

HOSPITAL AGREEMENTS

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OVERVIEW

- Background
- Recent development of template agreements
- Difficulty in negotiating new agreements with hospitals
- Reasons for these difficulties
- Content of the new template agreements
- Recent Victorian Government action
- Current funding streams to teaching hospitals
- Importance of Commonwealth and State Government cooperation and involvement

BACKGROUND

- Formal Agreements with the major teaching hospitals covering teaching and research activities have existed for many years
- It is urgent to renew the Agreements
 - most have expired
 - tendency until recently to rely on goodwill
 - risks in relation to insurance, indemnity and compliance
- Two comprehensive template agreements have been developed which will be adapted for each hospital
 - Relationship Agreement Template
 - Occupancy and Sharing of Facilities Template
- There are difficulties in renegotiating the new agreements

REASONS FOR DIFFICULTY IN NEGOTIATING NEW AGREEMENTS (1)

1. FINANCIAL PRESSURES/CONSTRAINTS
 - Gap between Commonwealth Grant and cost to hospital of student placements/teaching and research
 - Increasing costs and accommodation pressures
 - State Government pressure on hospitals to reduce costs

REASONS FOR DIFFICULTY IN NEGOTIATING NEW AGREEMENTS (2)

2. CHANGING UNIVERSITY / HOSPITAL RELATIONSHIPS
 - Focus on finances and cost reduction and less emphasis on mutual partnership benefits
 - Formal notice of termination by a major hospital indicating shift from teaching and research to direct patient care alone
 - Long term result: decline in quality of medical and allied health training and research and ultimately on quality of patient care and medical services available to the community

CONTENT OF NEW TEMPLATE AGREEMENTS (1)

- **Relationship Agreement Template covers:**
 - Basic principles and objectives of the relationship
 - Term: 10 years with regular reviews
 - Representation and consultation
 - Right to formal affiliation with the University
 - University contribution to costs
 - Allocation of students
 - Appointment of staff and clinical privileges

CONTENT OF NEW TEMPLATE AGREEMENTS (2)

- **Relationship Agreement Template (continued)**
 - Intellectual property
 - Insurance and indemnity
 - Patient care and access arrangements
 - Privacy issues
 - Supervision and discipline of staff and students
 - Environmental health and safety
 - Dispute resolution

CONTENT OF NEW TEMPLATE AGREEMENTS (3)

- **Facilities & Occupancy template includes:**
 - areas occupied by University & arrangements for use
 - sharing of facilities
 - rights and obligations of the parties
 - operational requirements eg cleaning, maintenance, air-conditioning, utility services
 - security
 - refurbishment
 - damage to property, procedures and obligations
 - indemnity and insurance
 - dispute resolution

RECENT VICTORIAN GOVERNMENT ACTION

- Meeting with Minister for Health at University's request
- Working Group established by State Dept. of Human Services (19 members representing the University and hospital sectors and the Commonwealth and State Governments)
- Desired outcomes:
 - a more coordinated State-wide approach to Hospital/University relationships
 - standardised clauses in agreements eg insurance
 - review of adequacy of funding arrangements for provision of teaching and research activities in teaching hospitals

CURRENT FUNDING STREAMS TO HOSPITALS (1)

1. COMMONWEALTH GRANT IN RESPECT OF TEACHING HOSPITALS (via University)
 - \$997,000 for 2004 (\$1,070 per head) for medical undergraduate Australian Govt. supported students only, - distributed in full on pro-rata basis to 26 teaching hospitals
 - typical leading hospital receives only \$150,000pa
 - no Commonwealth funds to support dentistry, physiotherapy and other allied health student placements. New funds for nursing from 2005.

CURRENT FUNDING STREAMS TO HOSPITALS (2)

2. VICTORIAN GOVERNMENT FUNDING

- Training and Development Grant
 - \$10m for undergraduate placements
 - \$18.4m for research
- Special research projects
- Staff appointments

CURRENT FUNDING STREAMS TO HOSPITALS (3)

3. UNIVERSITY OF MELBOURNE CONTRIBUTION

- Distribution of entire Commonwealth Grant
- Distribution of % of fees received from overseas and Australian fee-paying students
- Contributions to hospital capital works (eg Austin \$5.5m)
- Contribution to cost of hospital clinical departments (typically \$4m -\$5m per annum)

GOVERNMENT CO-OPERATION

- Important for State and Commonwealth Governments to cooperate and become actively involved
- Government support is critical in facilitating a strong long-term association between the universities and hospitals in relation to clinical teaching and research across all health areas