Funding models for medical teaching, training and research: Objectives and principles

2012

On Thursday 18 October 2012, a range of organisations involved in medical education and training met in Melbourne to discuss funding models for teaching, training and research (TTR). The following objectives and principles for a future funding model were agreed.

Background

- Medical graduate numbers have grown rapidly since 2004 with nearly 4000 graduates expected by 2016.
- Adequate funding of teaching, training and research (TTR), and the measurement and maintenance of its quality, will be essential to ensure that Australia's health care remains at a high standard.
- A funding model is needed for TTR that provides every medical student and graduate with a quality clinical training experience from medical school through to the completion of vocational training. It should encourage innovation, support medical research and the translation of research into evidence based practice.
- Significant future deficits have been identified in other parts of the health workforce. It is essential that adequate funding is maintained for TTR for medical training.
- Sufficient numbers of high quality training places must be available for graduates throughout the medical training pipeline. These should align with health workforce planning and projections with information being updated and publicly reported on a regular basis.
- This will result in improved patient safety and quality of care, and better health outcomes.

Broad objectives

An appropriate funding model for TTR should:

- support the maintenance of a highly qualified and well-trained medical workforce through the provision of clinical training and maintenance of research in public hospitals.
- provide medical students and graduates with a quality clinical training experience from medical school through to the completion of vocational training.
- maintain quality clinical supervision and assessment across the continuum of medical training.
- recognise the core research role of senior clinical teachers and fellows in hospitals and deliver a base level of funding upon which specific research grants can build. This would incentivise hospital administrators to value clinical research and the application of its findings.
- cover the reasonable expenses of providing effective, comprehensive, high quality health services including TTR, service development and quality improvement without imposing unnecessary red tape and layers of bureaucracy.
- take into account the full range of teaching and training activities in public hospitals to enhance patient care. The majority of clinical teaching and training in public hospitals is delivered in conjunction with patient care. Funding mechanisms must adequately

recognise these 'integrated' activities and reflect the numbers of medical students and junior doctors coming through the system.

- reflect the breadth and complexity of work performed in a public hospitals and recognise the resource demands of TTR activities and slower patient throughput associated with teaching and training.

- funding models must be robust enough to accommodate changes in both cost and volume over time, and be responsive to feedback.

- be incentive neutral to provide for high quality teaching and training across all settings (for example private and expanded settings), and to accommodate the need for increased training expansion as required. It is essential that any funding model does not create disincentives to train in settings beyond public hospitals, and should not undermine other funding or training models.

- consult with the clinical TTR community to ensure the funding model reflects the true costs involved and does not create perverse incentives.

Specific principles

- TTR should be seen as core business for the health system.

- TTR should be seen as an investment for a sustainable quality health service.

- Funding models for teaching and training (TT) should be separate from research (R).

- The concept of net cost of TT should be explored in conjunction with the concept of service benefit.

- Classification and adjustment systems must acknowledge elements such as prior experience, skill set, length and intensity of training and supervision requirements across the continuum of medical education and training and across specialities.

- Whether funding should follow the trainee or be allocated to the health service provider on an annual basis should be investigated.

- Mechanisms to compensate for changes in cost and volume growth within TT and R must be identified.

- Funding for TT and R must align with a national workforce plan. Pricing and costing frameworks must be linked to a national workforce plan to ensure the equitable distribution of TT funds in line with workforce demand, requirements for training places, distribution and community need. It is integral that Independent Hospital Pricing Authority and Health Workforce Australia work together to achieve this objective.

- A robust data set on the cost and volume of teaching and training activities is fundamental to improving the reliability of any funding model for TTR.

Accountability framework

An appropriate funding model for TT and R should:

- be linked to a suite of publicly reported key performance indicators (KPIs) for TTR to enhance quality and accountability and mechanisms must be put in place to monitor the performance of the health system in relation to TT and R activities.

- not provide incentives for 'gaming' and inaccurate reporting of KPIs for TT and R.

- clearly articulate the relationship between higher education funding and funding for TT and R. This includes transparency around the distribution of funds for TT and R between the higher education and hospital interface.

- provide mechanisms for regular review of the effectiveness of the funding model for TT and R and further refinement as necessary.

Actions

It is recommended that the IHPA:

1. establish a working group to provide advice on the preferred funding approach, time line, transition path and associated work program. Membership on this group should include but is not limited to:

    - AMA
    - AMACDT
    - MDANZ
    - AMSA
    - CPMEC
    - CPMC.

    (It is noted that IHPA has committed to such a consultative and advisory process).

2. establish a baseline for how TT and R is currently funded to inform evaluation of the validity of future funding models;

3. conduct a thorough literature review on the international experience of funding models for TT and R, and for disaggregating and unbundling the costs of TT and R to inform the development of an ABF model;

4. develop a costing/funding model for TT and R with a suggested time line of 31 December 2013;

5. pilot and evaluate this model(s) in 2014 prior to any decision to implement it more broadly;

6. make a recommendation to the Minister on the preferred funding model(s) for TT and R if possible by 31 December 2015; and

7. where practicable, make a recommendation to the Minister on the preferred evaluation and reporting framework for TT and R to ensure transparency and accountability of the preferred funding model(s).

This document has been formally approved by the following organisations who attended the Securing funding for teaching, training and research meeting on 18 October 2012:

- Australian Medical Association (AMA)
- Australian Medical Students' Association (AMSA)
- Australian Salaried Medical Officers Federation (ASMOF)
- Medical Deans Australian & New Zealand (MDANZ)
- The Australasian College of Emergency Medicine (ACEM)