Standardised Schedule of Fees for Clinical Placement of Students in Victorian Public Health Services for 2017

Background and Frequently Asked Questions (FAQs)

Background

It is widely acknowledged that there are mutual benefits to all stakeholders from clinical placements of students and these are equally valued by education providers, health services and students.

At the 16 December 2011 meeting of the VCTC (Victorian Clinical Training Council, then the Victorian Clinical Placements Council), it was acknowledged that a number of factors had resulted in escalating and significantly varied fees in Victoria’s public health services. It was agreed that the significant variation in fees charged for clinical placements, and the associated lack of transparency in setting those fees, were undesirable features of Victoria’s clinical placement system.

The VCTC recommended that, on its behalf, the department should progress consultation on the development of a fee schedule for clinical placements to standardise Victoria-wide arrangements for fees.

In May 2013, the department released the Standardised schedule of fees for clinical placement of students in Victorian public health services, effective from 1 July 2013. The Schedule is intended to promote financial planning certainty in the interests of all stakeholders and for the sustainability of Victoria’s system for professional-entry clinical training.

2017 Revision

The 2017 Schedule represents a significant milestone and continues to provide an important statewide mechanism for gaining agreement between public health services and education providers on the matter of cost-sharing arrangements for clinical placements.

The Minister for Health has advised that relevant maximum fees remain at their 2016 levels, pending continuing monitoring of fee arrangements. The department already has these arrangements in place, including the establishment of a senior advisory group to inform the review of fees (and the Schedule itself) for 2018 and beyond. Stakeholders will continue to be consulted in this process.

Frequently Asked Questions

This set of FAQs is intended to assist health services and education providers in their implementation of the Schedule. The answers are provided as guidance and attempt, wherever possible, to clarify or resolve questions simply, fairly and with regard to the “reasonable person” standard.
1. **What is the Standardised Schedule of Fees for Clinical Placement of Students in Victorian Public Health Services?**

   The *Standardised Schedule of Fees for Clinical Placement of Students in Victorian Public Health Services* (the Schedule) provides stakeholders with greater clarity and certainty on fees charged for professional-entry student clinical placements. The Schedule does this by prescribing a fixed contribution for medical students (as per the long-standing *Relationship Agreement for the Public Hospital Sector*) and maximum contributions for nursing, midwifery and allied health clinical placements.

2. **Why are fees necessary?**

   Fees reflect the contribution by education providers to the cost of clinical placements, broadly reflecting the cost of activities associated with clinical education and training incurred by health services. This contribution is part of a long-standing and widely-accepted tripartite contribution to the cost of clinical placements made by government, education providers and health services.

   The contribution by education providers also provides a basic economic incentive for the efficient and sustainable use of a limited resource.

3. **Why have fees been standardised?**

   The Schedule is consistent with promoting and enhancing fairness, equity, transparency and consistency.

   The Schedule has been developed to reduce variation in, and increase the transparency of, fees charged for clinical placements. In so doing, the Schedule is intended to promote financial planning certainty and sustainability in the interests of the Victorian clinical placements system.

4. **What is the relationship between the Training and Development Grant and the Schedule?**

   The WIES cost weights (or block grants for small rural health services) calculated by the department for service delivery include a component for training and development. In addition, the department provides a defined Training and Development Grant (the Grant) to subsidise costs associated with teaching, training and research (TTR) activities. Introduced at the same time as case-mix funding in Victoria, the Grant is an acknowledgement of the productivity-lowering and general cost impacts of TTR activities on health services. A specific stream of the Grant is for professional-entry student placements, equivalent to approximately $50.5M in 2016-17. Health services receive a subsidy for placing students from 23 disciplines, including students studying medicine, nursing (both registered and enrolled), allied health and allied health assistance. Payments to health services are based exclusively on their proportion of clinical placement activity and these allocations (along with activity levels by broad discipline category) are published as part of the *Victorian Health Policy and Funding Guidelines*.

   The Schedule relates to the fees charged by health services to education providers as contributions to the cost of providing clinical placements and relate directly to the dedicated teaching costs incurred by health services (through the employment of supervisors).

   Funds received by health services from both the Grant and fees are contributions to the full cost of clinical placements, whereby health services absorb the balance of cost. This tripartite contribution to the cost of clinical placements is a long-standing and widely-accepted principle in Victoria.


5. **How long is a clinical placement day?**

   See ‘Definitions’ section of the Schedule.
6. **How do I calculate fees?**

The Schedule establishes a maximum fee only. Actual fees should be established through discussion and mutual agreement with education provider partners based on the cost and cost effectiveness of supervision models. Health services may not recoup costs associated with normal service delivery or the administration of clinical placements and other costs incurred by the health service. These costs are contributed to by the department through other funding streams.

7. **Does GST apply to fees?**

All maximum fees in the Schedule are stated as GST exclusive. Fees for clinical placements that are a requirement for health students to complete their qualifications are GST free pursuant to section 38-85 - Education courses, of the Goods and Services Tax Act 1999 (the Act).

However, when a public health service invoices education providers for clinical placement fees, GST may be applicable. The department has received advice that:

- No GST is applicable on invoices to TAFE organisations as they are government-related entities. Payments between one government-related entity (DHHS) and another government-related entity are outside the scope of GST pursuant to section 9-17(3) of the Act.
- GST is applicable on invoices to universities and other education providers as they are not government-related entities. This advice is authorised under section 9-5 of the Act. Under this scenario:
  - The university claims the GST component back from the Australian Taxation Office meaning an equivalent net cost to the university of the agreed fee GST exclusive.
  - The health service remits the GST component to the Australian Taxation Office and receives the equivalent agreed net fee GST exclusive.

Stakeholders are encouraged to seek their own advice regarding the treatment of GST under the Act.

8. **Do fees apply to internships?**

The Schedule applies to all clinical placements in Victorian public health services for students enrolled in an Australian professional-entry course for the included disciplines. Most internships are undertaken once students have completed their course and are therefore not covered by the Schedule. In some instances, internships are undertaken while the student is still enrolled in a professional-entry course (for example, medical radiation sciences). Where the department provides the health service with specific funding for these students, the Schedule is not applicable and fees cannot be charged.

9. **When does the Schedule come into effect and for how long does it apply?**

This version of the Schedule is effective from 1 January 2017.

10. **Is the Schedule mandatory?**

Yes, for public health service providers. In order for the Schedule to be effective and realise system-wide benefits, it is essential that all public health services and partner education providers adhere to it. Further information is available in the ‘Applicability’ section of the Schedule.

11. **How is the Schedule enforced?**

The Schedule is incorporated as a condition of the annual Victorian Health Policy and Funding Guidelines (the Guidelines). The compliance of health services with the Schedule is in accordance with the Guidelines.

The eligibility of health services to receive the Grant is conditional on their compliance with the Guidelines.

Further information is available in the ‘Compliance’ section of the Schedule.

12. **What if a public health service or an education provider fails to comply with the Schedule?**

Health services and education providers (including all their employees and agents) are expected to adhere to the Schedule and negotiate and document their agreed fees for clinical placements ethically and in good faith. They are also expected to conduct themselves in keeping with the spirit and intent of the Schedule, and in the interests of the Victorian clinical placements system, including not engaging in any practices or activities that undermine the integrity or efficacy of the Schedule.

Health services that seek to charge (or accept), or education providers that offer to pay, fees either different to the fixed contribution for medicine or greater than the maximum contributions for nursing, midwifery and allied health will be considered in breach of the Schedule.

Where an instance (or allegation) of a breach of the Schedule is brought to its attention, the department will investigate and take an appropriate course of action to ensure compliance with the Schedule. The department will do its utmost to maintain the confidentiality of third parties in instances of third-party reporting of breaches of the Schedule.

13. **What if I have an agreement with a partner that stipulates a fee in excess of the Schedule and/or extends past the Schedule’s implementation date? What should I do?**

Where current agreements differ from the contribution for medicine or are greater than the maximum contributions for nursing, midwifery and allied health, these fees need to be made consistent by the Schedule’s implementation date. This may require early renegotiation of current student placement agreements.

14. **I have not (been) charged for clinical placements before. Does the Schedule mean that this will now change?**

Where charging does not currently occur, or is below the maximum fees outlined in the Schedule, it is expected and strongly encouraged that historical fee arrangements are preserved. Where cost structures do change and fees are altered to reflect these, early notification, negotiation and transition arrangements should all be discussed with partners and documented in the student placement agreement. Further information is available in the ‘Principles and values’ and ‘Documentation of established fees’ sections of the Schedule.

15. **How will the implementation of the Schedule be monitored and transparency assured?**

The department is responsible for working with stakeholders to implement, monitor and review the Schedule and ensure its ongoing efficacy. Known breaches of the Schedule should be reported to peopleinhealth@dhhsvic.gov.au for further investigation.

16. **Does the Schedule apply to clinical placements in facilities other than those of Victorian public health services?**

No. The Schedule applies only for the clinical placement of students in Victorian public health services.

The Schedule does not apply to clinical placement providers who are not Victorian public health services; however, these organisations are open to use the Schedule as a guide.

17. **Which disciplines (or professions) are included in the Schedule?**

The disciplines that are included in the Schedule are medicine, midwifery, nursing (registered and enrolled), audiology, dietetics and nutrition, exercise physiology, medical imaging, occupational therapy, optometry, orthoptics, pharmacy, physiotherapy, podiatry, prosthetics and orthotics, psychology, social work and speech pathology. See ‘Applicability’ section of the Schedule.
18. **What fees apply for those disciplines not included in the Schedule?**

Fees for clinical placements should broadly reflect the costs of activities associated with teaching and training. The Schedule is not intended to increase the fees for clinical placements, either for those disciplines included in the Schedule or those disciplines currently out-of-scope.

In this context, it is expected and encouraged strongly that historical fee arrangements are preserved for those disciplines not listed in the Schedule. Where cost structures do change and fees are to reflect these, early notification, negotiation and transition arrangements should all be part of managing expectations and implementing any change.

The Victorian Student Planning Advisory Group (VSPAG) has been established by the department to provide advice relating to student planning initiatives, including the Schedule. Consultation with the VSPAG, in conjunction with other monitoring and review processes, will inform potential amendments (including fee levels and the inclusion of additional disciplines) to future versions of the Schedule.

19. **When was medicine introduced into the Schedule?**

The contribution of education providers to the clinical education of medical students reflects long-standing arrangements for this discipline. Guidance on the fixed education provider contribution was moved from the Relationship Agreement for the Public Hospital Sector into the Schedule in 2016. See the ‘Fees chargeable to education providers’ section of the Schedule.

Note that fees for medicine are not calculated on a per clinical placement day basis as for nursing, midwifery and allied health.

20. **What is the template Student Placement Agreement?**

In response to stakeholder requests for a more consistent and efficient approach to partnership-building, the template Student Placement Agreement (SPA) was developed in consultation with the Relationship Agreement Advisory Group. The SPA provides standardised terms and conditions under which students of education providers may be placed at clinical placement providers to obtain clinical education.


21. **Why are there differences between disciplines (or professions) in fees?**

The maximum chargeable fee for clinical placements in nursing and midwifery is directly related to the provision of student supervision. The maximum fee for allied health is not directly related to the provision of supervision, and is intended to be reviewed in the future pending further analysis of funding capacity, cost analysis and workforce impacts. Fees for clinical placements in medicine are based on historical arrangements previously outlined in the Relationship Agreement for the Public Hospital Sector.

Differences in fees established within particular student placement agreements will reflect a range of factors, including historical arrangements, funding approaches/sources, custom and practice, and professional culture and values. These contextual factors are realised in variations in administrative arrangements and clinical learning models/requirements and, therefore, impact on both the expectations and level of cost-sharing for clinical placements.

Further information is available in the ‘Fees chargeable to education providers’ section of the Schedule.

22. **Does the Schedule prescribe (or imply) a particular clinical learning/education model or grade/experience of supervisor?**

No. It is recommended strongly that these (and any other significant or relevant) arrangements should be communicated clearly upfront to partners and reflected explicitly in current and/or future student placement agreements.
Student placement agreements should provide clarity on terms and conditions, roles and responsibilities, and expectations of partners.

For instance, the assessment of an enrolled nursing (or any other VET) student must be undertaken by a health professional with a current TAE40110 Certificate IV in Training and Assessment.

23. The fee that I have (been) charged includes a contribution for administration and coordination. Does this practice align with the Schedule?

No, for all disciplines included in the Schedule, any fee charged to the education provider must reflect the costs of the dedicated time a health service staff member performs a student supervisor role.

See the ‘Fees chargeable to education providers’ and ‘Non-fee contributions to the cost of clinical placements’ sections of the Schedule for further information about tripartite contributions towards the cost of clinical placements.

24. Should a fee be charged if an education provider supplies supervision for the clinical placement?

No. Where the education provider is responsible for supervision for the clinical placement, no fee may be charged.

The Schedule does not allow for the costs associated with time spent with students by a health service’s clinical staff during their normal service delivery. These costs are contributed to by the department through the Grant, with health services absorbing the balance as part of the tripartite cost-sharing.

25. While on placement, some students are provided with accommodation by a health service. Where charging (students or education providers) for accommodation is an existing practice, can this continue under the Schedule?

The cost recovery for accommodation is separate and unrelated to the contribution to the costs of teaching and, therefore, the Schedule does not apply.

Where applicable, existing charging for student accommodation should continue as is and not change because of the Schedule.

However, these charges should be clearly documented in agreements between partners.

26. Are in-kind arrangements included in the Schedule?

For information only, some suggested in-kind contributions are listed at Appendix 2. This list was compiled originally by allied health stakeholders during the development of the original Schedule in 2013.

The Schedule relates only to the financial (or monetary) contributions that education providers make to health services toward the costs associated with clinical placement and the teaching and supervision of students.

It is also acknowledged that in-kind (or non-financial) contributions for clinical placements are made by both health and education stakeholders and that these valuable contributions are of mutual benefit and may be factored in the setting of fees. These are to be determined (by agreement) and on terms satisfactory to partners.

The Schedule does not prevent existing in-kind arrangements from continuing if both partners agree, nor does it preclude the establishment of new in-kind arrangements. In recognition that the appropriate valuation and maximisation of in-kind contributions may offset and reduce the real cost of placements for all partners, it is expected and encouraged strongly that in-kind contributions are made or continue to be provided.
27. Some students require extra support while on clinical placement. Can I charge, or should I be expected to pay, extra for these students?

No. Unless the student completes make-up or supplementary days, then no additional fees (above fees established within the partnership) should be charged.

Further information is available in the ‘Make-up or supplementary days’ section of the Schedule.

28. Does the Schedule apply to cancelled placements?

Yes. Further information is available in the ‘Cancellations and absences’ section of the Schedule.

Where, in the case of a cancelled placement, ‘make-up’ placement time is required, a fee would apply routinely for each additional day of placement as per the Schedule.

It is also recognised that, given enrolment-related fluidity in demand for placements and the arbitrary circumstances of individual students, education providers must unavoidably cancel placements at times. It is further acknowledged that health services also cancel placements on education providers, largely for unanticipated changes in service levels or staff rosters, and that this is an impost on education providers.

Mutual understanding and flexibility are encouraged strongly in the case of a cancelled placement; discouraged equally strongly are habitual overbooking and late cancellation of placements which damage the trust and goodwill between partners.

In the interests of avoiding ‘surprises’ and thereby reducing potential harm to relationships, student placement agreements should provide explicit clarity on the terms and conditions for cancelled placements, as well as the roles, responsibilities and expectations of partners in this regard. Furthermore and where there is foreknowledge of any cancellation-related fees (and the appropriate and justified circumstances under which they apply), there will exist a financial motivation to minimise or avert cancelled placements.

In recognition that robust preparation and greater coordination can assist in addressing some of the factors impacting cancellations, a state-wide process of clinical placement planning and coordination is facilitated annually by the department. Health services and education providers are strongly encouraged to participate in this process.

29. What are the responsibilities of health services and education providers in relation to the Schedule?

Health services and education providers (including all their employees and agents) are expected to adhere to the Schedule and negotiate and document their agreed fees for clinical placements ethically and in good faith. They are also expected to conduct themselves in keeping with the spirit and intent of the Schedule and in the interests of the Victorian clinical placements system, including not engaging in any practices or activities that undermine the integrity or efficacy of the Schedule.

To these mutual and system-wide ends, health services and education providers are expected to work cooperatively and collaboratively with the department in implementing, monitoring and reviewing the Schedule, including:

• Active participation in ongoing stakeholder consultation;

• Timely responses to requests for information; and

• Reporting any known breaches of the Schedule to the department.

The department will do its utmost to maintain the confidentiality of third parties in instances of third-party reporting of breaches of the Schedule.

Leadership, compliance, promotion and education with respect to the schedule are the responsibility of both health services (through the Public Health Services’ CEO/DH Forum and metropolitan/rural clinical directors’
groups) and education providers (through the Council of Victorian Health Deans and the Council of VET Providers).

30. **How can I find more information on one of the questions or how do I ask a different question?**

Please contact the department at peopleinhealth@dhhs.vic.gov.au.