Australian
Private Hospitals
Association

SUBMISSION BY THE AUSTRALIAN PRIVATE HOSPITALS ASSOCIATION TO THE PRODUCTIVITY COMMISSION'S INQUIRY INTO THE HEALTH WORKFORCE

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Introduction

The Australian Private Hospitals Association (APHA) is the peak national body representing the interests of the private hospital sector, with a diverse membership that includes large and small hospitals and day surgeries, for profit and not for profit hospitals, groups as well as independent facilities, located in both metropolitan and rural areas throughout Australia. The range of facilities represented by APHA includes acute hospitals, specialist mental health and rehabilitation hospitals and also free-standing day hospital facilities.

Background

According to the latest available data, from the Australian Bureau of Statistics[1] and the Australian Institute of Health and Welfare[2]:

- There are 291 private hospitals in Australia, with 26,589 beds – around 33% of all hospital beds in Australia;
- Private hospitals treat almost 40% of all hospital admitted patients in Australia;
- Private hospitals perform 56% of all surgery in Australia;
- Of the top ten (by volume) treatments provided by both public and private hospitals, five are identical procedures – with private hospitals performing the majority in four of the five;
- In 2003-04, private hospitals admitted 2,641,000 patients, up 30.0% on the previous four years. Public hospitals admitted 4,200,000, up 8.0% on the previous four years; and
- More than 48,500 full-time equivalent staff are employed in the private hospitals sector.

Differences between the private and public hospital sectors

At one level, the private and public hospital sectors are broadly similar. For example, of the total 654 different procedures performed in Australian hospitals, private hospitals perform 647. The seven exceptions are liver transplant, multiple organ transplants, heart transplant, lung transplant, cardiothoracic/vascular procedures for

[1] Australian Bureau of Statistics, *Private Hospitals Australia 2003-04*, July 2005
[2] Australian Institute of Health and Welfare, *Australian Hospital Statistics 2003-2004*, July 2005

neonates, severe full thickness burns, and HIV with catastrophic complicating conditions.[3] In addition, many private hospitals provide a similar suite of services to public hospitals. There are private Emergency Departments, many private intensive care beds and a wide range of other specialised units in private hospitals. Private and public hospitals also treat a similar proportion of elderly patients, for example in 2003-04:

- Patients aged 65 and older comprised 35% of patients treated in private hospitals compared to 34% in public hospitals;

- Patients aged 75 years and older comprised 20% of patients treated in private hospitals compared to 19% in public hospitals; and

- Patients aged 85 years and older comprised 4.1% of patients treated in private hospitals compared to 4.8% in public hospitals.[4]

However, this assessment can mask differences between the sectors that underline the complementary nature of the two sectors which helps to ensure a balanced and sustainable health care system. For example, the latest available data[5] indicates that with around one-third of total hospital beds, the private sector provides:

- 77% of knee procedures
- 70% of major lens procedures
- 65% of sameday mental health treatment
- 55% of hip replacements
- 54% of major procedures for malignant breast cancer
- 53% of chemotherapy
- 46% of cardiac valve procedures
- 42% of coronary bypass procedures
- 41% of all hospital based psychiatry services

If Australia is to have a well-rounded health workforce, there is a pressing need to ensure that medical, nursing and allied health practitioners receive training in both the private and public hospital sectors. In order for this to occur, a coherent and equitable model of delivering and funding such training must be developed and implemented.

Funding issues

Private hospitals receive the overwhelming bulk of their funding on the basis of the services that are provided, with the sources being private health insurance funds and other third party payers and direct charges levied on patients. Unlike public hospitals that might receive additional funding for capital investment and/or for education and research, other than a very small quantum of funding paid to private teaching hospitals there is no similar funding mechanism available for private hospitals sector. This is both inequitable and inefficient.

[3] Australian Institute of Health and Welfare, 2005
[4] Australian Institute of Health and Welfare, 2005
[5] Australian Institute of Health and Welfare, 2005

The bulk of funding paid by private health insurance funds to private hospitals currently occurs under Hospital Purchaser Provider Agreements (HPPAs), negotiated between hospitals and health funds. These 'agreements' are increasingly made on a take-it-or-leave-it basis, with health funds protected both by their market power and the provisions of the Trade Practices Act while most private hospitals are left exposed in the marketplace by a flawed legislative framework underpinning the negotiation of HPPAs.

There are a number of ways of illustrating the difficulties facing the private hospitals sector with regard to funding. For example, the proportion of total benefits paid by health insurance funds to private hospitals and day hospital facilities has declined from some 55% of total fund benefits in the mid-1990s to just over 46% in 2003-04.

Another way of examining this issue is to assess changes over time in the payment of health fund benefits. For example, the table below compares increases in private health insurance premiums with the changes in health fund benefits paid to private hospitals and day hospital facilities on both a per day and per episode basis from 2002 to 2004.

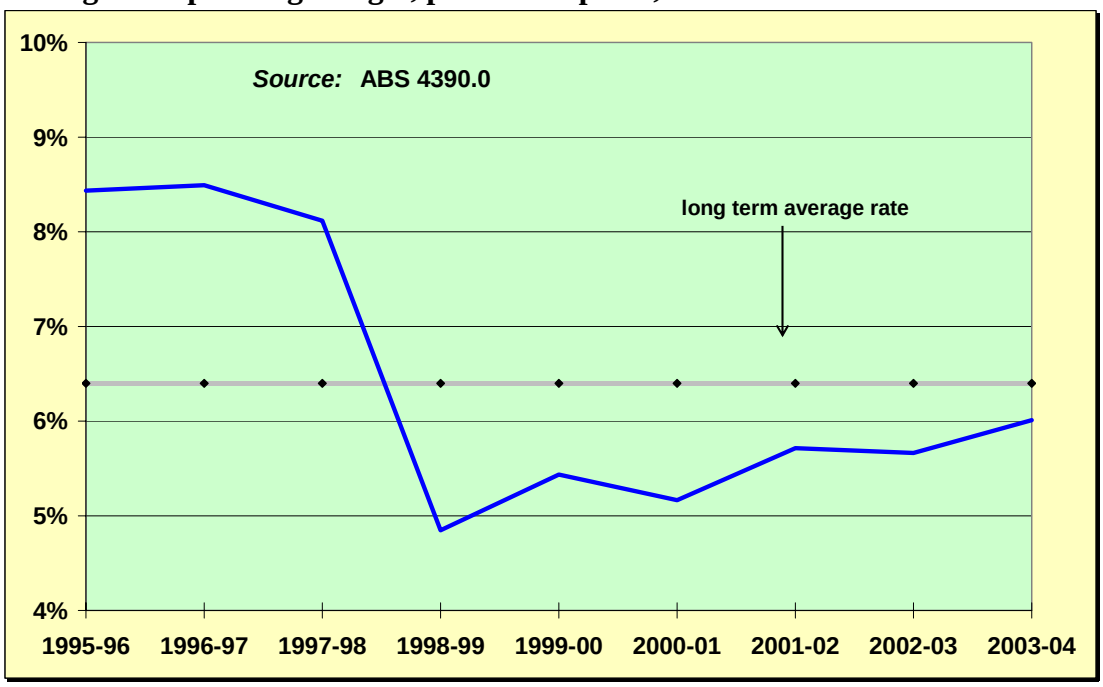
Comparison of changes in health fund premiums, and benefits paid to private hospitals and day surgeries per episode and per day

Calendar year	Benefits per episode	% increase benefits per episode	Benefits per day	% increase benefits per day	Average Health fund premiums increase
2002	$1,786		$632.80		
2003	$1,892	5.9%	$662.80	4.7%	7.4%
2004	$1,859	-1.7%	$687.70	3.8%	7.6%

Source: Calculated from: Private Health Insurance Administration Council Quarterly data

Another indication of the difficulties facing private hospitals is to examine the changes over time in the average net operating margin for the sector. It is out of their net operating margin that private hospitals finance the education and training of health professionals as well as providing for capital expenditure and other important contingencies. The table below indicates that the ongoing mismatch between the costs of providing private hospital care and the payment of benefits by health funds is having a substantial impact on private hospital operating margins.

Average net operating margin, private hospitals, 1995-96 to 2003-04



Clearly, any expectation that the private hospitals sector is now, or will be any time soon, in a position to underwrite an increased education and training effort is misplaced. Some funding options are discussed in later sections of APHA's submission.

Health Workforce Problems

The Commission notes in its *Issues Paper* that "there is little disagreement on current problems."[6] While this may be true, the level of importance attached to particular problems and the underlying reasons why the problems have developed, do differ between stakeholders, which renders problematic the identification and pursuit of agreed solutions to the (agreed) problems.

The *Issues Paper* also points to several important reasons underlying the problems that have caused, and are inhibiting solutions to, shortcomings in the health workforce. Prominent among these are the fragmented roles and responsibilities and regulatory arrangements that characterise Australia's health care system. Of course, in relation to the health workforce, the situation is even worse with the involvement also of an equally fragmented education system.

Realistically, until an adequate resolution of this fragmentation can be found, sustainable, long-term solutions to shortcomings in the health workforce are unlikely to be developed, let alone agreed. A resolution to this fragmentation will not be straightforward but until it occurs, any changes will arguably be only at the margins.

[6] Productivity Commission, *The Health Workforce: Issues Paper*, May 2005: p. 5

For example, the Commission argues that:

"the effective delivery of health services by well-trained professionals requires appropriate and co-ordinated input from governments, planners, educators and trainers and those engaged in service provision and service funding, in both the public and private sectors."[7]

In short, all stakeholders. This shortcoming is not new and is well known by all stakeholders but it is most unlikely to be resolved until sufficient political will can be found to overcome the jurisdictional and 'turf' boundaries that are stifling necessary reforms. Australia needs a genuinely national approach (i.e. cross-jurisdictional and cross-sectoral) to resolve the underlying problems facing the health workforce.

In APHA's view, a fundamental reason for at least some of the current problems in the health workforce has been the dominance of forums such as the Australian Health Ministers' Conference and its Australian Health Ministers Advisory Council (AHMAC) together with their equivalents in the education arena, in decisions around the health workforce. It might be expected that such bodies would provide an appropriate mechanism for identifying national solutions to health workforce issues but despite their joint responsibility for the entire health system, Health Ministers have shown themselves unable to pursue genuinely national objectives in health workforce policy, let alone to work co-operatively on solutions with their Education counterparts.

It is acknowledged that the National Health Workforce Strategic Framework is something of an exception in this regard. However, while the Framework was a formed from a consultative process and it does identify common principles, the Framework does not adequately point to the ways in which these principles can be implemented to achieve genuine reform.

With the exception of discussions around the Framework, the private sector is seldom genuinely engaged in the development and implementation of appropriate workforce policy. This is despite the reality that the overwhelming majority of the medical workforce and the allied health workforce are private practitioners and the fact that the private hospitals sector itself employs around 30,000 nurses.

Contrary to popular perceptions, private hospitals are investing heavily in the education and training of the health workforce. APHA has recently commissioned an independent assessment of the effort of the private hospitals sector in health workforce education and training, the findings of which are quite compelling.

A report prepared for APHA by The Allen Consulting Group estimates that "the private hospital sector as a whole would spend at least $36 million each year on providing education and training."[8] Allen Consulting also found that only a little over one million of this funding effort was recovered by way of fees.[9] APHA has attached a copy of the report by The Allen Consulting Group to assist the Commission in its

[7] Productivity Commission, p. 28
[8] The Allen Consulting Group, *Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries*, 2005: p. 24
[9] The Allen Consulting Group,: p. 25

study on the health workforce. Findings of the report are also discussed in the following sections of APHA's submission.

Medical workforce issues

There are several key issues that hinder an expansion of the role played by the private hospitals sector in the training of medical specialists. The central issues all relate to funding.

Funding issues

Without doubt, the key issue for private hospitals in the training of specialists is funding. As noted earlier, under current arrangements, private hospitals have only 2 avenues of funding: benefits paid by health insurance funds and other insurers and charges levied on patients.

One of the means by which private hospitals may deliver training is for a trainee to be employed full-time by the hospital, gaining experience in a wide range of diagnoses, interventions and procedures. However, unless the trainee is occupying an Accredited Training Post, there is usually no identifiable source of funding to support this position. This is a particular problem for private hospitals that provide an opportunity for trainees from public hospitals to gain broader experience in their specialty.

Another problem from the private hospitals perspective is the level of ignorance evident amongst health workforce planners at both the national and State/Territory levels about the private hospitals sector. For example, a 2002 Discussion Paper on Medical Specialist Training Outside Teaching Hospitals prepared for an AHMAC Working Party noted that one of the means by which private hospitals may deliver training is for a trainee to be employed full-time by the hospital. The paper argued that in these cases:

…his or her salary should be paid by the private hospital as part of its commitment to teaching and training. Inevitably, the salary, quite appropriately, will be recovered in large part from private health insurers.[10]

Leaving aside the fact that neither the AHMAC Working Party nor its consultant appeared to realise that there are actually a considerable number of private teaching hospitals, as APHA advised the Working Party at the time, there is not, in fact, any mechanism for private hospitals to recover from private health insurance funds the costs of a medical specialist trainee under current funding arrangements (such costs would be in excess of merely the trainee's salary, as private hospitals employing trainee doctors would face significant increases in professional indemnity and medical malpractice insurance premiums). Private hospitals are funded for the services they provide to patients, not for the education and training of health workers.

[10] Peter Phelan Consulting, Pty Ltd, *Medical Specialist Education and Training: responding to the impact of changes in Australia's health care system: a Discussion Paper*, prepared for the AHMAC Working Party to Research Issues Relevant to Specialist Medical Training Outside Teaching Hospitals, February 2002: p.32.

It is completely unrealistic to expect that private health insurance funds, of their own volition, will meet the costs of education and training in private hospitals. Many funds do not even meet the increasing costs of the provision of quality private hospital services to their members, let alone contribute towards the costs of trainees.

In this context it is worth noting that the 2003-2008 Australian Health Care Agreements provided for an increase in funding by the Australian Government of 17 per cent, in real terms, over the 5 years of the Agreements. By contrast, many APHA members are reporting current contract offers from health funds of less than the CPI.

Funding options

Private hospitals also face problems arising from the 1996 restrictions on the availability of Medicare provider numbers for medical graduates. The preferred option for funding the training of medical specialists in private hospitals is to enable all trainees to utilise a Medicare provider number wherever their training placement is located. The provider number should be location-specific but enable the billing of a complete range of services, not be restricted only to referring and prescribing.

By facilitating the provision of training of specialists, private hospitals are helping to ensure that trainees receive a well-rounded range of experience that will be appropriate for their future employment in the Australian health care system. It has been acknowledged that trainees will miss out on vital elements of their training if they are not exposed to private hospital work. For example, the AHMAC Working Party's Discussion Paper reported that there:

"…will be a need for many advanced trainees in the various surgical disciplines to spend time working in private hospitals or private day procedure centres to gain experience with necessary procedures that are rarely done in public hospitals in their training network".

In addition:

"psychiatry trainees will need experience in private psychiatric hospitals in the inpatient management of patients with the range of mental health problems that are no longer admitted to public sector inpatient mental health services".[11]

More recently, a report reviewing the training of surgeons[12] found that:

"Due to changes in the nature of surgery and structural changes in many public hospitals, some types of surgery are now more commonly performed in the private sector, as is the ambulatory component of surgical care.

The Review Committee considers it desirable that surgical trainees have the opportunity to gain experience in, or at least exposure to, the delivery of surgical services in the private sector."

[11] Peter Phelan Consulting, p.31

[12] *Report of the Review of the Criteria for Accrediting Hospital Training Posts for Advanced Surgical Training and Hospitals for Basic Surgical Training,* 15 April 2005: p. 101

It should be recognised that private hospitals are not training their own medical workforce as the overwhelming majority of doctors providing services in private hospitals are independent private practitioners and are not employed by the hospitals. Rather, they are providing, predominantly at their own cost, a vital service to meet the future health care needs of the Australian community. The costs of the provision of this training should logically be met, at least in part, by the community, via Medicare.

Funding provided by the Australian Government under the AHCAs includes a contribution towards the costs of medical training in public hospitals. As discussed earlier, gaps have been identified in the capacity of the public hospital sector to provide trainees with exposure to the full range of services. Therefore, it would seem logical that funding should be provided by the Australian Government to the private hospitals sector to facilitate the sector's involvement in ensuring that trainees receive a well-rounded education. Ideally, this funding would not be directed to individual facilities (public or private) but would instead follow the trainee, who could then access training programs articulated across both sectors.

In this regard, the recent report on the training of surgeons proposed that:

"For advanced surgical trainees, experience in private hospitals and other private practice settings can help to ensure that trainees gain exposure to surgical services that are less likely to be encountered in other facilities.

Posts in private hospitals and with consultants in private ambulatory practice could either be full-time or 'blended' arrangements, where the trainee is based in a public hospital but also attends and assists their supervisor in their private work (possibly in a co-located private hospital)."[13]

As noted earlier, it is unrealistic to expect that the costs of training specialists in private hospitals can be recouped from health insurance funds. This does not happen now and is unlikely to change in the future. Funding is therefore a fundamental factor that must be addressed if there is to be any expansion in the role played by private hospitals in the training of specialists. A continuation of the current ad hoc funding arrangements will not encourage greater involvement in the training of specialists by the private hospitals sector.

What the private hospitals sector is doing

The Allen Consulting Group found in its assessment of the education and training effort of the private hospitals sector that "almost 6800 medical staff and students undertook a total of 152 different education and training programs at 53 [private] hospitals" and that "more than 820 staff were actively involved in delivering medical education and training in 2004…".

The report also identified the following areas of specialist medical programs that are provided by private hospitals[14]:

[13] *Report of the Review of the Criteria for Accrediting Hospital Training Posts for Advanced Surgical Training and Hospitals for Basic Surgical Training*, 15 April 2005:, p. 102
[14] The Allen Consulting Group, p: 11-13

Cardiology
Dermatology
Ear, Nose and Throat surgery
Emergency medicine
Endocrinology
Hand surgery
Intensive Care
Obstetrics and Gynaecology
Ophthalmology
Orthopaedics
Paediatrics
Plastic and reconstructive surgery
Psychiatry
Radiation oncology
Rehabilitation

Nursing workforce issues

APHA is greatly concerned at the effects of the nursing workforce shortage on private hospitals. To the Association's knowledge, there is not one private hospital that is unaffected by the shortage. It is a national crisis, that requires national action. It is acknowledged that Health Ministers have established the National Nursing and Nursing Education Taskforce which is implementing recommendations of the *National Review of Nursing Education: Our Duty of Care*.

Several years ago, APHA's National Board established a Nursing Recruitment and Retention Taskforce which has identified several initiatives that APHA is currently pursuing. These include:

Bonded rebate of HECS Fees Scheme

Feedback received by APHA's Nursing Taskforce from member hospitals and Directors of Nursing indicates that a key impediment to increasing the size of the nursing workforce is the impact of HECS on trainee and graduate nurses. Indeed, the discussion paper produced by the Government's National Review of Nursing Education indicates that approximately 40% of registered nurses in the 19 to 21 year age group are exiting the profession.

As a means of overcoming this problem, APHA has developed a proposal for the introduction of a Bonded Rebate of HECS Fees Scheme. APHA has proposed that for every year a graduate nurse is employed in a hospital, private or public, the nurse would receive a rebate of one semester's HECS fees. After six years of working in hospitals, a nurse would have received a full rebate of HECS fees for a typical undergraduate nursing course. APHA believes that adoption of such a proposal would have a beneficial impact on both the recruitment and retention of nurses in the health workforce, with negligible impact on the Federal Budget.

Education and training

APHA and its members believe that undergraduate nurse trainees need to be placed in hospitals at a much earlier point in their education. This proposal has two main components: a redesign of undergraduate nursing courses to incorporate the early placement of students in hospitals and the articulation of these students through positions at different levels depending on their attainment of specified competencies. If sufficiently well designed in consultation with private and public hospitals, students in these courses should have the opportunity to move through the different levels, beginning, for example, as a ward assistant, becoming at a certain point an enrolled nurse and graduating, as now, as a registered nurse.

Redesigned around these parameters, undergraduate nursing courses would offer students an early experience of hospital work and may also help to break down some of the barriers between hospital nurses and newly graduated nurses. This could be complemented by the greater use of experienced nurses in universities as visiting lecturers or tutors to bring a 'real-life' and current flavour to the undergraduate teaching of nurses.

Contrary to the misconception that the private hospital sector contributes little to the training and education of nurses, private hospitals already enhance the training of both undergraduate and postgraduate nurses. This contribution continues to be provided despite it being both unrecognised and unrewarded by current funding models. By supporting the proposal outlined above, private hospitals signal their preparedness to become even more involved in the education and training of nurses.

It is worth noting that the global funding under the AHCAs from the Australian Government to the States and Territories arguably includes a contribution towards the funding of graduate nurse training in the public sector. A similar contribution by the Australian Government to the private hospitals sector would enable private hospitals to increase their efforts in this area.

Ample evidence of the (unfunded) effort of the private hospitals sector in the education and training of nurses can be found in the attached report from The Allen Consulting Group. The report found, for example, that in 2004, "over 26,700 nursing staff and students undertook a total of 543 different education and training programs at 112 [private] hospitals" and that "almost 4000 [private hospital] staff were actively involved in providing nursing education and training in 2004…" The report also found that the types of education and training programs offered by private hospitals "covered a very wide range of training and skills", including:

- A range of graduate and postgraduate nursing courses in areas such as critical care nursing, perioperative nursing, oncology, rehabilitation and midwifery;
- Continuing education in treatment of certain conditions and diseases, such as diabetes, asthma, heart failure and mental health conditions;
- Continuing education in midwifery, obstetrics and maternity care; and

- ✍ Continuing education or professional development in a range of subjects, including chemical and pharmaceuticals management and safe administration of medicines, infection control, CPR, occupational health and safety, life support, manual handling, fire education and computer literacy.[15]

The attached report from The Allen Consulting group contains a list a postgraduate nursing programs provided by private hospitals.

Nurse mentoring program

Private hospitals are also actively identifying areas where undergraduate nursing education needs to be enhanced to enable a complete transition of the student nurse into the workforce.

For example, in 2002-03 the Epworth Hospital developed a Novice Nurse Integration program with the assistance of the Australian Council for Safety and Quality in Health Care's *Safety Innovations in Practice (SIIP) Program*. The genesis of the program was a recognition by the hospital of the need to work collaboratively with other stakeholders, particularity universities, to build a safe, sustainable and reliable nurse workforce. Further information on this innovative program is available from APHA.

Allied health workforce

APHA members report a variety of issues relating to the allied health workforce. These problems are a little different to those around the medical and nursing workforces. For example, information received does not indicate a generalised shortage of all categories of allied health workers in geographic areas, although some shortages of specific professions/categories of workers is evident in specific areas. In addition, it appears that at least some training courses for allied health assistants are heavily oriented towards the attainment of knowledge and skills around sports science which do little to prepare these students to work, for example, with older people in rehabilitation programs.

The attached report by The Allen Consulting Group notes that in 2004, "almost 3000 allied health staff and students undertook a total of 117 different education and training programs" and that over 950 staff were actively involved in delivering these courses.[16]

Access and Equity issues

The Commission links private health insurance and access and equity for patients at several points in its Issues Paper.[17] It is intriguing to APHA that some 6 years after its introduction, the 30% rebate is still regarded as causing some kind of inequity in the Australian health care system when in reality, its central contribution has been to

[15] The Allen Consulting Group, p: 14-16
[16] The Allen Consulting Group, p.17-19.
[17] See for example pages 19 and 31

restore balance and choice to the health system and thereby secure its sustainability moving forward.

The large scale movement of patients to the private sector was detailed earlier in this submission and provides incontrovertible evidence of the shift in workload that has occurred from the public hospitals sector to the private hospitals sector.

To the extent that access problems are still apparent in some jurisdictions, the responsibility should be directed to the cause, the relevant State or Territory Government. Successive reports[18] from the Australian Institute of Health and Welfare have contained data that indicates the extent to which some States have closed public hospital beds, thereby restricting access for public patients. The recent provision of extra funding to public hospitals and re-opening of beds in some States reinforces the point that it is these governments that have caused access problems for public patients, not the 30% rebate.

In addition, the *State of Our Public Hospitals* reports for 2004 and 2005 have both contained data indicating the effort by some State Governments, notably NSW, to treat private patients at the expense of public patients.

One might expect that the proportion of private patients treated in public hospitals in each State and Territory would be reasonably similar. This is demonstrably not the case, as the table below, taken from the 2005 report, indicates. For example, a patient is more than five times as likely to be treated as a private patient in a NSW public hospital, compared to the Northern Territory. The NSW rate is more than twice that in Western Australia and the ACT and patients in Victoria, Queensland and South Australia are much less likely to be treated as private patients in a public hospital than are their NSW counterparts.

Private patient admissions: percentage of public hospital patients 2003-04[19]

Rank	State/Territory	2003-04
1	New South Wales	11.8%
2	Tasmania	11.3%
3	South Australia	8.6%
4	Victoria	6.7%
5	Queensland	6.5%
6	Western Australia	5.2%
7	ACT	5.2%
8	Northern Territory	2.1%
	Australian average	8.4%

Concluding comments

This study by the Productivity Commission offers the opportunity to develop and implement sustainable reforms to the health workforce. However, this will not occur until governments accept that they are part of the problem and that long-term

[18] *Australian Hospital Statistics*
[19] Department of Health and Ageing, *The State of our Public Hospitals, June 2005 report.*

solutions will not be found until jurisdictional and ‘turf’ boundaries are resolved and a genuinely national approach adopted.

As the attached report from The Allen Consulting Group indicates, the private hospital sector is contributing a great deal of unrecovered funding each year to the education and training of the health workforce. The sector is willing to do more but this will necessarily require a reassessment of current arrangements by governments, both national and State.

In the interim, some measures can be adopted immediately, including:

- Redirecting funding for medical trainees from State and Territory governments and attaching the funding to the trainee instead to enable trainees to receive at least part of their training in private hospitals; and

- Introducing a bonded rebate of HECS fees program for all nursing courses, whereby for every year a graduate nurse is employed in a hospital, private or public, the nurse would receive a rebate of one semester’s HECS fees. After six years of working in hospitals, a nurse would have received a full rebate of HECS fees for a typical undergraduate course.

The Allen Consulting Group

Education and training of health and medical professionals in private hospitals and day surgeries

April 2005

Report to the Australian Private Hospitals Association

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Contents

Executive summary

The private hospital sector makes a large, but often unrecognised contribution to the education and training of medical and health professionals in Australia. This report details the scale and scope of this contribution for the first time, drawing on the findings of a new national survey of private hospitals and day surgeries.

The report demonstrates that a substantial proportion of private hospitals and day surgeries actively provide an extensive range of education and training opportunities to medical, nursing and allied health staff and students. The quality of the private sector's education and training effort is very highly regarded, and it plays an important role in developing the knowledge and skills of the Australian health care workforce, and improving the quality of care provided in both the public and private health systems.

In 2004, private hospitals and day surgeries reported that providing education and training to medical and health professionals had cost them a total of $20.2 million. This equates to an average cost of about $24 200 per program, and about $124 400 per hospital.[1] These results suggest that the private hospital sector as a whole would spend at least $36 million each year on providing education and training.

The findings in the report are based on the information provided by 164 private hospitals and day surgeries that responded to a survey conducted by The Allen Consulting Group and The Ryder Self Group on behalf of the Australian Private Hospitals Association in late 2004 and early 2005. The survey attracted a reasonably representative response, with replies from hospitals in each state and territory and a mix of hospitals of different sizes that is similar to the sector as a whole.

Private hospitals' commitment to education and training

More than seven out of ten private hospitals (71 per cent) offered education and training programs to medical, nursing and allied health staff and students in 2004.[2] More than 36 000 students undertook a total of 834 programs at 117 hospitals. The average program involved 84 hours of formal 'classroom' delivery. In total, private hospitals provided about 3.4 million student hours of education and training.[3]

Table ES.1 shows that larger hospitals provided the majority of education and training in 2004. This is not surprising, given that these hospitals were more likely than small and medium-sized hospitals to be a provider of education and training, and they usually have facilities to cater for a larger number of students.

[1] Averages relate to those hospitals that estimated costs incurred.

[2] Based on hospitals that responded to the survey.

[3] 'Total student hours' is equal to the sum of total hours received by each student. For example, if 20 students take a 50-hour course, that represents 1000 student hours.

Table ES.1

EDUCATION AND TRAINING AT PRIVATE HOSPITALS: NUMBER OF STUDENTS, PROGRAMS AND HOURS OF DELIVERY, 2004

Hospital size	Programs	Students	Total hours of delivery	Total student hours[a]
1-10 beds	62	379	3 120	22 200
11-100 beds	233	4 561	13 807	378 050
101+ beds	506	29 414	42 493	2 861 510
Total[b]	834	36 455	61 520	3 419 140

(a): Total student hours is equal to the sum of total hours received by each student. For example, if 20 students take a 50-hour course, that represents 1000 student hours.
(b): Totals include hospitals that did not specify their number of beds.
Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Overall, hospitals of more than 100 registered beds accounted for:[4]

- 63 per cent of all programs provided in private hospitals;
- 86 per cent of all students and staff participating in education and training in private hospitals;
- 72 per cent of all hours of formal classroom delivery; and
- 88 per cent of all student hours provided.

The majority of programs offered (65 per cent) were for nursing students and staff. Medical programs and allied health programs each accounted for 18 and 17 per cent respectively. Nursing held even greater majorities in the number of students and staff participating in programs (73 per cent) and the total number of student hours provided by private hospitals (83 per cent).

Sixty-two participating hospitals (38 per cent) were Approved Teaching Facilities, formally affiliated with a university. Most of these were in Victoria, New South Wales and Queensland. About 46 per cent of participating hospitals offered scholarships to students, the vast majority of scholarships were for nursing students.

Staff involvement in delivery

Private hospitals contribute a large amount of human resources to providing training programs. Hospitals estimated that more than 5700 staff were actively involved in delivering education and training in 2004 — approximately 7 members of staff per program. Over the course of the year, staff contributed 113 hours to delivering the average program. Together, staff members at Australian private hospitals spent more than 61 000 hours of work delivering these programs — equivalent to about 30 full-time employees.

[4] Proportions relate to those programs for which hospital size was reported.

Benefits, costs and barriers

Participating hospitals considered the education and training programs of the private hospital sector to have very positive outcomes:

- 97 per cent agreed programs improve the quality of health care provided;
- 88 per cent agreed that programs assist hospitals to recruit or retain staff;
- 92 per cent agreed that programs improve the work environment at hospitals; and
- 82 per cent agreed that programs develop future managers and leaders.

The education and training contribution of private hospitals is also considered to have a wide range of benefits for the broader health system, ranging from the skills and knowledge gained by staff to better outcomes for patients and better linkages between the public and private health sectors.

Cost constraints, and private hospitals' lack of access to external funding (e.g., from government and private health insurers), were identified by hospitals as one of the main factors preventing more education provision in the private health sector. Other barriers included size (for the smallest hospitals and day surgeries) and the capacity of hospitals to release staff from their work duties to attend education and training courses.

Chapter 1

Introduction

1.1 This report

This report details — for the first time — the private hospital sector's contribution to the education and training of medical and health professionals in Australia.

This information is particularly timely. There is a rising demand across all fields for a highly skilled workforce that can improve the quality of service provision while raising productivity. The development of such a workforce is underpinned by the provision of adequate opportunities for education and training of students and existing staff. Furthermore, the private sector is becoming ever more important to the Australian health system. For example, in 2002–03, private hospitals provided for 39 per cent of patient separations, up from 33 per cent in 1998–99.[5]

The report is based on the findings of a new national survey of private hospitals and day surgeries conducted by The Allen Consulting Group and The Ryder Self Group on behalf of the Australian Private Hospitals Association in late 2004 and early 2005. Approximately 187 private hospitals and day surgeries and six private hospital groups (representing a further 132 hospitals) were invited to respond to a written questionnaire. The questionnaire sought three types of information:

- information about the hospital or day surgery;
- details of the education and training (excluding compulsory in-service courses) provided to three groups of clinical staff and students:
  - medical staff and students;
  - nursing staff and students; and
  - allied health staff and students; and
- the costs and benefits to hospitals and the overall health system of private hospitals providing education and training.

The report summarises the number of programs provided to each group of clinical staff and students, the number of participants and hours of delivery, the main purpose of the programs, and the amount of staff resources dedicated to providing the programs. It also explores private hospitals' perceptions of the benefits of the programs, the estimated financial cost to hospitals of delivery, and the factors that prevent private hospitals from providing more education and training.

A total of 164 hospitals participated in the survey. This represents a response rate of about 52 per cent —a very strong result for a questionnaire of this kind.

[5] AIHW 2004, *Australian Hospital Statistics 2002-03*, AIHW, Canberra, Table 2.3.

Structure of report

The remainder of the report is structured as follows:

- Chapter 2 provides a profile of the hospitals that responded to the survey;
- Chapter 3 details the education and training activity undertaken by private hospitals in 2004; and
- Chapter 4 explores the costs, benefits and barriers associated with private hospital provision of education and training.

Chapter 2

Profile of participating hospitals

This chapter describes the hospitals that responded to the survey, in terms of their location, size, services provided, and formal links with education and training

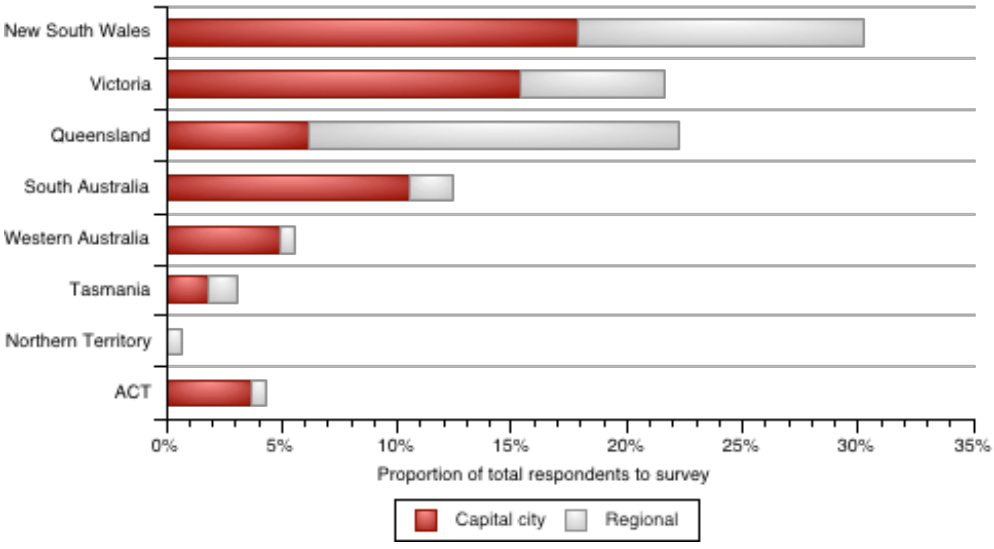
The results detailed in this report are based on the information provided by 164 private hospitals and day surgeries in response to a survey conducted by The Allen Consulting Group and The Ryder Self Group.[6] Each of the participating hospitals is a member of one or more of the Australian Private Hospitals Association, the Private Hospitals Association of Queensland, Catholic Health Australia and the Australian Day Surgery Association.

2.1 Location

Responses were received from hospitals in each state and territory in Australia. Figure 2.1 shows that the greatest number of responses was received from New South Wales, Queensland and Victoria. More than half of the hospitals (60 per cent) are located in capital cities.

Figure 2.1

PARTICIPATING HOSPITALS AND DAY SURGERIES, BY JURISDICTION



Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

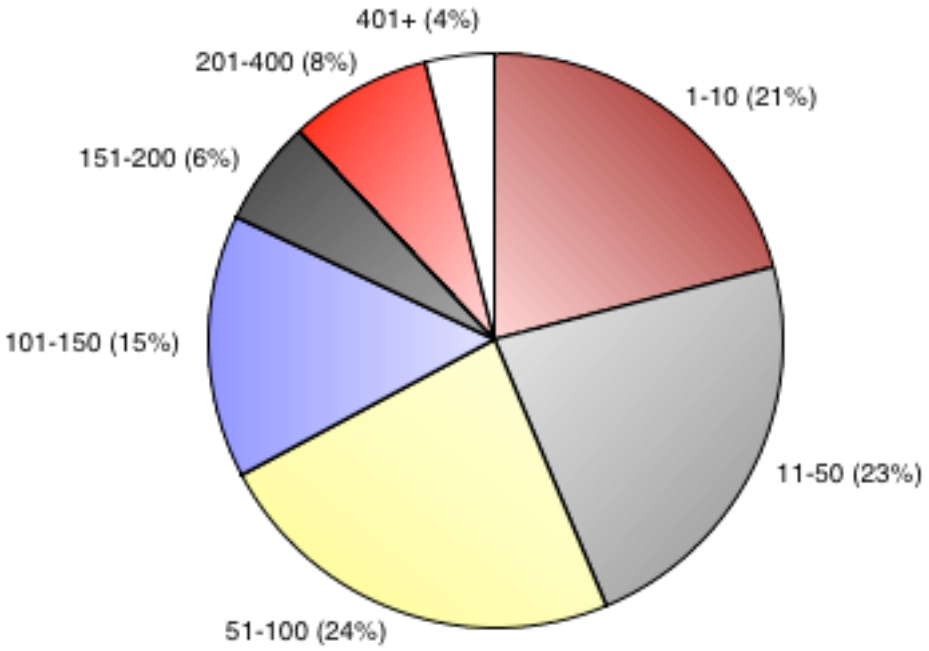
[6] In the remainder of the report, the term 'hospitals' is used to refer to both hospitals and day surgeries.

2.2 Size

Most participating hospitals were small or medium-sized, in terms of their number of licensed beds. Figure 2.2 shows that 21 per cent had just 10 licensed beds or fewer. These were overwhelmingly day surgeries. Among larger hospitals, 21 per cent of all responses came from hospitals with 101 to 200 licensed beds, and 12 per cent came from hospitals with more than 200 beds.

Figure 2.2

PARTICIPATING HOSPITALS AND DAY SURGERIES, BY NO. OF LICENSED BEDS



Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

In terms of size, the group of hospitals and day surgeries that responded to the survey is reasonably representative of all private hospitals (excluding day surgeries), as reported by the ABS in 2002–03 (table 2.1). The main difference is in hospitals of 50 beds or fewer: the survey sample has a higher proportion of hospitals with 0-25 beds — reflecting the inclusion of day surgeries in the survey respondents — and a lower proportion of hospitals with 26-50 beds. It is not possible to classify the group of survey respondents into hospitals and day surgeries, as several respondents elected not to identify themselves.

Table 2.1

PARTICIPATING HOSPITALS AND DAY SURGERIES AND ALL HOSPITALS

Hospital size	Survey respondents (hospitals and day surgeries)	All private hospitals, 2002–03[a]
0-25 beds	42 (27%)	53 (17%)
26-50 beds	25 (16%)	80 (27%)
51-100 beds	37 (23%)	87 (29%)
101-200 beds	33 (21%)	52 (17%)
200+ beds	18 (11%)	24 (8%)
Total[b]	164 (100%)	296 (100%)

(a): In addition to the 296 hospitals, the ABS reported that there were 240 free-standing day hospitals (i.e. day surgeries) in 2002–03.
(b): Total of survey respondents includes nine hospitals that did not specify number of beds.
Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries and ABS 2004, Private Hospitals 2002-03, Catalogue Number 4390.0.

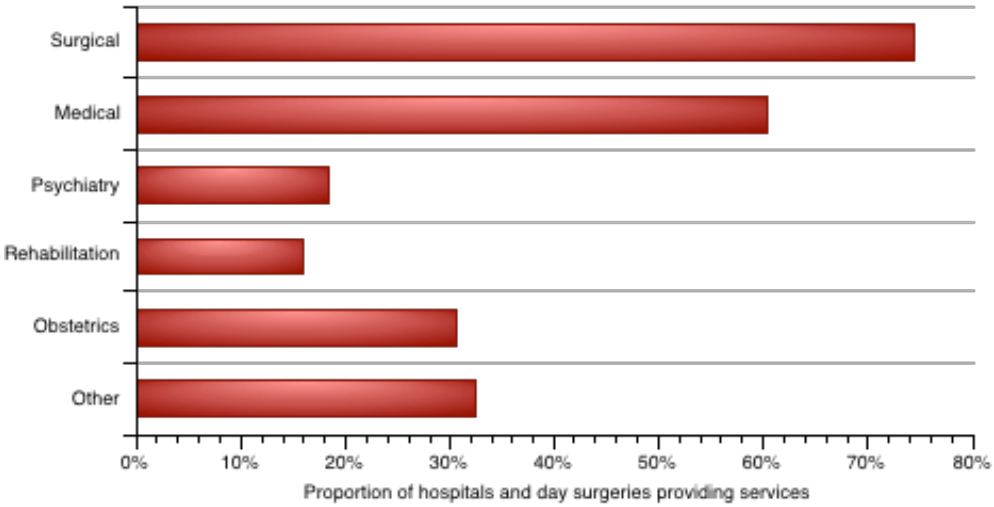
2.3 Services

The five main types of services provided by participating hospitals are shown in figure 2.3. Almost three-quarters of hospitals offer surgical services, while more than half provide medical services. Only 21 per cent provide neither surgical nor medical services. The most common types of 'other' services provided by hospitals not detailed in figure 2.3 are:

- gastroenterology and endoscopy services;
- cardiology and cardiac services;
- orthopaedics;
- ophthalmology;
- aged care;
- paediatrics; and
- palliative care.

Figure 2.3

PARTICIPATING HOSPITALS AND DAY SURGERIES, BY SERVICES PROVIDED



Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

2.4 Formal links with education and training

Sixty-two participating hospitals were Approved Teaching Facilities, formally affiliated with a university. The majority of these were from Victoria, New South Wales and Queensland.

Table 2.2

PRIVATE HOSPITALS WITH APPROVED TEACHING FACILITIES BY STATE, 2004

State	Number	Proportion
New South Wales	14	28%
Victoria	17	48%
Queensland	10	27%
South Australia	9	45%
Western Australia	4	50%
Tasmania	4	80%
ACT	3	42%
Northern Territory	1	100%
Total	**62**	**38%**

Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Of these, 34 were medium-sized hospitals with 11 to 100 beds and 25 were larger hospitals with greater than 101 beds. Only one was smaller — an infertility treatment clinic in Western Australia with three registered beds. Twenty-nine hospitals had members of staff with academic appointments; over two-thirds of these were Approved Teaching Facilities.

Scholarships

About 46 per cent of participating hospitals offered scholarships to students. The vast majority (86 per cent) of scholarships were for nurses, while 6 per cent were for medical staff, and 8 per cent were for allied health staff. About one-half of hospitals offering scholarships were larger hospitals with 101 beds or more.

Table 2.3

HOSPITALS THAT OFFERED SCHOLARSHIPS BY STATE AND TYPE, 2004

State	Medical	Nursing	Allied Health	Total
New South Wales	2	17	3	22
Victoria	1	22	2	25
Queensland	1	12	2	15
South Australia	-	10	-	10
Western Australia	-	3	-	3
Tasmania	1	3	-	4
ACT	-	3	-	3
Northern Territory	-	1	-	1
Total	**5**	**71**	**7**	**83**

Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Chapter 3

Private hospitals' commitment to education and training

This chapter summarises the quantity of education and training provided at private hospitals to medical staff and students; nursing staff and students; and allied health staff and students. It also describes the level of staff involvement in the delivery of these programs.

3.1 Overview

Quantity of education and training

About seven out of ten private hospitals (71 per cent) offered education and training programs to medical, nursing and allied health staff and students in 2004.[7] More than 36 000 students undertook a total of 834 programs at 76 hospitals. The average program involved 84 hours of formal 'classroom' delivery. In total, private hospitals provided about 3.4 million student hours of education and training.[8]

Larger hospitals were most likely to offer education and training programs. Table 3.1 shows that fewer than half of the smallest hospitals provided programs in 2004, compared to over 70 per cent of hospitals with 11 to 100 registered beds, and more than 80 per cent of larger hospitals.

Table 3.1

PRIVATE HOSPITALS OFFERING EDUCATION AND TRAINING PROGRAMS, 2004

	Providing education and training programs	
Hospital size	Number	Proportion
0-10 beds	15	47%
11-100 beds	53	75%
100+ beds	45	87%
Total[a]	117	71%

(a): Total includes hospitals that did not specify number of beds.
Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

[7] Based on hospitals that responded to the survey.

[8] 'Total student hours' is equal to the sum of total hours received by each student. For example, if 20 students take a 50-hour course, that represents 1000 student hours.

The majority of programs offered (65 per cent) were for nursing students and staff. Medical programs and allied health programs accounted for 18 and 17 per cent respectively. Nursing held even greater majorities in the number of students and staff participating in programs (73 per cent) and the total number of student hours provided by private hospitals (84 per cent). These results are consistent with nursing's majority share of full-time equivalent staff in private hospitals (74 per cent).[9]

As table 3.2 shows, the majority of programs are based in New South Wales, followed by Victoria and Queensland. Nursing programs form the majority of all programs offered across each state and territory.

Table 3.2

NUMBER OF PROGRAMS BY JURISDICTION, 2004

State	Medical	Nursing	Allied health	Total
New South Wales	58	165	61	284
Victoria	34	120	17	171
Queensland	35	109	29	173
South Australia	8	61	5	74
Western Australia	11	75	21	107
Tasmania	6	5	-	11
ACT	-	6	6	12
Northern Territory	-	2	-	2

Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Staff involvement in delivery

Hospitals estimated that more than 5700 staff were actively involved in delivering education and training in 2004 — approximately 7 members of staff per program. Over the course of the year, staff contributed 113 hours to delivering the average program. Together, staff members at Australian private hospitals spent more than 61 000 hours of work delivering these programs.[10]

Case studies

There is great variety in the scale, scope and nature of the education and training provided by different private hospitals and day surgeries. At one end of the scale, several hospitals provided just one or two programs for a single group of staff — often continuing medical education programs for nursing staff. At the other, a handful of larger hospitals provided more than 30 programs, with offerings for medical, nursing and allied health staff and students. Box 3.1 examines the programs provided by a selection of hospitals, as an illustration of these differences.

[9] Excluding administrative and clerical staff. ABS 2004, Private Hospitals 2002-03, Catalogue Number 4390.0.

[10] Information on the number of staff involved was provided for 652 of the 834 programs; estimates of hours of work contributed were provided for 545 programs.

Box 3.1

EDUCATION AND TRAINING PROVISION OF SELECTED HOSPITALS AND DAY SURGERIES

In Vitro Private Hospital

This is a small specialist hospital in Perth, with just three registered beds. In 2004, it offered two programs of education and training:

- a 10-hour course on Management of Infertility, attended by 70 undergraduate medical students. Two hospital staff devoted 20 hours of time to delivering the course; and
- a 2-hour course on Midwifery, attended by 35 nursing staff as part of their continuing medical education. One member of staff contributed five hours to delivering the program.

The hospital estimated its education programs cost $10 000 to deliver.

Mater Misericordiae Hospital

A 167-bed hospital located in regional Queensland, Mater Misericordiae provided five programs for nursing staff and students in 2004:

- three courses forming part of a Postgraduate Certificate in Nursing Science, undertaken by a total of 10 students;
- a 40-hour Graduate Nurse Transition Program undertaken by nine students; and
- a professional development program of continuing medical education, attended by 377 existing nursing staff.

21 hospital staff were actively involved in the delivery of the five programs, contributing a total of 578 hours of work over the course of the year. The hospital estimated it spent $240 000 delivering the programs.

Sydney Adventist

This is a 342-bed hospital, that provided 64 programs of education and training to a total of almost 300 staff and students in 2004:

- 20 programs to assist medical staff attain professional recognition, including several programs of specialist peer review;
- 16 programs of continuing medical education for nursing staff, including a Bachelor of Nursing undertaken by 127 students, and a Master of Nursing Health undertaken by 11 students; and
- 28 programs for continuing medical education for allied health staff.

Almost 10 000 hours of staff time were devoted to delivering these programs. Its Faculty of Nursing and Health offers undergraduate and graduate courses in nursing studies in conjunction with Avondale College. Currently 30 to 40 nurses graduate each year. In 2005, the hospital expects to receive additional funding to increase its intake to 80 per annum. The hospital estimated the programs cost $3.7 million.

Epworth Hospital

Epworth, a 510 bed hospital in metropolitan Melbourne, provided 18 programs of education and training in 2004, primarily for tertiary students:

- eight programs for medical staff, including six for students to gain various qualifications;
- seven graduate and postgraduate programs for nursing students; and
- three 28 programs for allied health students — at undergraduate, postgraduate and PhD levels.

Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

3.2 Training of medical staff

Quantity of education and training

About three out of every ten private hospitals provided education and training to *medical* staff in 2004. Almost 6800 medical staff and students undertook a total of 152 different education and training programs at 53 hospitals. The average program involved 58 hours of formal 'classroom' delivery. In total, private hospitals provided about 397 000 student hours of medical education and training.

Table 3.2 shows that larger hospitals provided the majority of education and training to medical staff and students. This is not surprising, given that these hospitals are much more likely than smaller hospitals to be involved in education and training, and they usually have facilities to cater for a larger number of students.

Table 3.3

EDUCATION AND TRAINING OF MEDICAL STAFF: NUMBER OF STUDENTS, PROGRAMS AND HOURS OF DELIVERY, 2004

Hospital size	Programs	Students	Total hours of delivery	Total student hours[a]
1-10 beds	14	90	36	360
11-100 beds	35	701	1 929	62 650
101+ beds	97	5 901	4 495	325 900
Total[b]	**152**	**6 756**	**6 586**	**397 250**

(a): Total student hours is equal to the sum of total hours received by each student. For example, if 20 students take a 50-hour course, that represents 1000 student hours.
(b): Totals include hospitals that did not specify their number of beds.
Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Overall, hospitals of more than 100 registered beds accounted for: [11]

- 66 per cent of all medical programs provided in private hospitals;
- 88 per cent of all students and staff participating in medical education and training;
- 70 per cent of all hours of formal classroom delivery; and
- 84 per cent of all student hours provided.

[11] Proportions relate to those programs for which hospital size was reported.

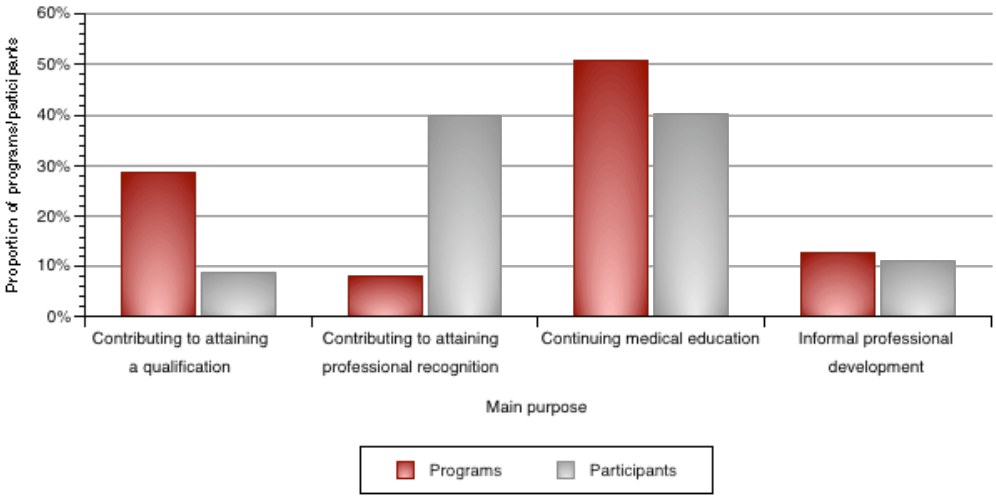
Type of programs

The main reasons that medical staff and students undertake education and training programs at private hospitals were for continuing medical education and to attain professional recognition. Figure 3.1 shows that while only 9 per cent of programs were undertaken primarily for attaining professional recognition, a large number of staff and students participated in these programs, such that they accounted for 46 per cent of all participants. Conversely:

- over 50 per cent of programs involved continuing medical education, but these accounted for 40 per cent of participants; and
- attaining a qualification was the main purpose for only 8 per cent of participants, despite this being the rationale for about 28 per cent of programs.

Figure 3.1

MAIN PURPOSE FOR MEDICAL EDUCATION AND TRAINING IN PRIVATE HOSPITALS



Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

The vast majority of medical education and training provided by private hospitals was concerned with a variety of specialist medical topics. Box 3.2 lists the primary specialist fields in which private hospitals provided education and training for medical staff.

Box 3.2

AREAS OF SPECIALIST MEDICAL PROGRAMS PROVIDED BY PRIVATE HOSPITALS, 2004

Rehabilitation	Plastic and reconstructive surgery
Dermatology	Orthopaedics
Ear, nose and throat surgery	Ophthalmology
Obstetrics and gynaecology	Radiation oncology
Hand surgery	Cardiology
Paediatrics	Endocrinology
Psychaitry	Emergency Medicine
Intensive Care	

Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Staff involvement in delivery

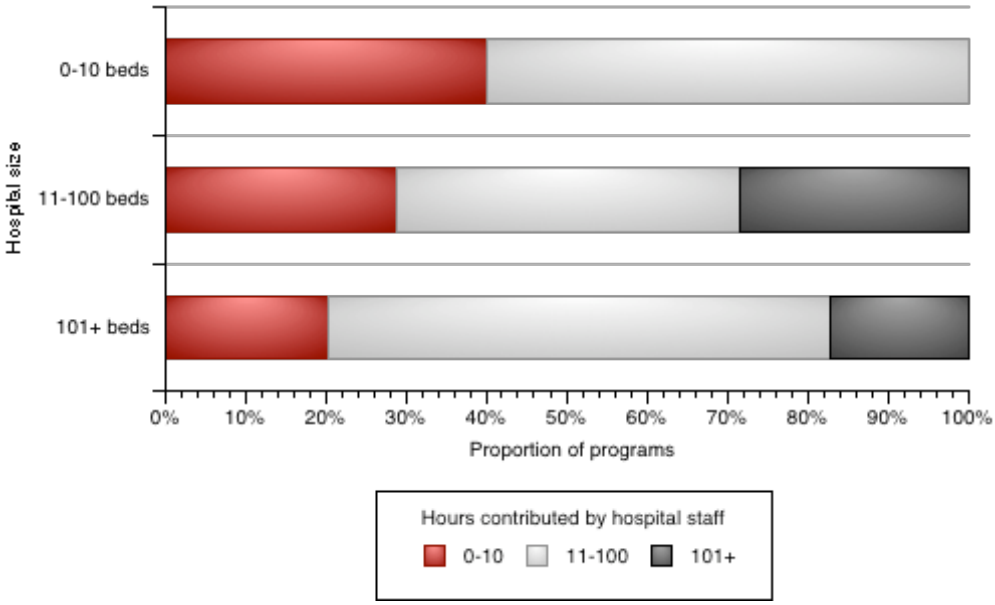
Hospitals estimated that more than 820 staff were actively involved in delivering medical education and training in 2004 — an average of 15 staff per hospital, and around eight members of staff per program. Over the course of the year, staff contributed 91 hours to delivering the average medical program. In total, staff members at Australian private hospitals spent 8400 hours of work delivering these programs.[12]

Several medium-sized and larger hospitals made substantial commitments of their human resources to providing medical education and training. Figure 3.2 shows that, of those programs for which the number of hours contributed by staff was reported, 29 per cent of programs at hospitals with 11 to 100 beds and 17 per cent of programs at larger hospitals involved staff contributing more than 100 hours of time.

[12] Information on the number of staff involved was provided for 83 of the 112 medical programs; estimates of hours of work contributed were provided for 71 programs.

Figure 3.2

HOURS OF STAFF TIME CONTRIBUTED TO MEDICAL PROGRAMS, BY HOSPITAL SIZE, 2004



Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Larger hospitals represented about 72 per cent of total staff hours contributed to medical programs, with the average program involving 95 hours of staff time. Hospitals with 11 to 100 beds represented almost one-quarter of total staff hours, with 150 hours contributed to the average program. The smallest hospitals represented less than 2 per cent of total staff hours, with an average of 14 hours of staff time contributed.

3.3 Training of nursing staff

Quantity of education and training

The extent of the education and training of *nursing* staff in private hospitals is more than twice as large as the medical and allied health programs put together. More than 68 per cent of private hospitals provided education and training to nursing staff in 2004. Over 26 700 nursing staff and students undertook a total of 543 different education and training programs at 112 hospitals. The average program involved 94 hours of formal 'classroom' delivery. In total, private hospitals provided about 2.5 million hours of nursing education and training.

As was the case for medical training, larger hospitals provided the majority of education and training to nursing staff and students. Table 3.3 shows that hospitals of more than 100 registered beds accounted for:[13]

- 61 per cent of all nursing programs provided in private hospitals;

[13] Proportions relate to those programs for which hospital size was reported.

- 84 per cent of all students and staff participating in nursing education and training;
- 70 per cent of all hours of formal classroom delivery; and
- 88 per cent of all student hours provided.

Table 3.4

EDUCATION AND TRAINING OF NURSING STAFF: NUMBER OF STUDENTS, PROGRAMS AND HOURS OF DELIVERY, 2004

Hospital size	Programs	Students	Total hours of delivery	Total student hours[a]
1-10 beds	44	273	2 444	17 580
11-100 beds	161	3 705	11 261	311 620
101+ beds	315	21 512	32 481	2 404 610
Total[b]	**543**	**26 725**	**47 335**	**2 828 875**

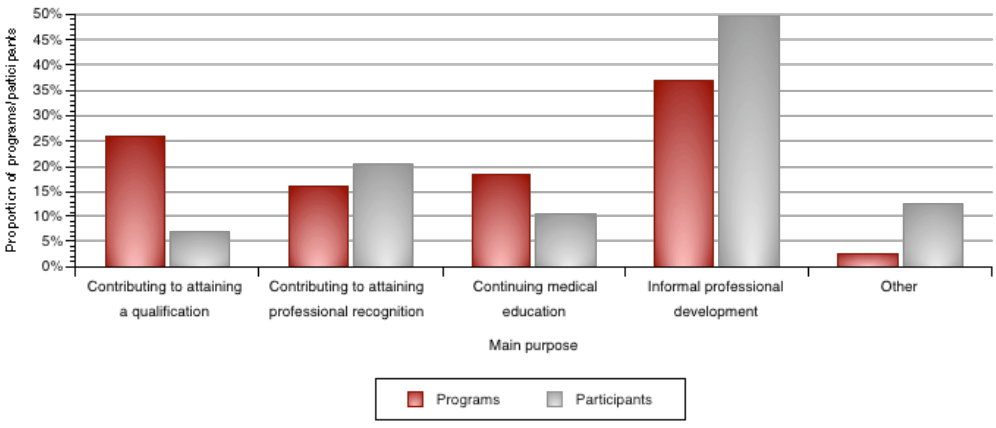
(a): Total student hours is equal to the sum of total hours received by each student. For example, if 20 students take a 50-hour course, that represents 1000 student hours.
(b): Totals include hospitals that did not specify their number of beds.
Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Type of programs

The type of education and training programs provided to nursing staff and students was quite different to that provided to medical staff and students. Figure 3.3 shows that more than 36 per cent of nursing programs were for informal professional development, and these programs accounted for almost 56 per cent of participants. Only 7 per cent of nursing staff or students undertook education and training provided by private hospitals for the primary purpose of attaining a qualification.

Figure 3.3

MAIN PURPOSE FOR NURSING EDUCATION AND TRAINING IN PRIVATE HOSPITALS



Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Nursing education and training programs covered a very wide range of types of training and skills including, *inter alia*:

- a range of graduate and postgraduate nursing courses in areas such as critical care nursing, perioperative nursing, oncology, rehabilitation and midwifery;
- continuing education in treatment of certain conditions and diseases, such as diabetes, asthma, heart failure and mental health conditions;
- continuing education in midwifery, obstetrics and maternity care; and
- continuing education or professional development in a range of subjects, including chemical and pharmaceuticals management and safe administration of medicine, infection control, CPR, occupational health and safety, life support, manual handling, fire education and computer literacy.

A list of postgraduate programs is provided in Appendix A.

Staff involvement in delivery

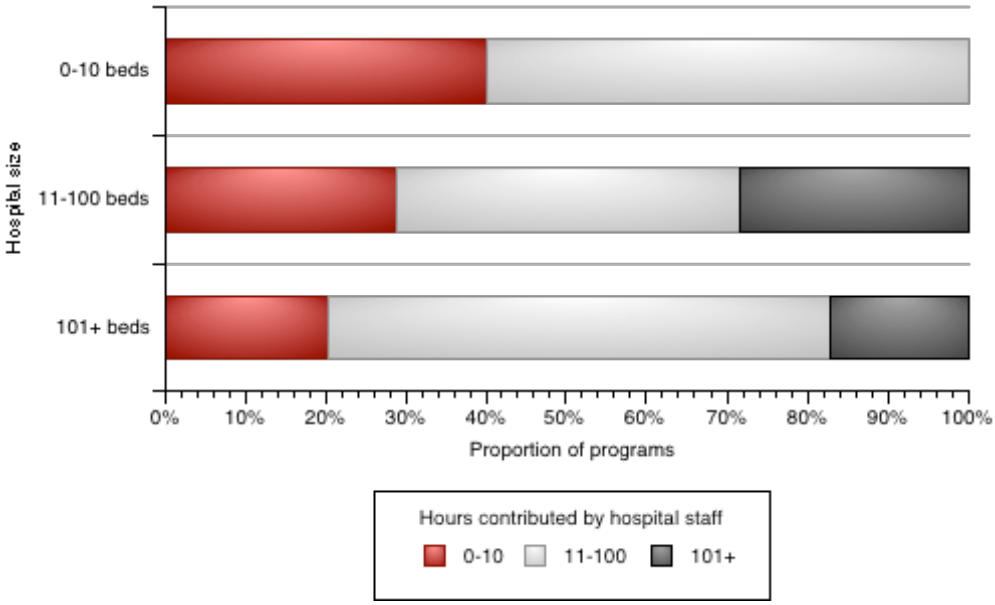
Hospitals estimated that almost 4000 staff were actively involved in delivering nursing education and training in 2004 — an average of 35 staff per hospital, and almost 9 members of staff per program. Over the course of the year, staff contributed 118 hours to delivering the average nursing program. In total, staff members at Australian private hospitals spent more than 43 000 hours of work delivering these programs.[14] Almost 83 per cent of staff hours were contributed at larger hospitals.

Figure 3.4 shows that more than 20 per cent of nursing programs required more than 100 hours of staff time, including 18 programs to which more than 500 staff hours were contributed.

[14] Information on the number of staff involved was provided for 332 of the 388 nursing programs; estimates of hours of work contributed were provided for 276 programs.

Figure 3.4

HOURS OF STAFF TIME CONTRIBUTED TO NURSING PROGRAMS, BY HOSPITAL SIZE, 2004



Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Larger hospitals contributed 145 hours of staff time to the average nursing program. Hospitals of 11 to 100 beds contributed an average of 69 hours per program. At the smallest hospitals, 33 hours per program were contributed.

3.4 Training of allied health staff

Quantity of education and training

A similar number of *allied health* programs were delivered at private hospitals in 2004 as the number of medical programs, but to significantly fewer students. Around 20 per cent of private hospitals provided education and training in areas of allied health. Almost 3000 allied health staff and students undertook a total of 117 different education and training programs at 33 hospitals. The average program involved 65 hours of formal 'classroom' delivery. In total, private hospitals provided about 193 000 student hours of allied health education and training.

Again, larger hospitals accounted for the vast majority of allied health education and training provided by private hospitals, particularly in terms of the number of participating staff and students. Table 3.4 shows that hospitals of more than 100 beds accounted for:[15]

- 70 per cent of all allied health programs provided in private hospitals;
- 92 per cent of all students and staff participating in allied health education and training;

[15] In each instance, proportions relate to those programs for which hospital size was reported.

- 81 per cent of all hours of formal classroom delivery; and
- 94 per cent of all student hours provided.

Table 3.5

EDUCATION AND TRAINING OF ALLIED HEALTH STAFF: NUMBER OF STUDENTS, PROGRAMS AND HOURS OF DELIVERY, 2004

Hospital size	Programs	Students	Total hours of delivery	Total student hours[a]
1-10 beds	4	16	640	4 260
11-100 beds	37	155	617	3 780
101+ beds	94	2 001	5 517	131 000
Total[b]	**139**	**2 974**	**7 599**	**193 015**

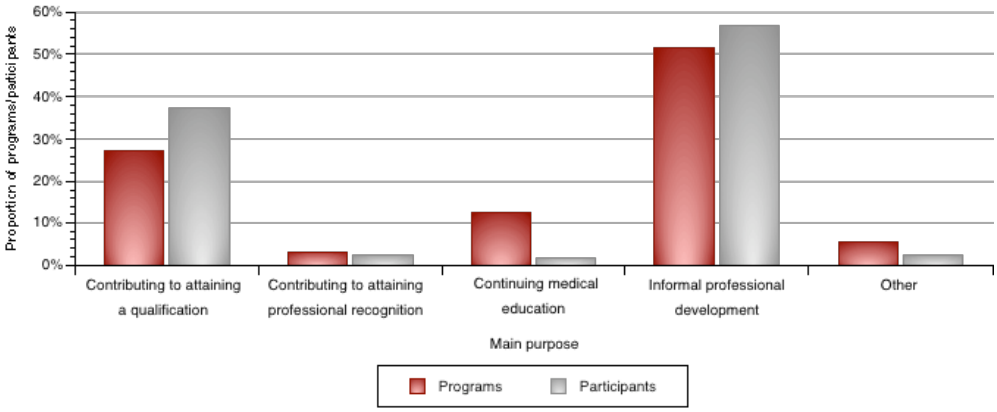
(a): Total student hours is equal to the sum of total hours received by each student. For example, if 20 students take a 50-hour course, that represents 1000 student hours.
(b): Totals include hospitals that did not specify their number of beds.
Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Type of programs

Like nursing staff, the main reason that allied health staff and students undertake education and training programs at private hospitals is for informal professional development. Figure 3.5 shows that almost 52 per cent of staff and students participating in allied health programs did so for this reason. Twenty-seven per cent of participants were seeking to attain a qualification — a much higher proportion than for medical or nursing participants.

Figure 3.5

MAIN PURPOSE FOR ALLIED HEALTH EDUCATION AND TRAINING IN PRIVATE HOSPITALS



Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

As was the case with nursing, allied health education and training programs covered a very wide range of types of training and skills, including:

- physiotherapy — including both postgraduate courses and continuing medical education;
- nutrition and dietetics — including both postgraduate courses and continuing medical education;
- continuing medical education in pathology;
- continuing medical education in mental health assessment and treatment;
- compliance-related programs (occupational health and safety and workplace harassment and discrimination); and
- personal and professional development (e.g. leadership and management, career planning,

A list of postgraduate programs is provided in Appendix B.

Staff involvement in delivery

Hospitals estimated that 952 staff were actively involved in delivering allied health education and training in 2004 — an average of 29 staff per hospital, and 9 members of staff per program. Over the course of the year, staff contributed 110 hours of work to delivering the average allied health program. In total, staff members at Australian private hospitals spent 9350 hours of work delivering these programs.[16]

Larger hospitals represented over 80 per cent of total staff hours contributed to allied health programs, with the average program involving 140 hours of staff time. Hospitals with 11 to 100 beds represented 6 per cent of total staff hours, with 24 hours contributed to the average program. Two programs offered at the smallest hospitals amounted to 480 hours of staff time — 5 per cent of total staff hours.

[16] Information on the number of staff involved was provided for 77 of the 110 allied health programs; estimates of hours of work contributed were provided for 62 programs.

Chapter 4

Benefits, costs and barriers

This chapter details private hospitals' perceptions of the benefits and costs of providing education and training programs and the barriers to greater provision.

4.1 Benefits

Benefits to private hospitals and their patients

Participating hospitals considered the education and training programs of the private hospital sector to have very positive outcomes. Figure 4.1 shows that:

- 97 per cent agreed programs improve the quality of health care provided;
- 88 per cent agreed that programs assist hospitals to recruit or retain staff;
- 92 per cent agreed that programs improve the work environment at hospitals; and
- 82 per cent agreed that programs develop future managers and leaders.

Figure 4.1

HOSPITALS' VIEWS OF THE OUTCOMES OF EDUCATION AND TRAINING PROGRAMS

Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

No more than 4 per cent of hospitals disagreed with any of the above statements.

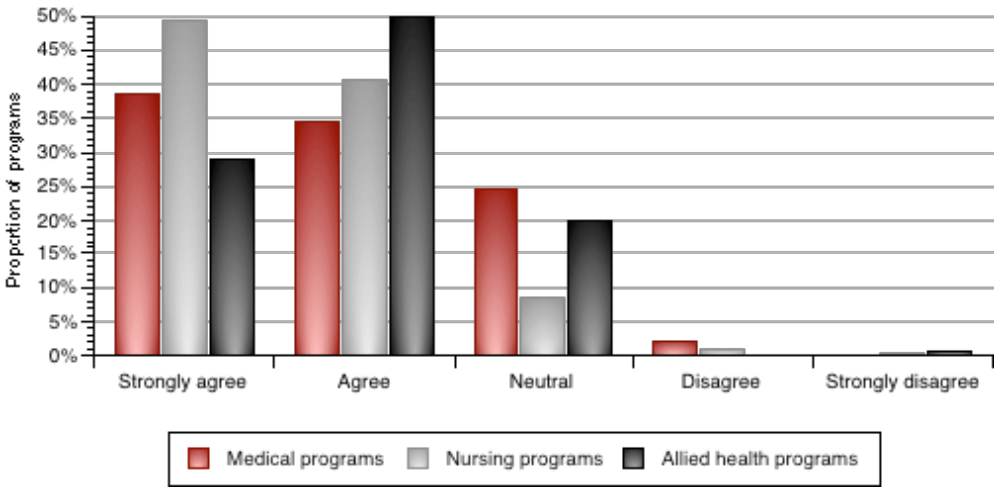
This positive response was consistently strong across hospitals of all sizes, from hospitals that offered education and training programs and from those that did not.

Participating hospitals were also asked whether each individual program of education and training assisted the hospital to recruit and retain staff. The response was similarly strong, with the following proportions of programs considered to have a positive impact on attracting staff (figure 4.2):

- 73 per cent of medical programs;
- 90 per cent of nursing programs; and
- 79 per cent of allied health programs.

Figure 4.2

DO INDIVIDUAL PROGRAMS ASSIST HOSPITALS TO RECRUIT AND RETAIN STAFF?



Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Contributions to the Australian health workforce

Hospitals were invited to discuss how they believe the education and training activities of private hospitals contribute to the workforce of the Australian health system. Respondents identified a wide range of benefits, ranging from the knowledge gained by staff to the outcomes for patients. Among those most commonly discussed were:

- maintaining staff members' knowledge of legislative requirements and accreditation standards;
- updating staff members' knowledge of evidence-based clinical guidelines and best practice;
- developing specialist skills;
- developing management skills;
- promoting a culture of ongoing professional development;

- improving the quality of care provided to clients, including through promoting better communication with clients; and
- creating opportunities for networking, which help build better linkages between the public and private health systems.

Box 4.1 provides a selection of comments provided by hospitals.

Box 4.1

SELECTED COMMENTS: HOW THE EDUCATION AND TRAINING PROGRAMS OF PRIVATE HOSPITALS CONTRIBUTE TO THE AUSTRALIAN HEALTH WORKFORCE

'By providing education for the staff we can ensure that the workforce is practicing under "best practice" guidelines. If you have a hospital that provides high technology services you need to make sure that all the staff involved in the use of this technology is aware of the uses and benefits of this technology. A stable workforce is enhanced by the provision of education and this encourages the staff to stay at the hospital.'

- medium-sized Sydney hospital

'All training and education programs add to the value of the profession as a whole. The more skilled the nursing workforce, the less likely are adverse outcomes. Staff who are confident of their knowledge and skill will readily support more novice practitioners and intervene when necessary. [These benefits are yielded by both the private and public sectors because] nursing is a mobile workforce, and skills are readily transportable.'

- medium-sized ACT hospital

'Meeting organisational needs through the professional development of staff enables the business to continue to grow. This in turn allows greater security for staff and further investment into the business.'

- regional Queensland day surgery

'Accredited postgraduate training experience for medical practitioners provided by private hospitals contributes to the achievement of specialty qualifications by those participating. The private hospital system has the potential to contribute significantly to the training of medical practitioners for specialty qualifications as it has significant caseload in a wide range of specialities. This potential is probably currently not being fully realised as the Colleges have, to date, focussed on accredited training posts in the public hospital system. With the current limitations on elective surgery, medical and rehabilitation capacity being experienced by many public hospitals, there is an opportunity … for the private hospital sector to contribute to a greater extent to this training. For this to be achieved formal funding for such programs is required.'

- large Sydney hospital

'Private facilities provide alternatives for supervised education and experience, ... educat[ing] staff in current practices and in changes occurring within the various specialty fields that we operate. Private facilities often have very highly qualified and skilled practitioners that are interested in contributing to the education of undergraduates and to the continuing education of graduates. They provide a venue for gaining clinical experience that may vary from the public sector.

- medium-sized Queensland hospital

'There is a considerable wealth of knowledge in the private sector workforce. All staff within our organisation attend our extensive mandatory training program. Attendance at in-service sessions is voluntary and we have an excellent response to these sessions. Mental Health workers strive to improve the quality of the service they provide and utilise education as one means of improvement. Staff use the information from these sessions to improve their practice and network with other agencies and staff. It also provides an opportunity for staff to keep abreast of the changes within current treatment practices, medications and outcomes. Providing our services to the 6th year medical and nursing students provides an opportunity for them to be a part of the private sector and to experience how it works, this also provides us with the opportunities to review our practices. Feedback we have received indicates this is a valuable and rewarding experience for the students.'

- Large Adelaide hospital

Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

4.2 Costs

Hospitals estimated that providing education and training for medical and health professionals cost them a total of $20.2 million in 2004. This equates to an average cost of about $24 200 per program, and about $124 400 per hospital. These results suggest that the private hospital sector as a whole would spend at least $36 million each year on providing education and training.[17]

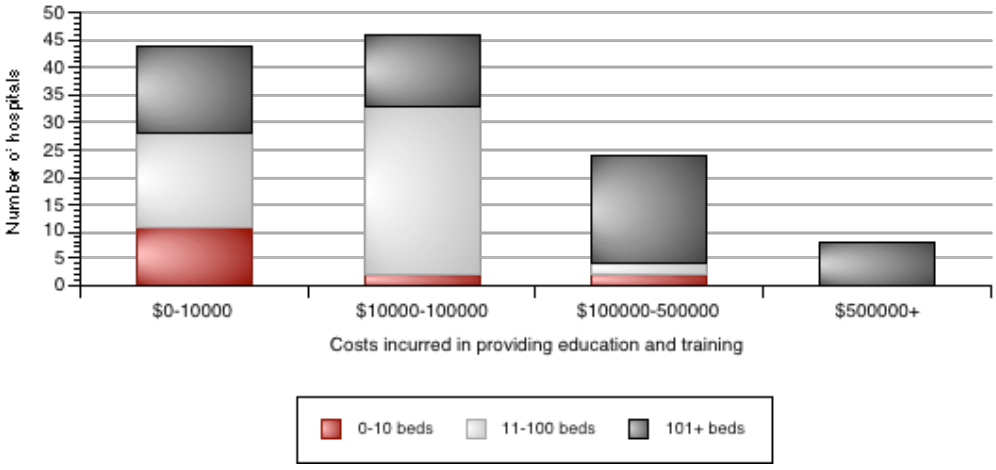
The education and training costs incurred by hospitals tend to increase with hospital size. Figure 4.3 shows that the majority of:

- smaller hospitals spent $10 000 or less on education and training;
- hospitals with 11 to 100 beds incurred costs of between $10 000 and $100 000; and
- larger hospitals spent more than $100 000.

Four larger hospitals spent $1 million or more in providing their education and training programs.

Figure 4.3

COSTS INCURRED BY HOSPITALS IN PROVIDING EDUCATION AND TRAINING, BY HOSPITAL SIZE



Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

[17] In 2002–03, there were 296 private hospitals in Australia. ABS 2004, *Private hospitals 2002–03*, Catalogue No. 4390.0, AusInfo, Canberra.

Net cost

The figures above refer to the gross costs of providing education and training. Some hospitals received fees for providing programs, which need to be subtracted from gross costs to obtain an accurate measure of the financial impact of education and training provision. Twenty-seven hospitals with education and training programs indicated that they received some fees for providing those programs. These hospitals received a total of $1.3 million in fees in 2004. Four larger hospitals in New South Wales and Victoria accounted for more than $1 million of these fees.

Table 4.1 shows that more than three-quarters of fees were paid to hospitals in New South Wales. Hospitals that are Approved Training Facilities affiliated with a university received about two-thirds of fees. Details of which hospitals received feed are provided in Appendix B.

Table 4.1

FEE RECEIPTS BY STATE, 2004

State	$	% of total
New South Wales	1 013 000	77%
Victoria	185 100	14%
Queensland	31 000	2%
South Australia	11 500	1%
Western Australia	61 000	5%
Tasmania	-	-
ACT	8 000	1%
Northern Territory	-	-
Total	**1 309 600**	**100%**

Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

In total the net cost of providing education and training to the private hospital sector was approximately $18.9 million.

4.3 Barriers to provision

Hospitals were asked what factors, if any, had contributed to them not providing any education and training programs in 2004. The responses varied according to the size of the organisation, with the exceptions of cost and lack of access to funding from external sources (e.g. government, private health insurers), which were cited by hospitals of all sizes.

Table 4.1 summarises hospitals' responses.

Table 4.2

BARRIERS TO HOSPITALS PROVIDING EDUCATION AND TRAINING PROGRAMS

Hospital size	Barriers cited (in order of frequency)
0-10 beds	1. Size. Many smaller hospitals and day surgeries indicated that they lacked the capacity or facilities to provide education and training. 2. Cost constraints. Often cited in combination with size. 3. Casual staff: Some indicated they did not provide education and training because most of all of their staff were casual.
11-100 beds	1. Cost. Most medium-sized hospitals indicated that the costs involved with training, in combination with private hospitals' lack of access to external funding for education and training (e.g. government, private health insurers), was the main reason for not providing programs. 2. Size. Again, often cited in combination with cost. 3. Obtained externally. Several hospitals indicated that, while they did not provide education and training programs themselves, their staff did access training provided elsewhere.
101+ beds	1. Availability of staff. Many larger hospitals indicated that they had limited capacity or insufficient flexibility in rostering to release staff to participate in education and training. 2. Cost and lack of access to external funding.

Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Appendix A

Postgraduate programs provided by participating hospitals

Table A.1 provides a list of some of the postgraduate programs provided by participating hospitals.

Table A.1

SOME OF THE POSTGRADUATE PROGRAMS OFFERED BY PARTICIPATING HOSPITALS

Type	Program name
Medical	International Postgraduate Training Fellowship in Hand Surgery
	Postgraduate Specialist Training for Dermatology
Nursing	Master of Nursing Health
	Postgraduate Certificate in Nursing Science (Cardiac)
	Postgraduate Certificate in Nursing Science (Intensive Care)
	Postgraduate Certificate in Nursing Science (Perioperative Nursing)
	Postgraduate Certificate in Orthopaedics
	Postgraduate Diploma in Advanced Clinical Nursing
	Postgraduate Diploma in Critical Care
	Postgraduate Diploma in Mental Health
	Postgraduate Diploma in Midwifery
	Postgraduate Diploma in Nursing
	Postgraduate Diploma in Nursing Health
	Postgraduate Diploma in Operating Theatre
	Postgraduate Diploma in Perioperative Care
Allied health	Clinical Master of Psychology
	Master of Manipulative Therapy
	Postgraduate Diploma in Dietetics

Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

Appendix B

Fees received by participating hospitals

Table B.1 provides a list of the hospitals that received fees for providing education and training programs in 2004.

Table B.1

FEES RECEIVED BY PARTICIPATING HOSPITALS

Hospital	Fees received
Sydney Adventist Hospital	$557 034
Collaborative Health Education Research Centre, St Vincent's Hospital, Lismore	$250 000
St Vincent's Private Hospital, Darlinghurst	$100 000
St John of God Health Care, Ballarat	$95 000
Hollywood Private Hospital	$56 000
Epworth Hospital	$50 000
Lingard Private Hospital	$25 000
Warners Bay Private Hospital	$25 000
Belmont Private Hospital	$20 000
Freemasons Hospital	$9 000
St Andrews Hospital	$9 000
Calvary Health Care (ACT)	$8 000
Tamara Private Hospital	$5 000
St John of God Health Care, Warrnambool	$4 000
Cooloola Community Private Hospital	$2 000
Figtree Private Hospital	$2 000

Source: The Allen Consulting Group and The Ryder Self Group 2004, responses to Review of Education and Training of Health and Medical Professionals in Private Hospitals and Day Surgeries.

An additional $92 600 in fees was received by hospitals that did not identify themselves when responding to the survey.