

Proposal for a
Centre for Health Policy, Programs and Economics
within the School of Population Health,
Faculty of Medicine, Dentistry and Health Sciences

1 Summary

It is proposed to establish a new Centre for Health Policy, Programs and Economics within the School of Population Health, based on the existing Program Evaluation Unit (PEU). The Centre will contribute to human health through research, teaching and service relevant to health policy, health services, programs and health economics.

Aims & objectives of the centre

The primary aims of the Centre will be to:

- advance relevant knowledge and address health issues so as to better inform theory, research, policies and programs;
- develop, evaluate and trial interventions to build further understanding of best practice models of health services and programs;
- engage in the development of research methods, exemplary practice and a varied program of teaching and training.
- promote and support the development and adoption of evidence-based public health policies and practices;
- establish systems and processes to promote effective transfer of research findings into policy and practice;
- develop skills and capacities in health services research and health economics among graduate students and practitioners; and
- improve the capacity of the community to critically evaluate the performance and funding of health policy and health services (programs).

These aims and objectives will be pursued in alignment with the objectives of the Strategic Plan of The University, the Faculty, and the School of Population Health.

It is proposed that the name of the Institutional Centre that best captures the strategic objectives of the group should be the Centre for Health Policy, Programs and Economics. It is also proposed to initially focus research activity within the proposed centre on areas of existing expertise of mental health; primary care and health promotion; and priority setting and health economics.

It is anticipated that other groupings will form over time particularly in the areas of health policy and health law. It is proposed that the Director of the Centre will initially be the current PEU Director, A/Prof David Dunt and that the Deputy Director will be A/Prof Rob Carter.

It is expected, over a 5-year period, that:

- external funding be obtained to establish a continuing Chair who will become the Director of the Centre
- at least one major new research unit would be created within the Centre (proposed to be in the health policy, health law area);
- that competitive grant funding would increase as a proportion of research funding;
- consulting would continue to provide an important proportion of Centre income;
- teaching numbers in terms of higher degree students will substantially increase, focused around areas of research expertise; and
- teaching numbers and quality ratings for postgraduate coursework students will continue to increase and improve.

2 Background

The School of Population Health (SPH) was established in the Faculty of Medicine, Dentistry and Health Sciences in 2001. The School aims to strengthen the understanding, capacity and services of society to meet population health needs and to improve the quality and equity of health care. It employs a population health framework that incorporates public health and preventative medicine, health promotion, clinical medicine and allied healthcare disciplines and an evidence-based approach to health care. SPH places particular emphasis on Indigenous and international health. Its research programs aim to elucidate the genetic, environmental, social and economic determinants of health, and also focus on the evaluation of the health systems, programs and services that seek to prevent disease and injury and to promote health. The School provides research and professional development opportunities for medical undergraduates, postgraduates in a wide range of disciplines, clinicians in all sectors of the health care industry, scientists, professionals and leaders in population health.

The School is presently comprised of eight principal groups, including five Centres. Located at 207 Bouverie Street is the the Program Evaluation Unit (incorporating the Health Economics Group), the Centre for the Study of Health and Society, Centre for International Mental Health and the Diabetes Vaccine Development Centre. Located at 723 Swanston Street is the Centre for Molecular, Environmental, Genetic and Analytic Epidemiology. The Key Centre for Women's Health in Society is located at the Royal Woman's Hospital and the Sexual Health Unit is housed within the Melbourne Sexual Health Centre nearby on Swanston Street. The School also includes the Murdoch Childrens Research Institute and School of Population Health collaborative Vaccine and Immunisation Research Group (VIRG) led by Professor Terry Nolan and located at 207 Bouverie Street.

This proposal is a major initiative to upgrade and re-launch the Program Evaluation Unit. It is the principal grouping in the Faculty of Medicine and Health Sciences currently engaged in health program evaluation and health economics. It is headed by A/Prof David Dunt (medical epidemiologist and program evaluator) with A/Prof Rob Carter (health economist) as Deputy Head. Up until 2003 and the establishment of the School of Population Health, it formed the Centre for Health Program Evaluation (CHPE) (with Centre status at The University of Melbourne) in association with a Monash University grouping of health economists. This two-university arrangement arose out of a successful application to the NHMRC (with matching VicHealth funding) to form the NHMRC National Centre for Health Program Evaluation in 1991. Initially the PEU operated with the Monash group to coordinate and to some extent integrate their activities within the CHPE, with complementary work programs and similar funding sources. Increasingly, however, both groups grew and developed their own autonomous work programs and funding sources, effectively operating as Centres in their own right. Following a review at Monash this was recognized with the establishment of the Centre for Health Economics.

Following the separation of the Melbourne and Monash groups in 2003, to take stock of activity within the Faculty in health services research and to plan for the future, a working group was established (Prof Terry Nolan and A/Profs David Dunt and Rob Carter from the Department of Public Health as well as Profs Doris Young (General Practice), Peter Dawkins (Melbourne Institute) and Ms Helen Owens, of the Productivity Commission). There was recognition by the working group of the solid achievements of the Program Evaluation Unit and the desirability of its future expansion and development. It strongly endorsed the concept of the group moving to Institutional Centre status.

The interest and expertise of other individuals and groups in The University should also be noted. There are many senior academics within the School of Population Health, the Faculty of Medicine and Health Sciences, and The University more generally, with major interests in the health services area. The Centre will work collaboratively with these individuals and groups, as the PEU does substantially already.

3 Justification

Health services policy and research (hereafter HSPR) is an emerging field of study aimed at describing, explaining and illuminating the performance (including economic performance) of health services and systems. Its scope is not limited to hospital or medical services. It includes the full range of programs delivered at the primary care level, including health promotion, even the health-related effects of events originating outside the health care system. At one end of the spectrum, it encompasses specific services, products and technologies delivered to individual patients; while at the other, it involves the operation of the whole health care system, including policy, management and funding issues. Core disciplines include epidemiology, program evaluation, health economics and the social sciences.

Expenditure on health care now represents 9.3% of GNP (\$66.5 billion) and rising, yet it has been estimated that funding for research on health services represents less than 0.03% of health expenditure. This is paradoxical since the delivery of health

services and related technologies are by their nature highly technical and research-based both in their development and delivery. The emergence of evidence-based medicine and evidence-based health care is a recent but very important recognition of this.

Governments for some time have mandated that important health services initiatives, in receipt of funding above a threshold level, should be evaluated and studied. This is for purposes of both accountability for the expenditure of public monies, and program improvement. Governments at both state and federal level have also increased their commitment to economic evaluation as part of their decision-making processes. Thus economic evaluation is now a mandatory part, for example, of decisions by the Pharmaceutical Benefits Advisory Committee and the Medical Services Advisory Committee.

More generally, research granting bodies such as the NHMRC and ARC fund a large number of projects relating to the operation of health policy and health services. In addition, HSPR was nominated in the Wills report as a priority area for NHMRC future funding. As an early example of this new priority, the first round of NHMRC Health Services Research Grants was awarded in 2004, involving \$11 million over five years. HSPR groups are also eligible to apply for NHMRC Capacity Building Grants in Population Health Research and Priority Driven Research Grants. There is now substantial interest in all major universities elsewhere in Australia in seeking funding from these sources.

The Proposed Centre

It is proposed that the name of the Institutional Centre that best captures the strategic objectives of the group should be the **Centre for Health Policy, Programs and Economics**.

It is also appropriate that in the future, the Director of the proposed Centre for Health Policy, Programs and Economics be at level E. It is proposed that external funding be sought to fund this new position, but that the move to establish the proposed Centre should not wait for this to be realised. Having Centre status will assist in procuring both the funding for and a competitive field of applicants to fill this position.

It is also proposed to initially focus research activity within the proposed centre on areas of existing expertise (set out below) as recommended by the 2004 Working Group. These should reflect national health and research priorities, together with areas of existing expertise within the group that have attracted substantial research grant funding in the past, produced a stream of research publications and established significant collaborative partners across the university sector, government and/or major non government organisations.

It is anticipated that other groupings will form over time. Health policy, health law and evidence-based health care are three such groups. This will mean that the new Centre will become increasingly focussed, and involved in the most important decisions and initiatives of government in the health care area. The focus for study of health policy would include funding of health services, the design and operation of the Australian health system and its various sectors, as well as health law.

An evidence-based approach will be employed wherever appropriate on both health policy and health care more generally.

4 Organisation and Management Structure

The main features of the organisation and management structure are as follows and set out more fully in Appendix 1.

- Director (A/Prof David Dunt)
- Deputy Director (A/Prof Rob Carter)
- Unit structure
 - Mental health (Head: A/Prof Jane Pirkis)
 - Primary care and health promotion (Head: A/Prof David Dunt)
 - Priority setting and health economics (Head: A/Prof Rob Carter)
 - Administration (Centre Manager: Ms Tracey Mayhew)

The unit structure for the Centre will be based on the research groups (refer Appendix 1). Teaching activities will draw on staff across the units and continue under the existing program evaluation and health economics streams as these fit most closely with the content of the group's existing and likely future teaching program. Health economics and program evaluation are both coordinated by stream coordinators and monitored at the PEU Teaching Committee.

Centre Advisory Committee

It is proposed that a Centre Advisory Committee be created to provide wide ranging and expert advice to the Centre and its Director. It will comprise both University members and external members, as recommended by the guidelines for formation of Institutional Centres, and will meet at least once a year (twice in the first year). Internal members will include (but not be restricted to) the Dean of the Faculty of Medicine, Dentistry and health Science (and or his nominee), the Head of the School of Population Health, and a nominee of the Dean of the Faculty of Economics and Commerce. External members will be drawn from government (State Government of Victoria, Australian Government), from medical service providers (e.g. hospital networks such as Melbourne Health) and key non-government bodies (VicHealth, Cancer Council Victoria, National Institute of Clinical Studies, National Stroke Foundation, National Heart Foundation of Australia, etc).

Arrangements for administrative support

The Centre Manager will be responsible for managing the administrative function that supports the activities of the Centre and will continue to work in cooperation with the School of Population Health General Manager, other general staff of the school and Managers of the other School Centres.

5 Teaching and Research Strategies:

As noted above, it is proposed to consolidate current strengths, develop current research activity in the health policy area and expand into new areas of health, particularly health policy and health law.

The importance of competitive grant funding is recognised and recent successes provide a firm base for further expansion. It is planned that an increasing proportion of research will be funded from competitive grants reflecting the increasing capacity of research staff in mounting applications.

Consulting activities will continue as these provide both an important source of funds and an avenue of involvement with government. Consultancies also provide an important way of servicing the growing need for health services research in the public health community and of establishing our credentials with important stakeholders.

Teaching activities are currently very active and integrated with the research program. They will be consolidated and further developed. The PhD program will continue, for example, to focus on areas where we have clear research expertise and project bursaries to offer. Postgraduate students also provide an important source of trained staff to meet the growing research program. Course and subject development, a major focus of past activities will continue (e.g. PHERP Innovations Grants). New subjects in health economics are under consideration. The development of short courses has been successful in the past and this alternative will be kept under review as a convenient way of meeting stakeholder needs and improving the yield from teaching resources.

It is expected, over a 5-year period, that:

- external funding be obtained to establish a continuing Chair and Director of the Centre
- at least one major new research unit would be created within the Centre (proposed to be in the health policy, health law area);
- that competitive grant funding would increase as a proportion of research funding;
- consulting would continue to provide an important proportion of Centre income;
- teaching numbers in terms of higher degree students will substantially increase, focused around areas of research expertise; and
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6 Funding

Plans for future funding can be confidently based on the history of secure funding in the past. This has derived from a number of sources including competitive grants, contract research, teaching activities and The University of Melbourne, with the

majority of funding secured from external sources. Total funding over the last five years has equaled \$11.7m, with \$7.8m coming directly to the PEU. Direct funding has been 17% by competitive grants, 51% by contract research, 21% from teaching and student fees and 11% from The University of Melbourne.

7 Reporting and Review

The Head of the School of Population Health and the Dean of the Faculty of Medicine, Dentistry and Health Sciences will be informed on a regular basis about the Centre's activities. This will be done by production and dissemination of minutes of meetings, financial statements and annual reports. The proposed Centre is not subject to a formal and regular review process (external to The University). Reviews will be internal to The University aligned to the 5-yearly reviews of the School of Population Health (as a one Department school), as set out in the document *Guidelines for the formation and management of university centres*.

8 Sunset or Renewal Arrangements at End of Secured Funding Cycle

It is proposed the centre will continue subject to continued funding generated by the Centre and satisfactory review.