

Submission to the Independent Health and Aged Care Pricing Authority's Consultation Paper on the Pricing Framework for Australian Public Hospital Services 2025-26

June 2024

Recommendation: That further efforts be made into gathering Australian Teaching and Training Classification (ATTC) data from public health services. One suggestion is to make health service provision of the ATTC data a requirement of their receiving teaching, training and research block funding.

Introduction

Thank you for the opportunity to respond to the Independent Health and Aged Care Pricing Authority's (IHACPA's) Consultation Paper: *Pricing Framework for Australian Public Hospital Services 2025-26*.

Universities Australia (UA) is the national peak body for Australia's thirty-nine comprehensive universities. These universities educate and train virtually all of Australia's new-entry domestic health professional workforce. They also upskill and reskill existing health practitioners (domestic and international). Most of this education requires universities to ensure that students complete compulsory clinical placements. The majority of these occur in public hospitals/health services. As well as workforce development, universities undertake substantial health-related research. UA's response is concerned with this aspect of IHACPA's pricing framework, particularly consultation question 7 regarding teaching, training and research (TTR) block funding.

Background

IHACPA has a major role in determining the amounts of funding that flow to public health services for TTR. Currently, TTR is block-funded and amounts are based on the national efficient cost. TTR funding covers a range of activities, including (although not limited to) teaching and training of new-entry tertiary education students.

Visibility of how block funding is used after allocation is poor and IHACPA has not yet been able to develop a more transparent Activity Based Funding (ABF) unit for teaching and training. This is despite development of the Australian Teaching and Training Classification (ATTC)¹. The main issue is the inadequacy of the data collected from state and territory health services. Currently, provision of this data is voluntary, on a National Best Endeavours basis.

Greater transparency in TTR funding use and outcomes has been called for by many stakeholders, including universities who often pay a per-student daily fee to place their students in public health services. Payments from universities are in addition to the significant TTR funding already provided to public health services². Transparency of TTR block funding is also a recommendation in the *Mid-Term Review of the NHRA Addendum 2020–25*³.

¹ The ATTC is foundational to the development of Activity Based Funding (ABF) for TT. The ATTC was developed in 2017/18 in consultation with IHPA's TTR Working Group - a multistakeholder group of which UA is a member.

² The Commonwealth Government provided \$678 million for TTR in 2021-22. Jurisdictions made additional contributions.

³ Mid-Term Review of the NHRA Addendum 2020–25, Recommendation 26: "There should be greater transparency in the funding and investment in Teaching and Training functions" (p10)

Response to question 7

What data-driven processes can be used to determine the efficient cost of teaching and training services to improve the transparency of block-funded amounts provided for these services, ahead of a potential longer-term transition to ABF?

A mechanism for tracking teaching and training activity in public health services - the ATTC - has already been developed. Effective implementation of this classification system would go a long way to provide the relevant data-driven reporting and transparency sought for TTR block funding - at least for the teaching and training component. The issue is that current data is collected on a voluntary basis and is patchy as a result.

Rather than develop alternative data-driven processes for following TTR block funding use, we recommend that significant efforts are put into gathering ATTC data as a minimum data set from public health services. One suggestion is to make health service provision of the ATTC data a requirement of receiving TTR block funding.

Irrespective of whether an ABF for TT is developed in future, comprehensive collection of ATTC data would bring more transparency to teaching and training activity in public health services. Access to comprehensive data would also:

- assist in health workforce planning - an area of significant need; and
- support effective collaboration between governments, health services and education providers to further develop and sustain those working in the health system.