

Response to the Independent Hospital Pricing Authority's Development of the Australian Teaching and Training Classification

Victorian Department of Health and Human Services
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Introduction

Victoria welcomes the opportunity to comment on the Independent Hospital Pricing Authority's Consultation Paper on the development of the Australian Teaching and Training Classification.

Victoria broadly supports the work of the Independent Hospital Pricing Authority to develop classifications for teaching and training activity to increase transparency in funding. However, Victoria recommends that the Independent Hospital Pricing Authority develops a robust body of cost data before any further development of an activity based funding model, or a price, for teaching and training activities.

Looking forward, a new activity based model would need a high degree of evidence to support the transition from block funding to activity based funding, and to demonstrate that there will be no unintended consequences from the introduction of a new funding model. States and territories will also need sufficient time to transition to the new arrangements.

Consultation question 1: Are the current variables included in the ATTC Version 1.0 relevant to clinicians, health service managers, and other stakeholders?

Victoria supports the proposal to include profession and training stages, subject to further data being collected confirming the correlation of these end classes with costs.

Victoria proposes that, with the additional data collected, the Independent Hospital Pricing Authority undertakes further analysis to determine if size or location of a hospital should also be a variable. Victoria considers this to be a driver of costs, and would expect further analysis undertaken for possible inclusion in the classification.

Consultation question 2: Are there any further considerations in relation to the proposed structure?

The Independent Hospital Pricing Authority should consider variations between jurisdictions on how different costs for teaching and training are reflected in the cost data provided. Variations in the treatment of embedded, direct and indirect cost may influence the final price for an activity based funding model, and inconsistencies across jurisdictions should be taken into account.

Consultation question 3: Are there other variables which should be considered in future versions of the ATTC?

As mentioned above, hospital size and location should be considered subject to further data collection and analysis. In addition, differences between jurisdictions in how teaching and training programs are implemented will need to be considered to understand nation-wide implications.

Consultation question 4: What supporting material would be beneficial for the ATTC?

Victoria considers that the collection of more cost data overtime and a comparison between years would benefit the development of an ATTC. Victoria considers that the variables already collected (FTE, direct cost, indirect cost, hospital size etc) are sufficient.

Consultation question 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?

A communications plan should be developed prior to implementation in consultation with the Teaching Training and Research Working Group, supplemented with material for circulation.

Consultation question 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?

Nil comment.

Consultation question 7: Are there any further considerations that should be taken into account when developing the ATTC?

Victoria supports expanding the NBEDS data collection, and is well positioned for expanded data collection and reporting requirements. However, the Independent Hospital Pricing Authority should take into consideration the data maturity of all jurisdictions and allow sufficient time to prepare for the new classification.

Jurisdictional variation of teaching and training activities will need to be considered when developing the ATTC and any future proposed models will need to take account of these variances.

The Independent Hospital Pricing Authority should also investigate whether all aspects of teaching and training should be funded on an activity basis, or whether it is better to continue to block fund components of teaching and training.

Lastly, Victoria suggest a sufficient shadow pricing period prior to implementation, perhaps for two years. This will allow jurisdictions time to evaluate the funding implications, and sufficient time for the Independent Hospital Pricing Authority to evaluate and refine the model.