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	✓ General Manager (Health	Services)
•	Deputy Director-General,	Policy and Outcomes
DATE:	27 October 2003	
PREPARED BY:	Dr Suzanne Huxley, Principal Medical Adviser, Health Advisory Unit	Contact No: 3234 1386
CLEARED BY:		Contact No:
SUBMITTED THROUGH:	Gloria Wallace, State Manager, Organisational Development	
DEADLINE:		File Ref:
SUBJECT:	Future of Centre for Overseas Trained Do	octors
APPROVED/N COMMENTS Indung of \$1	DR, DDO pa la 3 years only	Ceryl Could you organise and ugent neeting for met

PURPOSE:

To present the business case prepared by the Centre for Overseas Trained Doctors (COTD) which requests support for:

- 1) Transfer of the COTD to the Queensland Health Skills Development Centre in July 2004; and
- 2) Charging of a placement fee for Overseas Trained Doctors (OTDs) who have undertaken a Preparation for Employment Course through the COTD.

BACKGROUND:

- QH has provided annual funding of \$108,000 since 1996, to the University of Queensland COTD, for a bridging course for the Australian Medical Council (AMC) first part MCQ exam.
- In 2001/2002, the arrangement with COTD was renegotiated to provide 2 Preparation for Employment (PFE) Courses per annum, plus a revised bridging course, without funding change approved by GMHS.
- The COTD provides a screening and assessment service, ensuring OTDs recruited through this service meet standards in relation to clinical competence, language, cultural safety and knowledge of the health system.
- QH hospitals have indicated a high level of satisfaction with doctors supplied through the COTD
 - over 80 assessed and oriented OTDs provided to QH in 2002 (2 to Mt Isa) with significant retention rate into PHO and Registrar posts.
- The Director-General has directed that QH funding be limited to \$108,000 per annum with additional cash flow obtained from implementing a user pays arrangement.

ISSUES:

- Commonwealth funding for the AMC clinical exam bridging course was withdrawn in 2002 in favour of a HECS style funding arrangement (user pays):
 - lack of OTD interest has caused collapse of clinical bridging courses nationally.
- Continuation of the COTD requires implementation of a user pays system which includes a placement fee charged to Districts. The proposed fee of \$2000 per doctor will be charged for OTD's who are employed on completion of or while undertaking a PFE course through the COTD. An alternate fee structure of \$1,700 per placement for hospitals that participate in the observership program and \$2,300 per placement for hospitals not participating in the observership program is suggested as an alternative to the flat rate placement fee.
- Failure to implement the placement fee will result in a financial year operating deficit of \$20,000 to \$30,00 and would mean the COTD would be unlikely to be able to continue operations from 1 January 2004.
- The business case proposes that the COTD be relocated to the Skills Development Centre when it commences operation in July 2004, with the request that a letter of intent to undertake this transfer is prepared by Queensland Health to enable COTD staff to ensure their continued employment.

BENEFITS AND COSTS:

Benefits

- OTDs who are:
 - fully assessed as fully competent and prepared for practice prior to employment
 - supervised and mentored as appropriate until attaining vocational status





- case managed in respect of registration, immigration, and Provider Number status, and progress towards vocational status as appropriate
- progressing to permanent resident practice having access to bridging courses.
- Maintaining an essential supply of OTDs prepared for RMO practice.
- User pays operation without detriment to recruitment in a seekers' market (excess demand):
 - OTD payments Preparation for Employment
 - Employer payments for Placement.

Costs

- In 2003/04 the cost to Queensland Health would be \$108,000 plus placement fees to individual Districts, if placement fees are agreed.
- The proposed user pays system would potentially operate at a profit and does not include the current funding base of \$108,000 from Queensland Health. This assumes an ongoing revenue stream from placement of \$150,000 (75 placements per year).



CONSULTATION:

Business Case prepared by Centre for Overseas Trained Doctors in consultation with:

- Principal Medical Adviser
- Medical Superintendents Advisory Committee and Medical Workforce Group
- Kate Copeland

Additional consultation between Principal Medical Adviser and Zonal Managers

ATTACHMENTS:

- 1. Business Case Future for the Centre for Overseas Trained Doctors
- 2. Comments received through Zonal Managers

RECOMMENDATION(S):



That the General Manager Health Services approve:

- 1. The renewal of the funding agreement with the Centre for Overseas Trained Doctors for \$108,000 per annum for a further three (3) years).
- 2. The payment of a \$2,000 placement fee, by each District, for each OTD placed.
- 3. The relocation of the COTD functions to the Queensland Health Skills Development Centre from July 2004.

BUSINESS CASE FUTURE OF THE CENTRE FOR OVERSEAS TRAINED DOCTORS

BACKGROUND

Queensland Health (QH) has increasingly required permanent resident Australian Overseas Trained Doctors to work within Queensland. The Centre for Overseas Trained Doctors (COTD), based within University of Queensland has assisted with courses for AMC examinations and Preparation For Employment Courses. Nearly 500 doctors have completed COTD courses, resulting in hundreds of employees, with approximately 160 still active in QH junior workforce. (For more information, see Appendix One – Issue, Solution and Track Record).

PROGRAMS



There are three major programs – MCQ Bridging Course, Preparation For Employment (PFE) Course and Clinical Bridging Program. These courses can be attended sequentially. To date, the MCQ and Clinical Courses have been run once per year, whilst the PFE has been run twice per year. It would be ideal in the future to run an MCQ and Clinical program prior to each set of exams (that is, twice per year for both). Also, it would be useful to run three PFE courses per year to maximise the staggering of the workforce, accommodate the AMC exam process, and facilitate smooth transition from interstate candidates. (For more detail on COTD Programs, see Appendix Two – COTD Programs).

CURRENT CHALLENGES

- 1. Long Term Governance (See Governance on page 2)
- 2. Funding Models (See Funding on page 3 and details in Appendix 3, 4 and 5)
- 3. Short Term Issues (See Immediate Action on page 4)



GOVERNANCE

CURRENT GOVERNANCE

The COTD is currently located within the Medical School of the University of Queensland, under the governance of Head of School, Professor Ken Donald. Day-to-day management is organised by Jennifer Young, as Coordinator COTD. She liaises very closely with medical managers and Medical Education Officers within Queensland Health, especially for the PFE program to facilitate good workplace outcomes. Although the University of Queensland has supported and located the COTD within the Medical School, the focus of COTD is upskilling OTDs to ensure clinical safety in the Queensland Health environment, and matching applicants with workforce requirements. This focus means that the educational component is integral to workforce needs rather than academic needs.

FUTURE GOVERNANCE OPTION



It is proposed that COTD is relocated to the Skills Development Centre in Queensland Health when it opens in July 2004. COTD would function as a program area within the Skills Development Centre. The Program Director of COTD Program would report to the Executive Director of the Skills Development Centre, to facilitate a cooperative, streamlined educative process for doctors from overseas. This program could then include assessment of Temporary Resident Visa Doctors (TRDs), running of existing programs in an expanded manner, and utilise cost recovery methodology to ensure sustainability. This program would also act as a spring board and platform to other communication and clinical programs within the Skill Centre, by ensuring adequate English language in a professional capacity, as well as appropriate cultural sensitivity, for doctors from non English speaking backgrounds.

The options for longer-term videoconferencing of sessions and extension of workshops outside of Brisbane metropolitan area could be considered in future business modelling. Any profits made within this program area could then be redirected to the Skills Development Centre to upgrade this program and assist with research and development within the Skills Development Centre.



FUNDING

PREVIOUS FUNDING

Queensland Health \$108,000 per annum Commonwealth Funding \$180,000 per annum

MCQ Candidate Fees \$17, 500 pa (Covered Library - \$700 per person - only one course)
PFE Candidate Fees \$33, 600 pa (Covered Library - \$700 per person - only one course)

Clinical Candidate Fees \$ No cost – until 2002, then BOTPLS funding

Totals \$339, 100

Usual Annual Running Costs (For 1 x MCQ and 2 x PFE and 1 x Clinical)

\$318, 200 (Plus University On costs)

(See Appendix Three for details of annual cost components for COTD)

RECENT FUNDING



Partial cost recovery has been present for many years to cover library fees at Herston Library, as well as office supplies. Since the change in 2002, removing direct Commonwealth funding, cost recovery has featured increasingly, with varying levels of success. (See details in Appendix Four).

Funding 2003/2004 thus consists of:

Queensland Health	\$108,000
Cost Recovery to date	\$56,000
Future PFE Candidates*	\$50,000
Future Clinical Candidates**	\$22,500
TOTAL INCOME	\$236, 500

Costs 2003/2004:

Staff/ Office Supplies	\$166,000
MCQ x 1	\$30,000
PFE x 2	\$45,000
Clinical x 1	\$14,000 ***
TOTAL EXPENSE	\$255,000



^{* -} PFE course first half of 2004.

** - It is proposed to also run one abridged version Clinical Bridging Course in early 2004 (that is four weekend workshops and one trial exam available on two occasions). This course is likely to recoup approximately \$22, 500.

*** - Please note the following: Less courses than ideal due to cost constraints. Staff costs lower as no admin support this year. PFE courses are being slightly modified for costs. Clinical course is being truncated due to time constraints.

FUTURE FUNDING

Funding will be recovered through a cost recovery model, as outlined in detail in Appendix Five.

Thus, ANNUAL INCOME BASE

MCQ Courses x 2	,	\$47,500
PFE Courses x 3		\$150,000
Clinical Courses x 2		\$60,000
Placement Charges to Hospitals		\$150,000
Grand Total		\$407, 500

ANNUAL EXPENDITURE \$344, 300

PROJECTED PROFIT \$ 63, 200

IMMEDIATE ACTION

1. Governance Resolution

The University of Queensland projects inadequate funds for survival long term, for reasons outlined above. Thus, COTD could be closed by UQ at end December 2003. To this end, they are reserving \$20,000 from the operating budget for severance pay.

Financial security within UQ needs to be restored in the interim until relocation within the Skills Development Centre of Queensland Health can be resolved. For this to occur, it will be necessary for a decision to be made that this relocation will occur. This decision will allow consideration by UQ for the severance pay allowance to be waived (there is a precedent in this area). This will release \$20,000 in program running costs.

REQUESTED ACTION:

Letter of intent by QH to transfer operation of COTD functions and staff to QH (from UQ) at end of 2003/2004 financial year

Please note: Deputy Registrar of UQ has attended COTD to inform of imminent closure on 1/1/04. Thus prompt action or advice on this would be most appreciated.

2. Short Term Financial Deficit

There is a projected deficit around \$20,000 for the 2003/2004 financial year. This estimate is conservative, as the courses have been modified to bare minimums, and may require slight upgrading during the process, if obvious deficiencies become evident in the study groups. It is unlikely that this deficit will exceed \$30,000.

REQUESTED ACTION:

Placement fees for PFE candidates are agreed to prior to the commencement of 2004 PFE course.

This course of action will require executive endorsement (in principle) within QH, as well as adequate discussion with (and support from) Medical Superintendents Advisory Committee and District Managers. The placement fee rationale is discussed in more detail in Appendix Five, but in essence aims to minimise dependence on Temporary Resident Doctors, while providing support to hospital education providers during the transition.

Alternate Solutions (less preferred):

- 1. QH provides a loan to be repaid over three financial years from profits of COTD (whilst in Skills Development Centre). OR
- 2. Trial of increased fees to PFE candidates to \$3,000 this may not work, due to limitations in personal funding base prior to employment and would still leave a gap of \$5,500.

 OR
- 3. Mixed solution with increased fees to PFE candidates to \$2, 500 PLUS loan from OH of \$18,000 to be repaid by COTD over three years.





APPENDIX ONE: ISSUE, SOLUTION and TRACK RECORD

ISSUE

Queensland has a chronic shortage of medical staff at various levels. The undersupply in junior medical staff has previously been filled by Temporary Resident Doctors (TRDs), generally from similar countries with English as a first language. Increasingly, the supply of Temporary Resident Doctors are being derived from non English speaking backgrounds, while concurrently there is a supply of permanent resident Overseas Trained Doctors (OTDs) who are available for the workforce, during the process of sitting the Australian Medical Council (AMC) exams. The challenge for both TRDs and AMC candidates is adapting to a new medical culture, acquiring adequate language skills to function in a professional capacity, and understanding a healthcare system with access to a variety of different investigative and treatment modalities which is often vastly different from their countries of origin. These issues have led to challenges within the health system, and a degree of reticence from some senior medical colleagues to understand the changing face of the medical workforce in Australia.



SOLUTION

The Centre for Overseas Trained Doctors (COTD) has been in existence since 1996. This Centre has provided a variety of courses for Overseas Trained Doctors. Initially, these courses were only for permanent resident doctors, but as the profile of TRDs has changed, increasingly TRDs are also accessing courses through the COTD. The courses were originally focussed on preparation for the AMC exams, both multi choice and clinical. However, workforce needs demanded a change of focus from only the exam preparation courses, to provide a course as well, to prepare AMC doctors for the workforce—the Preparation for Employment (PFE) course. Queensland Health has funded COTD since 1996 to provide MCQ courses, and since 2002, this funding was also to provide PFE courses. The remainder of the funding to sustain COTD has come from the Commonwealth but this revenue stream has now terminated.



TRACK RECORD

Since 1996, nearly 500 permanent resident doctors have completed courses through COTD. Many of these completed several courses. Approximately 204 have completed or been assisted on the MCQ Bridging Course, 160 have completed the Clinical Bridging program, which ran from 1997 to 2003, and 103 have completed (or almost) the PFE course since 2002. Over 100 doctors have been recommended and employed directly into hospitals, following COTD selection processes without commencing the COTD courses. These employees would often have benefited from the PFE course, but the work demands exceeded the capacity for this to occur. From these cohorts of doctors, the vast majority are still working in Queensland. Currently, there are 90 doctors working at PHO or Registrar level (many in training programs) and 70 at Intern or JHO level. Only 13 working doctors have moved interstate. There are some doctors who have moved onto GP training after their time in QH. The participants in the course provide feedback that they are better prepared and more comfortable in the workforce. The support provided to them in the hospitals, during their observerships and employment, allows them to integrate into the Queensland medical culture, allowing a sense of belonging and facilitating longer term employment as a realistic option.

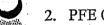
Loyalty and commitment from the OTDs can be obtained through support of processes at COTD, which facilitates QH having a prominent reputation amongst the different ethnic groups. The ethnic network is always an invaluable powerful and free advertiser for future employees.

APPENDIX TWO: COTD PROGRAMS

Please note that each program is preceded by intensive selection process; involving assessment of English language (written, reading, listening and spoken) in a medical context, clinical assessment and clinical reasoning skills, and computer literacy. The selection processes for each course aim to ensure that the best candidates are offered positions, and also assists with tailoring the clinical content of the courses to the needs of each group.

1. MCQ Bridging Course

- 20-week program with flexibility to function as weekday full time, or evening and weekend workshops (for working doctors)
- Focus is small study groups with facilitators
- Intensive language and cultural upskilling
- Clinical lectures tailored to needs of group together with content demands of MCQ exam
- Three trial examinations with consultant reviews post exam for thorough feedback



PFE Course

- 19-week program with 2 weeks orientation at COTD, followed by 16 weeks observerships (Monday to Thursday in hospitals) with Friday lectures at COTD, and completed with one week summation and lectures at COTD.
- Orientation. Friday lectures and final week, focus on Australian culture and language, workplace culture, system structure and models of health care in Australia, common clinical scenarios, expectations of junior medical staff, and administrative issues they should consider

3. Clinical Bridging Program

- 25-week program delivered in modular form on nights and weekends
- Three trial exams, each related to previous module, and final trial exam covering all modalities
- Lectures were mostly clinically based scenarios, with theory elaborated during the session
- Language explored and expanded through extensive use of clinical role plays with critique and feedback



APPENDIX THREE: DETAILED COSTING FOR COTD

Overall		
	UQ Award Structure	QH Award Structure
Program Director of COTD	\$50,000 (plus super)	\$60, 000 (PO4)
Full time Educator	\$48, 000 (plus super)	\$55, 000 (PO 3 same as MEO)
0.6 FTE Educator	\$29, 000 (plus super)	\$33,000
0.4 FTE Educator/ Admin support	\$19,000 (plus super)	\$22,000
Administrative Support	\$38,000 (plus super)	\$34,000 (AO2)
Clerical supplies	\$20,000	\$20,000
SUBTOTAL	\$204, 000	\$224,000*
MCQ Add On (Per Course)		
Selection	\$3,000	\$1,800
Lecturers	\$8,500	\$4,300
Library (to Herston Medical Library)	<u>\$6, 600</u>	<u>\$6,600</u>
	\$18, 100	<i>\$12, 700</i>
PFE Add On (Per Course)		
Selection	\$3,000	\$1,800
Lecturers	\$6,000	\$3,300
Well Women Program	\$6,000	\$6,000
Library	<u>\$6,600</u>	Nil – use QH facilities
SUBTOTAL	\$21, 600	\$11, 100
Clinical Add On (Per Course)	(25 weeks)	(25 weeks) (Alternate**)
Selection	\$3,000	\$1,800 \$1,800
Lecturers	\$25,000	\$14,000 \$10,000
Trial Exams	<u>\$25,000</u>	<u>\$15,000</u>
SUBTOTAL	\$53,000	\$30, 800 \$26, 800
TOTAL FOR YEAR:		
Overall	\$204,000	\$224,000
$MCQ \times 2$	\$36, 200	\$25, 400
PFE x 3	\$64, 800	\$33,300
Clinical x 2	\$106,000	\$61,600 (\$53,600)

Note to date only $1 \times MCQ$ and $2 \times PFE$ and $1 \times Clinical$ in most years, thus previous **GRAND TOTAL** = \$318, 200

\$411,000

Please note that the variation in lecturer costs is based on award systems. Lecturers currently get paid as consultants for UQ at about \$100 per hour, whilst QH pays \$50 - 65 per hour generally.

\$344,300

* - Please note also that general costs may decrease if relocated to Skills Development Centre as combined Administration resources may remove this specific expense, or minimise it to part of a full time equivalent

ALTERNATE** - Also, note the new model for the Clinical Bridging Course, with less formal lectures, and more workshops and trial exams (with feedback) is likely to decrease the costs for the Clinical Course. It is possible that the full Clinical Course may still need to be run with some cohorts of candidates.



Grand Total

APPENDIX FOUR: COST RECOVERY MODELS

Minimal cost recovery was commenced when the Herston Medical Library requested payment of Library Charges on a per candidate basis. At this time, the MCQ candidates were charged an amount that covered this fee, as well as additional resource utilisation within COTD. PFE candidates also have been charged this fee since the course commenced in 2002.

The advent of BOTPLS funding in 2002 required charging Clinical Bridging Program candidates \$12,000 per candidate. This situation led to only 14 candidates applying (due to lack of financial resources for the rest), as well as increased costs through the University of Queensland charging 7.5% on costs (which was reduced from an initial 30%). Generally, it was seen that this was not a successful attempt at cost recovery.

The reduction in Commonwealth funds associated with the new BOTPLS process has required a review of financial processes and other attempts at cost recovery. The PFE course has moved to a partial cost recovery model in 2003. The last course required candidates to pay \$1500 each. These costs covered library fees, resource utilisation and the well women examination. There has been no issue with this cost, as the candidates were keen to participate to facilitate future employment.

An attempt at partial cost recovery for the MCQ was sent out in recent months. The proposed cost was \$2000 per applicant. This plan yielded 12 applications, several of which were unlikely to have been preselected in previous years. Due to this unsatisfactory outcome, the situation was reviewed and an amended offer was sent with a cost recovery of \$950 per applicant. This revision has allowed a pool of applicants in excess of 30 from which to select for the course.





APPENDIX FIVE: MARKETING SERVICES

There is a need to market the services that people will pay for, and offer other services as support at minimal costs. The rationale for this is that AMC candidates generally cannot afford much money prior to their MCQ course, and are unconvinced of their need for a Clinical course if they are working.

However, candidates are prepared to pay for PFE courses, and for trial exams for both MCQ and Clinical Courses. Thus, utilising the previous budget with QH costs (see Appendix Three), the annual expenditure per annum will be around \$344, 300.

The following formula would be used to obtain these funds in the longer term.

Income Potential:

	Per Applicant	Probable Total
MCQ Course (2 courses x 25 candidates)		
Trial Exams (3 per course)	\$600	\$30,000
Library Fees	\$350 (QH employees exem	pt)\$17, 500
PFE Course (3 courses x 25 candidates)	\$2000	\$150,000
Clinical Course (2 courses x 30 candidates)	
Workshops (3 per course)	\$300	\$18,000
Trial Exams (1 full per cour	se)\$700	\$42,000
(plus 2 mini exams per cour	· · · · · · · · · · · · · · · · · · ·	
Placement Charges to Hospitals	\$2000	\$150,000
Grand Total	•	\$407, 500

(Please note, that the lecture programs attached to the MCQ course and Clinical Course are provided free of charge, as an incentive to lure appropriate recruits to the courses.)



The placement charges to the hospitals include involvement in the PFE course, as well as three months support and follow up by COTD. This arrangement would be on an individual doctor basis with the relevant district, COTD and the OTD, potentially through a contract arrangement. The COTD would be involved in assisting the hospital with intensive orientation and initial support in collaboration with the MEO and DCT of the facility. The purpose of the COTD involvement would not be to replicate current orientation and work practices, but to facilitate a smooth transition from the PFE course into the actual work environment, without undue strain on hospital resources, minimising "teething" problems which have occurred in some previous placements. The role of COTD in this early phase of placement would be negotiated with each hospital and adjusted according to the needs of the facility and OTD involved.

An alternative placement charging model would be to adjust the charges, according to whether the employing hospital participated in the observership placement. Thus, hospitals participating in observerships would be charged \$1700, whilst hospitals not participating would be charged \$2300. The aim would be to keep this revenue stream earning circa \$150,000.

Centre for Overseas Trained Doctors

Zonal Feedback on Business Case

November 2003

Northern Zone	 I wish someone would have told me about the COTD before. We have several OTDs here who would have benefited from the services
	The skills development centre in QH – where is it to be located? My concern is that OTDs who train in Brisbane tend to stay in Brisbane. Some have been known to refuse to go north of Caloundra! Hence north Queensland may find that the orientation is not necessarily relevant to our context and that a Brisbane based orientation creates more recruitment problems for our hospitals if past experience eg RACGP programs is anything to go by.
	I see no evidence and am not convinced yet that this orientation/skills training will guarantee a supply of properly orientated and knowledgable doctors suitable to this environment. I cannot see what the barrier is to providing a relevant professional support network and orientation in NQ given the presence of JCU and an existing network of teachers.
	Sound business case on paper – well done. Would be marvellous to think that such workforce planning could actually be extended forward to senior rural staff positions which are in no less a crisis but even more critical to their respective communities health services.
	- This is a worthy effort and a good project with good aims. However it has never produced anyone for us as they (the OTDs) generally wish to stay in the SE corner. The old system produced a good product but did not help us. Hence I feel the amount QH will gain through cost recovery by the Districts is ambitious to say the least. I do not think the project is sustainable as presented and have said this before.
	- Good idea, but our future needs to be focussed locally. I guess for what it's worth – if we don't get any/many – then it doesn't matter much what the cost is per person!
	 This certainly has merit, and we are currently paying for recruits of indeterminate quality, so I would offer support if we can get a guarantee of greater support in the North.
Central Zone	I support the submission
Southern Zone	SZ Districts generally in favour of the proposal to transfer the centre to QSDC, as well as the charging of a placement fee option. Most felt that the other options for funding are not practical. They aren't pleased about the additional cost burden of the fee but feel that the COTD is a significant service that makes a difference to their recruitment issues — so are prepared to wear it.
	Districts differed on the issue about differential charging based on whether or not they participate in the observership program. There is a reasonable argument against it, because it can mean that rural Districts that are not always in the position to support the program by virtue of their isolation are penalised.