

Dear Mr Downey,

Thank you for the opportunity to provide feedback on the Independent Hospital Pricing Authority's (IHPA's) 2018-19 draft work program.

Universities Australia (UA) acknowledges and supports the increasing breadth of IHPA's work program in 2018-19 which now includes further work on Sentinel Events, Hospital Acquired Complications and Avoidable Readmissions – in addition to IHPA's existing work to bring greater transparency to the delivery and funding of hospital services through costing, pricing and Activity Based Funding (ABF) determinations. UA's response to IHPA's 18-19 draft work program is however focused solely on Program Objective 3, item f: Teaching Training and Research.

UA supports IHPA's work to develop greater transparency in teaching, training (TT) and, eventually, research (R) activity and funding through the development of the Australian Teaching and Training Classification (ATTC) as a foundation for the future development of ABF for TT.

As in previous submissions, UA reiterates that while we see utility in the development of ABF for TTR, the accuracy and value of this work could be greatly enhanced if the embedded component of TT - which IHPA has previously suggested constitutes roughly 80 per cent of the cost of TT in public hospitals - was specifically included. UA understands that initial attempts to include embedded costs in the ATTC were made but have not been continued.

UA acknowledges that, as informed by IHPA, public hospitals already receive funding for clinical service delivery through the relevant ABF. UA is, however, unaware of work showing that this truly or sufficiently accounts for the embedded TT component in such activity. We would be very interested to review any evidence. UA also acknowledges that identifying the TT component in the cost of service delivery is methodologically challenging, however strongly urges IHPA to review approaches to classifying and costing the embedded component of TT (R) to strengthen the useful work on TT that IHPA is already undertaking.

UA's views about this and other aspects of IHPA's work on TTR, including aspects relevant to quality, have been made in our previous submissions to IHPA. Copies of these recent submissions are attached for further reference.

UA looks forward to continuing to engage with IHPA in the development of the ATTC and ABF for TT and welcomes the opportunity for UA and the UA Health Professions Education Standing Group (HPESG) to talk further with you about these matters.

Kind regards -

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