Registering overseas doctors in the Australian Medical System

Newcastle Workplace Based Assessment program

- at what cost?

Associate Professor Andrew Searles
Dr Rod Ling
HMRI: Health-Research Economics
University of Newcastle

Professor Balakrishnan R (Kichu) Nair AM
Associate Dean, University of Newcastle
Director, Centre for Medical Professional Development
Hunter New England Local Health District

Julie Wein and Kathy Ingham
Hunter New England Local Health District

HMRI
Hunter Medical Research Institute

In partnership with our community

THE UNIVERSITY OF NEWCASTLE AUSTRALIA

NSW GOVERNMENT Health Hunter New England Local Health District

Content…

- **Cost study: Focused on the resources utilised delivering the Newcastle WBA program**
  - Aims
  - Methods &
  - Results
- **Limitations**
- **Implications**

Study aim…

- To derive an estimate of the resources to deliver the Newcastle WBA program
- …Where costs are observed from the perspective of the health system
- …For a typical cohort of 15 International Medical Graduates

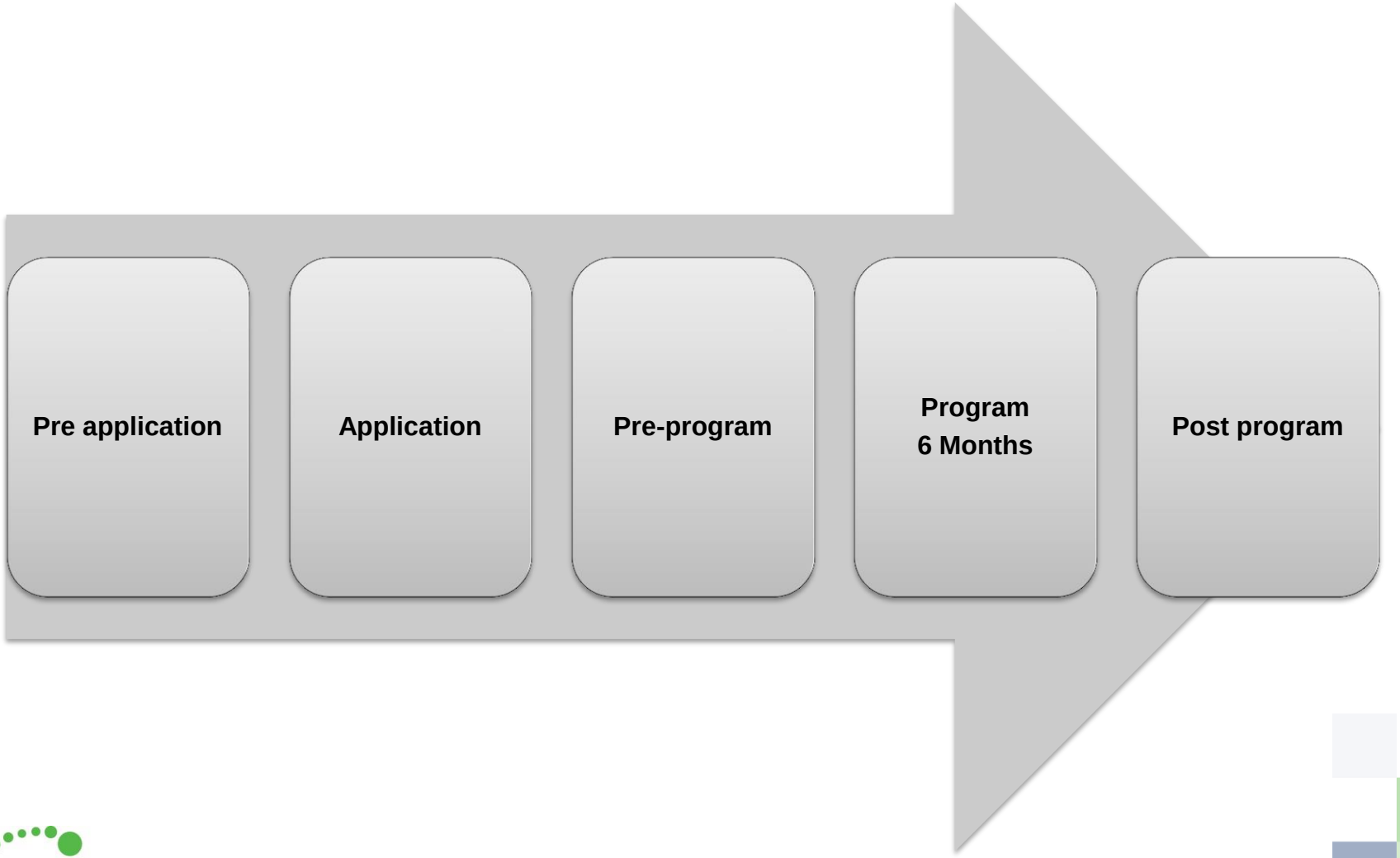
Study methods…

- **Cost study that stipulated…**
- **What resources were in/excluded in the costing**
  - Included = Expended/ compensated/ forgone by HNEH & UoN in program delivery, admin, committees, governance, overheads, materials
  - Excluded = time of IMGs (due to perspective of study & expectations that IMGs do not allow the WBA to interfere with work, cost of fixed assets e.g. lecture halls)
- **How resources were measured (quantity in terms of hours & materials)**
  - Developed a schematic representation of the path for delivering the WBA showing each stage of the WBA and the relevant costs
- **How monetary units were applied**
  - Labour was a major cost – four levels
  - Market prices with the inclusion of overheads. Market price is a proxy for the value of the resource – opportunity cost

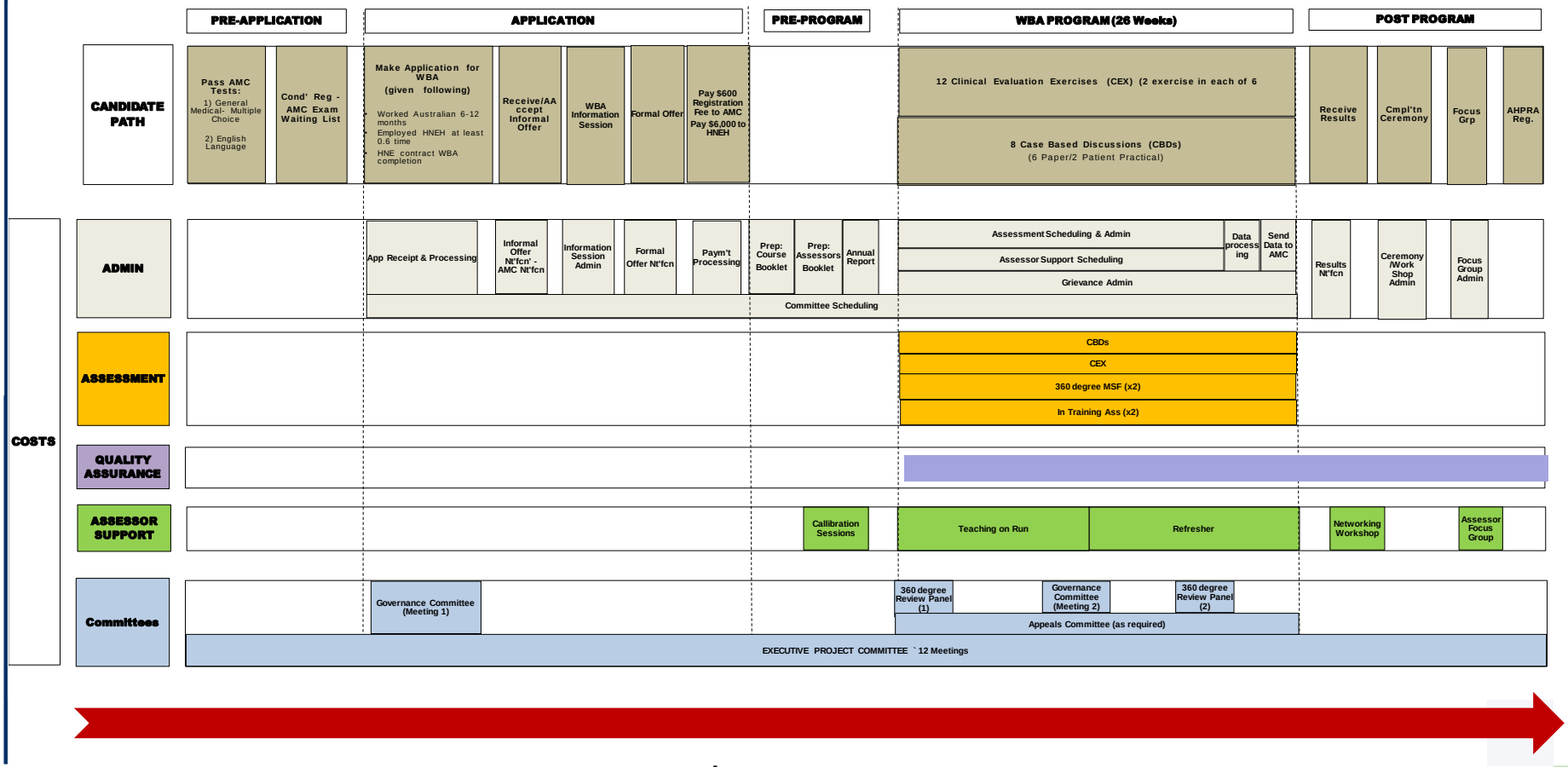
The alternatives that were forgone due to time spent delivering the WBA

Results

Result #1: Schematic representation of the Newcastle WBA



Result #1: Schematic representation of the Newcastle WBA



Time

In partnership with our community

HMRI Hunter Medical Research Institute

THE UNIVERSITY OF NEWCASTLE AUSTRALIA

NSW GOVERNMENT Health Hunter New England Local Health District

Result #2: Total and average cost (15 IMGs)

	Costs					
	Pre-Application	Application	Pre-Program	Program	Post Program	TOTAL
General Administration	-	$710	$530	$2,590	$690	$4,520
Assessment	-	-	$320	$155,650	-	$155,970
Quality Assurance	-	-	-	$1,330	-	$1,330
Assessor Support	-	-	$39,900	$90	-	$39,990
Committees	$120	$240	$1,880	$9,790	-	$12,030
Total Labour	$120	$950	$42,630	$169,450	$690	$213,840
Materials/ events						$3,148
TOTAL COST						$216,988
AVG COST						$14,466

Revenue offsets some cost …

- **Each candidate pays $6,000 to be in the WBA program. For a 15 candidate intake, this equals revenue of $90,000.**
- **Hence, after receipt of fees**
  - WBA cost of $124,988 (i.e. contribution from HNEH & UoN)
  - Per candidate cost of $8,333 (i.e. contribution from HNEH & UoN) .

What is obtained for this cost?

- ***NOTE: The costing study was not designed to examine the effectiveness of the WBA program nor to compare its cost against benefit.***
- **Nonetheless, there are outcomes from the program. These include:**
- **All IMG candidates have passed WBA (versus 50% pass under the Standard Pathway)**
- **6 month window for observing IMGs in a health care setting**
- **A rigorous examination procedure**
- **Range of senior clinicians provide feedback**
- **The inclusion of feedback to IMGs from co-workers**
- **IMG candidates have time to address issues**
- **WBA deliverable in regional Australia**

Limitations …

- **Possible that costs were attributed to the health system, but not directly paid by the health system (i.e. cash).**
  - E.g. evidence that assessors and administrative staff contributed unpaid time to various functions of the WBA program.
  - This did not represent a **direct financial burden** to the health system. It may appear that this effect would tend to create bias to an over estimate of the cost or $ actually spent by the health system. However….
  - **Opportunity cost**: Unpaid overtime spent delivering the WBA is a loss to the health system ⇨ this unpaid overtime could have been used on other health system activities
- **Costing studies do not indicate whether 'value' was obtained.**
  - For this, need a cost-effectiveness or, ideally, a cost-benefit analysis.

Recommendations…

- **Conduct a more detailed cost analysis to identify where efficiency gains may be possible**
- **Compare the Newcastle WBA program with other sites and evaluate with the aim of identifying potential efficiency gains**
- **Consider the social return of the WBA program through a cost-benefit analysis**
- **For sustainability of the program, investigate funding options that make the program cost neutral from the perspective of the health system.**

Thank you