HPESG), identifying:

- the number of delayed health professional course completions in 2020 due to inability of final year students to complete compulsory clinical placements; and
- the likely ongoing impacts on clinical education and placements over the next few years.

HPESG feedback to date already suggests a significant increase in demand for teaching and training activity/clinical placements over the next three to four years as universities deal with:

- the backlog of placements from pandemic-disrupted teaching and training activity during 2020. The backlog includes:
 - Extended current teaching and training loads in a bid to support 2020 final year students who still need to complete outstanding compulsory clinical placements.
 - Catch-up placements across earlier year levels: where possible, final year student placements have been prioritised in 2020. The demand for placements in 2021 and for several years beyond is therefore likely to be much higher than usual to address the catch-up for other year levels.
- ongoing social distancing requirements. This limits the number of students on placement at one time and multiplies the supervision requirements;
- decreased access to other placement settings, particularly aged care, which puts further pressure on placements in other health services; and
- further possible waves of COVID-19 in coming years, which could cause additional stress on already overloaded teaching and training requirements and supervisors with already high teaching loads.

It is out of scope for Universities Australia to provide an estimate of hospital teaching training costs: IHPA's teaching and training block funding cost determinations are based on estimates provided by jurisdictional health services and comments on these costs remain their remit. However, universities are frequently requested to resource or subsidise teaching and training costs for students on placement in public hospitals – even, at times, in those services that receive relevant funding through the National Health Funding Pool². Provision of adequate funding to hospitals for teaching and training, and the transparent use of those

¹ <https://www.health.gov.au/resources/publications/national-principles-clinical-education-during-the-covid-19-pandemic>

² The extent to which universities are required to pay public hospitals to place students is extremely variable across discipline and jurisdiction. However, teaching and training funding flows to all jurisdictions. Victoria is the only jurisdiction with a compulsory clinical placement fee schedule. Under the schedule, all universities placing students in Victorian public health facilities must pay an agreed per student daily placement fee to the health service.

funds, is therefore of great importance to universities – especially at a time when there is likely to be heightened demand. Universities Australia recommends that this be given serious consideration in developing the teaching and training block funds for 2021 and several years beyond.

SECTION 10. SETTING THE NATIONAL EFFICIENT COST – THE FIXED PLUS VARIABLE MODEL:

CONSULTATION QUESTION:

- Are there refinements to the ‘fixed-plus variable’ model that IHPA should consider?

At present, teaching and training activity in public hospitals remains block funded. However, IHPA continues to explore the development of activity-based funding for teaching and training and is in the process of collecting jurisdictional data to further inform its development through the Australian Teaching and Training Classification (ATTC). IHPA is concurrently developing shadow pricing and investigating alternative models to block funding until the ATTC can be enabled.

It is not clear from the consultation paper what, if any, alternative models specific to teaching and training costing are being explored. However, an example of the “fixed plus variable” model developed for small rural hospitals (which have historically also been block funded) is provided in the paper as an alternative to pure block funding. One of the key stated advantages of the fixed plus variable model is that it is more responsive to changes in activity levels than block-funding on its own allows.

Universities Australia wonders if there is scope for this model to be applied to teaching and training costing and funding over the next few years, potentially with the variable component directed specifically to clinical placement “catch-up”. A key goal would be sustaining the health workforce pipeline at a time when demand is likely to be high. Transparent use and reporting of the variable funds for the purposes of clinical teaching/training remediation is strongly recommended.

OTHER COMMENTS

The consultation paper is very clear and highlights IHPA’s commitment to broad stakeholder consultation. Universities Australia has engaged a number of times with IHPA regarding its work on activity based funding and related pricing and costing activities. Further engagement through presentations and discussion with Universities Australia and HPESG are welcome.

Universities Australia encourages future discussions about alternative funding models for teaching and training costing/pricing. We welcome the opportunity to work with IHPA, jurisdictions and the sector to consider development of a transparent teaching/training funding model specifically for pre-registration professionals. The primary goal would be to support adequate future health workforce formation and development over the next few years as we deal with the placement bottleneck from COVID-19.