

In consortia with:



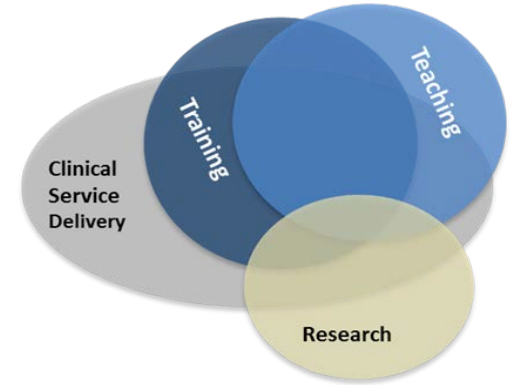
INDEPENDENT HOSPITAL PRICING AUTHORITY
TEACHING, TRAINING AND RESEARCH
PRESENTATION TO ABF CONFERENCE
28 MAY 2015

The TTR landscape

- Substantial growth in training places in the past decade to accommodate forecast increases in the demand for public healthcare;
- TTR occurring in a broader range of settings than ever before to accommodate growth in demand;
 - No longer notion that large metropolitan ‘teaching’ hospitals are solely responsible for TTR;
 - Regional, rural and smaller hospitals are playing increasing role in TTR delivery.
- Australia has long been renowned for the quality of research output, which relies significantly on the resources and supporting infrastructure provided by public hospitals;
- Funding for TTR has historically been supported by block grant allocations that have little relationship to the cost drivers of TTR.
- The National Health Reform Agreement 2011 (NHRA) recognised that TTR were functions provided by public health services which may be more appropriately funded under alternative funding arrangements.
- In 2013 IHPA initiated a project to define TTR and identify associated cost drivers for activity based funding purposes (the Definitions and Cost Drivers project) - established
 - nationally consistent, broadly accepted definitions for ‘teaching and training’ and ‘research’
 - a framework for developing a classification for teaching and training (T&T).

Key issues in defining TTR for ABF purposes

- TTR activity expanding beyond traditional tertiary “teaching” hospitals into new locations to accommodate growth in training pipelines;
- Most TTR activity previously understood through a medical lens - however significant TTR activity occurs in other clinical disciplines;
- High degree of ‘embeddedness’ between TT&R and clinical service delivery in many cases.
- Sources of funding for health and medical research ‘poorly understood’.
- No standard national definition of TTR existed;
- Although definitions of ‘teaching’, ‘training’ and ‘research’ had been developed, they had not been widely adopted for funding purposes across jurisdictions;
- Different approaches used across jurisdictions to fund TTR



Definitions of TTR

The IHPA TTR Definitions and Cost Drivers project developed definitions of TTR that will inform the scope of this study

Definition of teaching and training (T&T)

Teaching and training describes:

“the activities provided by or on behalf of a public health service to facilitate the acquisition of knowledge, or development of skills. These activities must be required for an individual to:

- attain the necessary qualifications or recognised professional body registration to practice;
- acquire sufficient clinical competence upon entering the workforce; or
- undertake specialist/advanced practice

in medicine, dentistry, nursing, midwifery or allied health.”

The IHPA TTR Definitions and Cost Drivers project developed definitions of TTR that will inform the scope of this study

Definition of research

Research describes:

“the activities undertaken in a public health service where the primary objective is the advancement of knowledge that ultimately aims to improve consumer and patient health outcomes and/or health system performance. The activity must be undertaken in a structured and ethical way, be formally approved by a research governance or ethics body, and have potential for application outside of the health service in which the activity is undertaken.

For activity based funding (ABF) purposes, the definition of research relates to:

the public health service’s contribution to maintain research capability, excluding the costs of research activities that are funded from a source other than the state or territory or provided in kind.”

Nature of TTR

The Definitions and Cost Drivers project identified four broad groups of TTR activities and costs: direct T&T, indirect T&T, embedded T&T and research capability.

TTR Category		Definition and examples
Teaching and Training (T&T)	Direct T&T	<ul style="list-style-type: none"> Are distinct and separable activities that occur outside of an episode of care but are directed specifically towards skills and knowledge development; <i>E.g. direct activities may include lectures, tutorials or workshops.</i>
	Indirect T&T	<ul style="list-style-type: none"> Are 'back office' administrative and coordination activities undertaken by a health service that are essential to facilitate T&T; <i>E.g. coordination of student placements and trainee rotations, clinical education unit support, educational program development.</i>
	Embedded T&T	<ul style="list-style-type: none"> Describes where T&T occurs in conjunction with patient care; <i>e.g. ward rounds, trainee participation in procedures, therapeutic interventions, outpatient clinics.</i>
Research	Research Capability, S&T funded research	<ul style="list-style-type: none"> Relates to the capacity and capability of a health service to support and facilitate research activity; Not usually directly funded by research grants; <ul style="list-style-type: none"> E.g. activities of Research directorates, Human Research Ethics Committee (HREC) coordination, grants submissions.

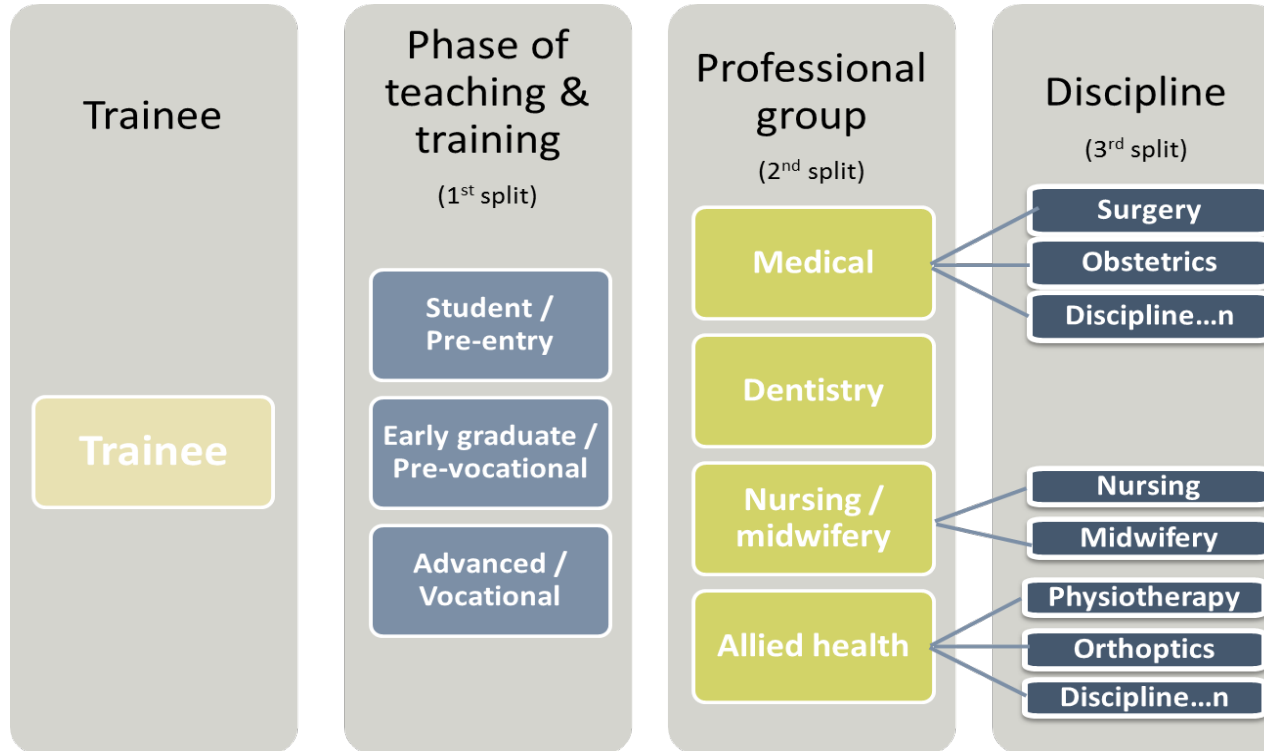
A classification development framework for T&T

Two options were identified for a classification development framework for T&T following an analysis of T&T cost drivers.

- Difficulties obtaining readily available research data meant that cost drivers for research could not be reliably identified.
- The unit of count for the T&T classification should be the number of trainee FTE either placed or employed by a public hospital;
- The scope of the classification should be defined by:
 - The trainee's professional group
(medicine, dentistry, nursing / midwifery or allied health)
 - The phase of training in which a trainee is engaged
(pre-entry / student, early graduate / pre-vocational or vocational / advanced).
- Two options were presented for testing the T&T classification development framework :
 - Option One uses 'phase of T&T' as the initial splitting variable;
 - Option Two uses 'professional group' as the initial splitting variable.

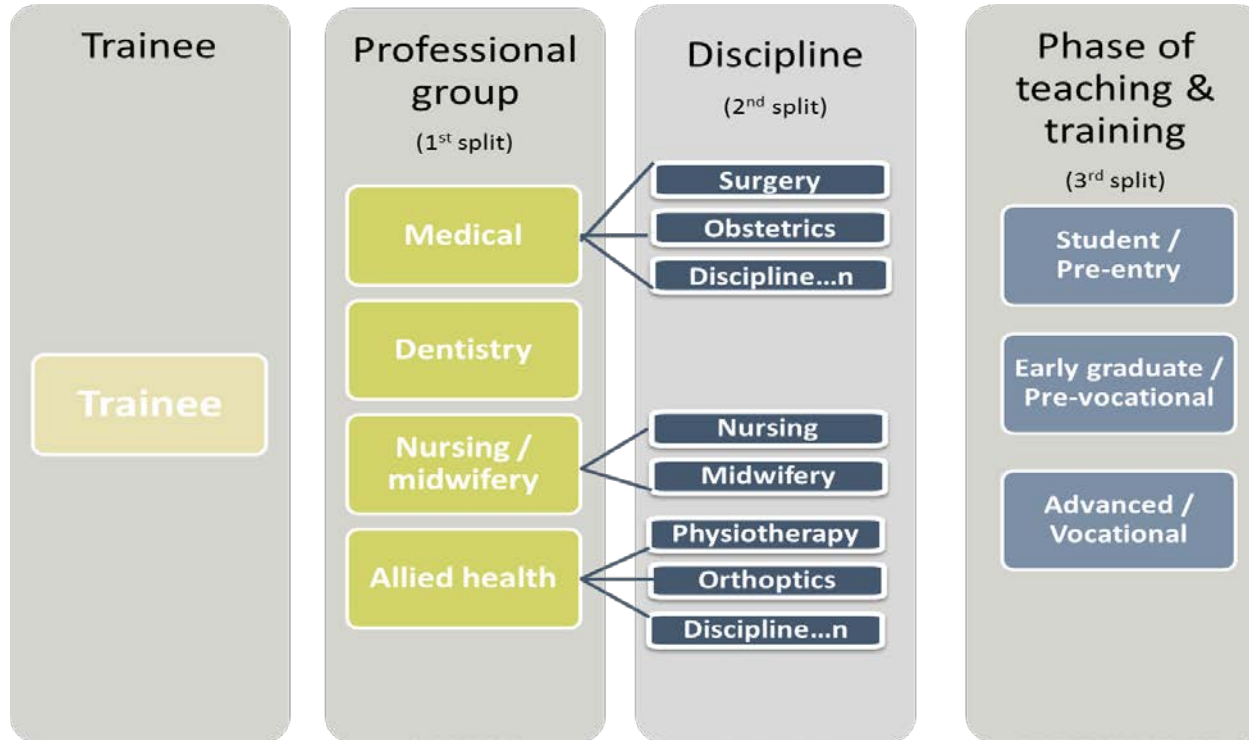
A classification development framework for T&T

Option One – Phase of T&T as the initial splitting variable in the classification



A classification development framework for T&T

Option Two – Professional group as the initial splitting variable in the classification



TTR Costing Study: Project overview

The Definitions and Cost Drivers Project set the foundation and scope parameters for a TTR costing study

- IHPA engaged a consortium led by Paxton Partners was engaged to undertake a teaching, training and research (TTR) activity and cost data collection across a sample of Australian hospitals in September 2014;
- 21 sites will participate in total, comprising 13 from Queensland, 5 from WA and 3 from SA;
- Main project output will be the development of a costed TTR data file that will inform the development of a TTR classification.

Project status

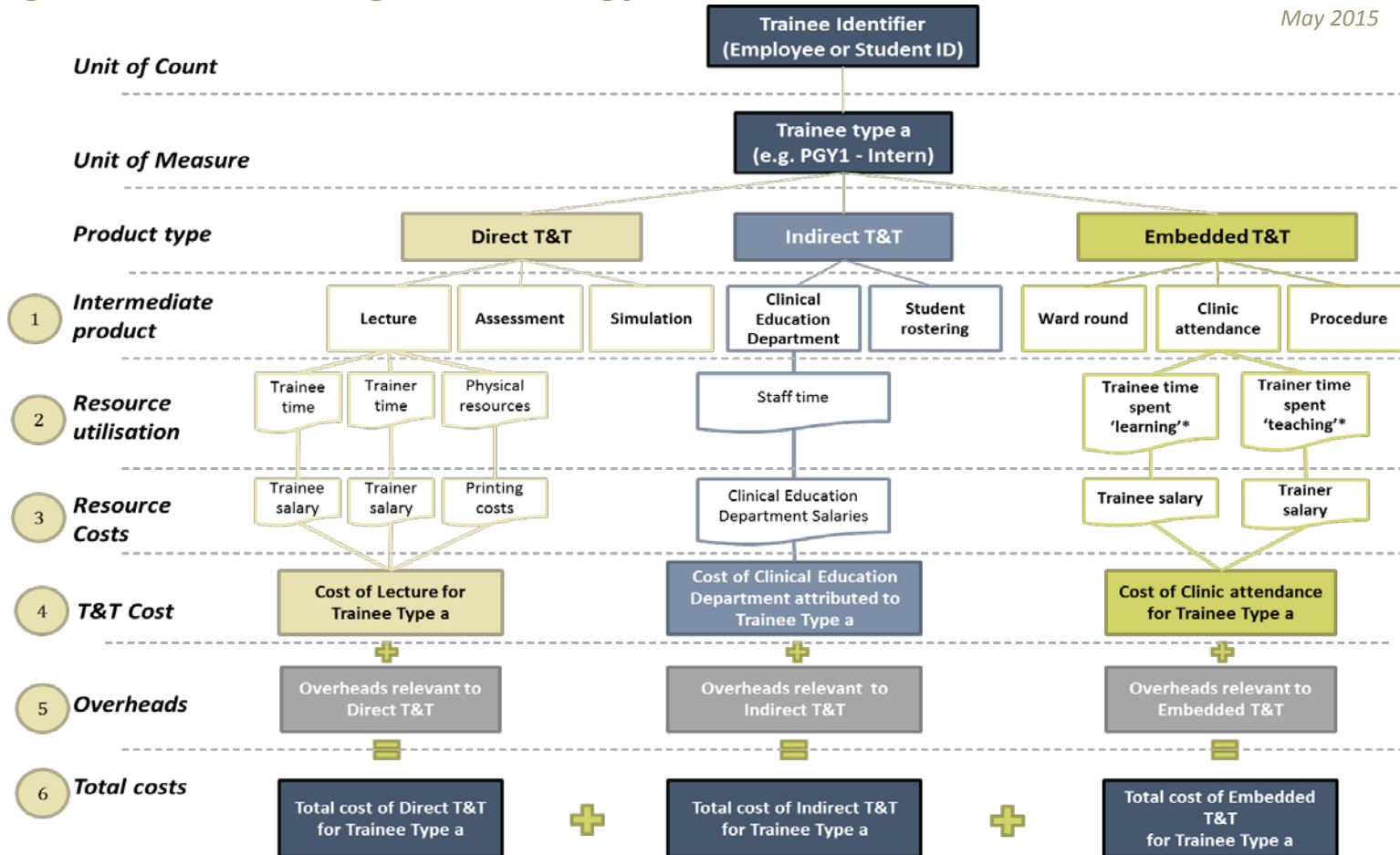


- Data collection will include both prospective (May to October inclusive) and retrospective (January to April) elements to ensure that seasonal impacts on TTR activity can be captured;
- Live data collection commenced on 1 May 2015.

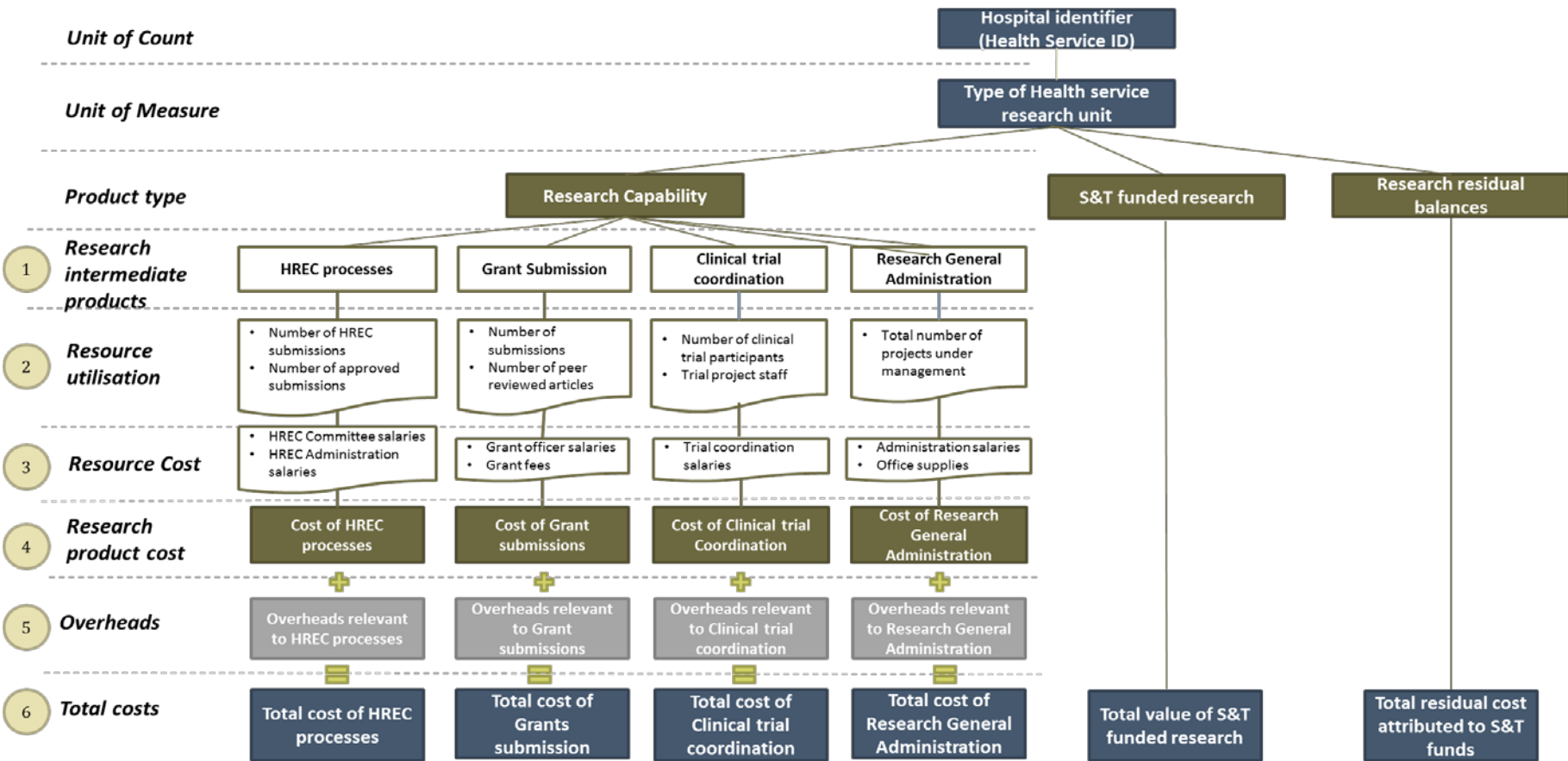
Costing study approach: Key project principles

- **This project is different to previous patient-level costing studies** - focus on trainee activities and research capability (not patient level costing);
- **Costing study designed to be minimally resource-intensive for health services to participate.** Focus will be on data held in existing systems as a first priority;
- **Sites have been provided with a range of supports throughout the costing study**, including front line help desk, website portal, designated site support from project team representatives
- **Costing will be undertaken by the Consulting team.** Jurisdictions and participating sites only responsible for data collection.
- **Data will be collected on a site basis.** Not at health service / network level
- **Costing study only relates to activities that are funded by states and territories and are incurred by (or on behalf of) public hospitals.**
- **Purpose of the project is to understand the differential costs between TTR activities and between different hospital locations** rather than separating the absolute costs from patient care activities

High-level T&T costing methodology



High-level research costing methodology



Questions?

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