January 2015

Joanne Fitzgerald
Director
Classification and Coding Standards
Independent Hospital Pricing Authority
ihpa@ihpa.gov.au
PO Box 483,
Darlinghurst NSW 1300

Dear Ms Joanne Fitzgerald,

re: INDEPENDENT HOSPITAL PRICING AUTHORITY, TEACHING, TRAINING AND RESEARCH COSTING STUDY, PUBLIC CONSULTATION PAPER, DECEMBER 2014

Reference: 1.3.8.2

Thank you for the opportunity to provide the Australian Society of Anaesthetist's perspective on the review of the Teaching, Training and Research Costing Study. The ASA is the peak representative body for the medical specialty of Anaesthesia in Australia. The ASA has a diverse membership of over 3000 anaesthetists. We come from both metropolitan and non-metropolitan areas as well as public, private and blended public/private practices.

The ASA would like to focus on one of the questions presented in your paper to better crystallise our overall concerns in a succinct manner. The ASA understands that currently the federal government funds their contribution to public hospital services via a system called Activity Based Funding (ABF).

The monitoring, management and administration of health care provided by the public hospitals is filtered through ABF. However private and public hospitals possess their own individual needs and problems as reflected by their size and geographic location.

The ASA has supported the introduction of the ABF and the power and benefit of the associated data sourced from government. Health fiscal transparency is a key element for us as it will better serve to:

- improve efficiency
- reduce unwarranted variation
- inform service agreements
- set performance benchmarks

Since the announcement of the Federal Budget there is a real concern that Commonwealth cuts to public hospital funding will have a real impact on the training of junior doctors, future specialists and medical students. The ASA is wary of any methodology that ties funding for public hospitals to consumer price index (CPI) growth. In short as CPI falls below health costs this equates to a decline in Commonwealth funding.

3.5 Approach to capturing embedded costs of teaching and training

3. How important will it be to capture embedded T&T that occurs in conjunction with patient care?

As vital as this work is the ASA must bring attention to the fact that trainees in hospitals cost money. The largest "cost" in assisting in their training is the extra time taken which slows the more senior doctor's productivity. While the ASA acknowledges and supports the need to provide good training and supervision to doctors in training, it is also important to raise awareness that junior doctors are not a uniform group. Interns cost more in time and supervision than senior trainees or fellows.

Embedded costs are intrinsic in any organisation and should be counted. This is demonstrated in the private realm where specialists are under pressure not only in the application of their skills but also in running their own practice. Experience with trainees in the private sector shows that there is a real financial cost to our members due to the impact of extended time associated with assisting a junior doctor. More often than not the resultant outcome is the decrease in productivity of senior doctors due to providing proper and effective supervision and training.

What is required are effective samples that capture hospitals of all sizes that undertake training. Regional hospitals suffer the most in that they tend to attract junior doctors earlier in their careers who require increased levels of supervision (with the resulting cost). These doctors have to move to larger hospitals to finish their training and as a result these hospitals have significant turnover and often fail to attract the less "training costly" experienced trainees.

The ASA believes that the embedded costs are the major cost of training and need to be captured in the TTR costing study

If you would like to discuss these issues further, please do not hesitate to contact the ASA.

Yours sincerely,

Dr Guy Christie-Taylor
President: Australian Society of Anaesthetists



t 02 8556 9700 | f 02 8556 9750 | asa@asa.org.au | www.asa.org.au | ABN 16 095 377 370
PO Box 6278, North Sydney, NSW 2059