



COUNCIL OF DEANS OF NURSING & MIDWIFERY
AUSTRALIA & NEW ZEALAND

Submission to the Higher Education Base Funding Review

Submitted by the Council of Deans of Nursing and Midwifery
(Australia & New Zealand)

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The Council of Deans of Nursing and Midwifery (Australia & New Zealand) (CDNM) (or the 'Council'), formerly known as the Australian Council of Deans of Nursing (ACDN), is the peak organisation that represents the Deans and Heads of the Schools of Nursing and Midwifery in universities that offer undergraduate and postgraduate programmes in nursing and midwifery throughout Australia and New Zealand.

Its aims are to ensure the maintenance of quality standards of university education for nurses and midwives, to be the voice of tertiary education for nurses and midwives, to lead and represent those who provide tertiary education to nurses and midwives and to promote the public image of nursing and midwifery.

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Introduction

The Council of Deans of Nursing & Midwifery, Australia & New Zealand (hereafter referred to as the CDNM), welcomes the opportunity to contribute to the Higher Education Base Funding Review (the Review).

As many universities are contributing individually to the Review process, the CDNM has chosen to limit its comments to a common issue pertinent to all higher education providers offering pre-registration nursing programs; the cost of providing clinical practicum.

Overview

Providing students of pre-registration Nursing programs with appropriate professional experience during their preparation program is critical to ensure that graduates of such programs can meet the competency standards required for registration as a registered nurse and are adequately prepared for the transition to the workforce.

It is also a requirement for course accreditation under the Australian Nursing and Midwifery Accreditation Council standards. The Australian Nursing and Midwifery Accreditation Council (ANMAC) has determined that courses leading to nursing registration must provide at least 800 hours of clinical practice (professional experience) across pre-registration nursing programs in order for the program to meet accreditation standards (Australian Nursing and Midwifery Council, 2009). The ANMAC define professional experience placements as:

.....the component of nurse education that allows students to put theoretical knowledge into practice within the consumer care environment (adapted from Clare et al 2003 'clinical placement/practicum').

It includes, but is not limited to, the hospital setting, and may include general practice, remote and rural health clinics, and community care environments.

It excludes simulation.

ANMAC 2009

Over the time that nursing programs have been conducted in the higher education sector, there has been a number of changes to university funding structures and subsequent increases in the funding envelope including a quarantined amount to support the cost of providing clinical practicum.

Despite this increase in funding, the CDNM believe that the cost of providing clinical experience continues to escalate. From the perspective of CDNM the current funding arrangements are historically based rather than reflective of contemporary practice and legislative requirements and education providers continue to cross subsidise clinical practicum from other programs, an arrangement that has reached capacity.

To secure the future of nursing programs, and given expected national workforce demand, perhaps increase intakes, a sustainable funding model that balances the pedagogical needs of students with regulatory requirements is required.

Clinical Practicum Costs

Attempts have been made in the past to identify the true cost of providing clinical practicum experience to pre-registration nursing students but these attempts have been hampered by the absence of an agreed methodology for identifying and apportioning costs.

The CDNM recognised that if it was to inform the Review process better, then it must provide evidence of the costs (direct and indirect) incurred by universities to co-ordinate and place students in clinical areas for professional experience and as a result, a number of schools of nursing have recently participated in a University of Wollongong Clinical Practicum Costing project.

This project was partially in response to the introduction of increased charges by private health care providers for clinical placement supervision but also for the purpose of informing the University of Wollongong's and now the CDNM's submission to the Review process.

Nine universities providing a range of rural, regional and metropolitan placement data and covering several states and territories, participated in the project. Participating universities were included on the basis of interest and not because they represented any particular cohort. As the participating schools represent only 26% of universities offering undergraduate nursing programs across Australia, the results presented are not necessarily a representative sample, they do however provide a snapshot of costs and they are quite consistent.

Project Methodology

Participating universities were asked to provide information on:

- a) The number of students who undertook a clinical placement during the 2010 program year and the number of days and hours per day they attended the placement;
- b) The number of facilitators or preceptors used for each placement and the number of days and hours per day they were employed;
- c) The hourly cost of employing clinical facilitators to supervise students while on clinical placement or the charge imposed by health service providers for providing clinical staff to preceptor students;
- d) Any fixed cost charged by a health care provider in addition to supervision costs;
- e) The annual cost of employment of full-time and part-time faculty and administration staff directly involved in the provision of clinical practice arrangements, and
- f) Indirect costs of supporting clinical practice placements e.g. purchasing legal services, infrastructure overheads.

Student clinical placement hours for each placement type were calculated using the following formulae;

$$\textit{number of students} \times \textit{number of days} \times \textit{hrs/day}$$

The total number of hours of supervision provided (facilitator) were calculated by no. of facilitators/no. of days/hrs/day. Cost of facilitation was then calculated by no. of facilitators x total hours of employment x hourly rate for each placement type.

For preceptor arrangements, the costs of placements were calculated individually as most preceptor arrangements had been negotiated locally and there was a wide variation in the agreements between universities and health care providers even within a single state or territory.

Once these had been calculated and aggregated, the costs incurred within the university (staff and fixed costs) were added to reach a total expenditure across the program year. The total amount was then divided by the total number of hours of clinical placement that students had undertaken in the 2010 program year to reach an average cost /student/hr for clinical practicum. Further analysis was undertaken to isolate costs for facilitated vs. preceptor supervision with and without university staff and fixed costs added.

Findings

Based on the findings of this project, the average cost of co-ordinating and providing clinical supervision to pre-registration nursing students for the minimum 800hrs of clinical placement over three years was **\$6,672 or \$8.34/student/hr in 2010**. Costs reached as high as \$9048 (\$11.31/student/hr) in some universities.

Cost variation depended on the type of supervision provided and the range of administrative and fixed costs incurred within the university.

On average, the cost incurred to provide direct supervision during clinical practicum represented around 60%(\$5 based on the average figure of \$8.34 identified above) of the total costs incurred by a university. The remaining 40% was directly attributable to administration and co-ordination of clinical practicum.

The administrative and co-ordination costs incurred by universities vary but some homogeneity exists in items such as:

- Planning, sourcing and co-ordinating placements;
- Undertaking site visits with associated costs for travel, transport;
- Clinical placement software purchase and maintenance;
- Infrastructure and utilities for staff involved in administration and coordination of clinical placements such as communications, power, office facilities;
- Education and training of facilitators/preceptors and administrative staff using specific software, and
- A range of other operating costs such as legal services and IT support.

The project demonstrates the substantial gap between the quarantined amount for clinical practicum through the current funding envelope (approximately \$1100 in 2011 or \$3300 per EFTSL across a three year program) and what it costs for universities to provide clinical practice experience

(up to \$9000 per student – an even greater cost when expressed in EFTSL). Even when clinical practice supervision is considered in isolation from fixed and staff costs incurred within the university, the amount estimated to be provided by the Commonwealth for clinical practicum falls well short of the average cost of providing that practicum. All indications suggest that if health care providers continue to demand greater reimbursement on a per capita basis, this gap will widen even further.

Implications for HE Base Funding Review

Ensuring an adequate supply of nurses into the future is a priority for the Australian Government.

The Government has recently directed Health Workforce Australia to develop advice on the optimal training numbers in entry level nursing programs (as well as medicine and midwifery) in order to achieve the goal of self sufficiency in health professional supply by 2025. Once these have been determined and agreed, HWA will then monitor the number of students completing pre-registration programs.

Universities capacity to increase student numbers in pre-registration programs is dependent on a range of factors, not least of which is access to suitable quality clinical placements. The success of an individual organisation to find placements has relied mainly on the goodwill of individuals and the development of successful relationships between course coordinators and staff within nursing administration of a particular hospital. (Clare et al. 2002). As contemporary practice and education models have developed, sourcing relevant, diverse and quality placements has become increasingly challenging.

As nursing workforce supply shortages have intensified, both public and private health service providers have looked to broker deals at a local level with universities and many have entered into clinical training agreements or partnership arrangements (Taskforce, 2006). While these arrangements are mutually beneficial for the relevant education and health care provider they can be concurrently restrictive to other universities seeking to place students.

Increasingly, public and private health service providers are demanding compensation for providing clinical practicum experience to students. Reasons cited for the increased costs include the argument that supervising nursing students causes disruption to patient throughput and staff productivity is decreased. Ramsay Health Care for example, has recently introduced a charge of \$10hr for each nursing student undertaking a clinical placement at one of their facilities; note: this does not include a cost for placement coordination.

A secondary and unintended consequence of supporting growth in student numbers has also contributed to the demand for funding from health care providers.

As a means to increase the clinical training capacity of the health system, Health Workforce Australia (HWA) has recently provided subsidies to encourage a growth in undergraduate training places. For nursing, HWA has provided a subsidy of \$10.50/student to support clinical placements for every additional student taken into pre-registration programs above 2009 course enrolment figures.

This subsidy, which is only available for the additional students above established intakes, is only available until 2012 at which time universities will be expected to continue to accommodate similar annual intakes without the additional funding.

Conclusion

The operational cost of clinical practicum in pre-registration nursing programs, while it varies across universities and is dependent on the model of clinical practice undertaken, is higher than might have been anticipated and cannot be limited to calculating the costs associated with clinical practicum supervision alone. Rather it must include the range of costs incurred at the university itself. By including the cost of administering clinical placements within the university there is on average a 40% increase in the total cost of providing clinical practicum.

The equivalent full time student load model of funding does not take into account the real costs to universities of providing mandatory clinical practicum (work based learning), nor does it recognise that clinical placements are undertaken by an individual and not an 'EFTSL'. Funding for clinical practicum should be provided as an additional grant to universities offering pre-registration nursing programs and the grant amount should be calculated on a 'per head' basis not EFTSL. The CDNM has given consideration to what might be an appropriate amount to be included in Commonwealth funding in recognition of the cost of providing clinical practicum in pre-registration nursing programs. Taking into account the results of the University of Wollongong project; the work undertaken by HWA to determine a subsidy amount for clinical placement growth; and the average charge by health care providers to provide clinical placement supervision, the CDNM believe that the amount should be 10/hr/student for 800 hours of clinical placement, in line with the minimum hours required by the Australian Nursing & Midwifery Accreditation Council.

Australia has one of the best preparatory models of nursing education in the world. The quality of care provided by Australian nursing graduates is having positive outcomes on the health and well being of the Australian population. Our education system has a duty to maintain current standards but this can only occur, if there is appropriate funding provided to universities to conduct programs.