Submission from the National Ageing Research Institute (NARI) to the

"Review to Strengthen Independent Medical Research Institutes"

December 2014

Introduction

This response is prepared on behalf the National Ageing Research Institute (NARI)**,** in response to the *"Review to Strengthen Independent Medical Research Institutes".*

Questions 1-9 will be addressed in this response.

Executive Summary

Summary points arising from this submission are:

- There is no known correlation between size of an institute and efficiency and pro-rata output as illustrated in the AAMRI submission.
- NARI is subject to the same governance and accountability requirements as larger institutes.
- Small institutes such as NARI occupy a unique niche position in their field of research, often not obtainable elsewhere and are seen as leaders and experts both in Australia and overseas.
- NARI is embedded in a specialized clinical environment which is vital to the research it undertakes and produces immediate translational outcomes. This co-location allows leveraging off the back end services of the hospital and is thereby a highly efficient and cost effective research business model.
- Market forces and a healthy competitive environment should be encouraged to ensure dynamic growth and innovative research. Small research institutes both existing, and potential new entrants, should not be excluded from this research sector through any arbitrary regulation of size requirements.
- In some cases (such as NARI) there are no other suitable iMRIs with which to collocate without loss of essential research programs.
- The nature of the questions asked seems to suggest that increased regulation (particularly regarding potentially forced collaboration and sharing of resources) may help the sector. This is a philosophical rather than evidenced-based empirical view. Extensive collaboration and efficient sharing of resources is already happening and is driven by free market forces. It does not require further regulation.

Background

NARI is a member of AAMRI and has had input into both the AAMRI submission and also the submission prepared on behalf of some of the smaller institutes. NARI is concerned that the questions raised by the issues paper infer that there is evidence for an optimum size and structure for MRIs which favours larger institutes. It is felt that such assumptions unduly prejudice the position of smaller iMRIs and are based on arguments which lack validation and ignore other important elements related to viability, need, competitive processes and market forces.

NARI was established with remarkable prescience in 1975 by the University of Melbourne and Mount Royal Hospital (now part of Melbourne Health), under the blessing of the Victorian and Commonwealth governments of the time. It was founded in order to initiate research and training in geriatrics and gerontology in Australia in order to respond to the projected ageing of the population. It became an incorporated association in 1996 and a company limited by guarantee in 2012. The NARI board currently has representation from academic, health, industry, consumer advocacy, legal and finance and aged care services.

The multidisciplinary research teams are drawn from allied health (including physiotherapists, social workers, nurses and psychologists), medicine (geriatricians and psychiatrists, general practice) and sociologists. Over 90% of current staff have had significant clinical experience prior to, or in conjunction with, their research careers. Areas of research pertain to the health and welfare of older people and include dementia, mental health and cognitive decline; falls prevention; pain management; investigation of lifestyle and behavioural risk factors; management and prevention strategies; best practice models of care; carer depression and social isolation. The institute conducts research across the domains of ageing in differing settings (community, acute care, long term care) and across diverse population groups (including CALD and indigenous populations).

Responses to specific questions.

1. ***Having regard for sources of medical research funding in Australia, current funding arrangements and other players in the sector***
    a. ***Identify and describe key elements of a best practice model for iMRIs. Suggestions may address organisational structure, and capital and asset models***

    NARI recognises that there is a need for any business to operate in a self-sustaining and financially sound manner, however, we do not believe that a 'best practice' model can be determined to fit all MRIs. There is an evident diversity of function

and roles of individual iMRIs in terms of the type of science employed, the research focus, the health and policy environment and specificity of need and function. As a result, many of the business requirements differ considerably in type, cost and scope. A necessary and sufficient condition for the development of any new business model for iMRIs must acknowledge the existing realities within the sector. Issues of particular relevance to NARI include:

- Ageing is a national priority and NARI provides a catalyst for research which would not happen without a critical mass of specific expertise in ageing concentrated under one roof. NARI has a close relationship with the Victorian Department of Health that allocate funds for specialised research in ageing to underpin policy development in both aged support services and health care delivery for older people. The Department values NARI's expertise and believes that NARI is often best placed to undertake commissioned work in this field. Thus, any model should allow for essentially market driven niche research areas to be accommodated.

- NARI has long been a recognised leader in the field attracting visitors from all around the world (i.e. several NIH fellows, MRC Upjohn fellows, EU fellows etc.) keen to work with our multidisciplinary teams all based under the one roof. An imposed business model which does not accommodate specific expertise based MRIs could paradoxically compromise the viability and survivability of organisations like NARI.

- NARI is funded through a variety of sources and undertakes blue sky clinical and psycho-social research with commissioned and tendered research from government and industry sources. Small niche institutes such as NARI exist to fill a need and a demand for the service, and development is very much driven by the market.

- NARI's current governance model incorporates an independent board of management comprised of skills in business, law, research expertise; partner organisations are represented as well as community and consumers. This independence ensures that core organisational research goals remain the major focus (rather than potentially competing demands commonly seen in the health sector and other academic institutions). This dedicated governance structure provides a best practice model with proven success for iMRIs.

b. ***Is there an optimally sized and structured model for an MRI in Australia? For example, is there an optimal size for number of scientists, number of support staff etc? The Panel notes that most Australian MRIs are smaller than their international counterparts. Do Australian MRIs see themselves at a disadvantage to their typically larger offshore counterparts***?

- The assumption that one size fits all implies that all institutes have similar functions and needs. This is highly questionable and we believe that although NARI is classed as small, it is extremely efficient and productive in its operations despite working in the same regulatory and accountability environment as any large institute. In part because of its smaller size, NARI has a reputation for flexibility and responsiveness, as decision making processes are streamlined without a complicated larger bureaucracy.

- In many cases, the often highly specialized functions of smaller institutes are not easily accommodated by other organisations. For instance, NARI has investigated merger options with larger institutions but have concluded that there is no obvious fit. The risks of research dilution, loss of expertise and dissipation of prioritized research effort is high and it is likely that more profitable elements and more closely aligned research areas will be cherry picked by the larger entity. As an example, NARI has been approached by other institutes who focus on brain and cognitive issues which would represent less than 25% of NARI's total scope of work and ignores other multifaceted aspects of ageing.

- There is no doubt that all institutes aspire to grow in response to emerging market needs and policy challenges in their field. However inequitable policies currently exist which actively hamper some smaller institutes from growing. For instance, the Victorian Government does not provide any operational infrastructure support funding to NARI, because it is below an arbitrary threshold level of funding. This obviously hampers the ability of NARI to invest in growth and development. All institutes have comparable indirect research costs. An infrastructure fund which is tied to all funding gained (regardless of amount) would be fairer and ultimately build greater returns to the taxpayer.

- In niche fields, smaller size does not preclude international recognition. NARI has long been a recognised leader in the field attracting visitors from all around the world keen to work with our multidisciplinary teams all based under one roof. I the field of ageing research NARI senior staff are well recognised in, and

connected to international research in the field. An imposed business model which does not accommodate specific expertise based MRIs could paradoxically compromise the viability and survivability of organisations like NARI. By reason of their very existence, small institutes are often meeting a research need not represented elsewhere.

- From the perspective of smaller institutes such as NARI the current situation presents many opportunities as well as challenges and allows dynamic and flexible innovation in fields of research which are of demonstrable social utility and value. We believe that any attempt to determine an optimum size for iMRIs would need to take account of the role, function and business model as well as degree of fit-for-purpose. It is difficult therefore to imagine a model which could optimally encompass all these variables across a very diverse sector.

2. ***Identify and describe opportunities for how iMRIs might increase efficiency and avoid duplication in the health and medical research sector. Suggestions may address capital and asset models, corporate and research infrastructure, and organisational structure.***

NARI is the only independent research institute focussed on health and ageing in Australia and is far larger and more comprehensive in scope than any other university based centre. In this sense there is no current duplication of effort with respect to the topics of ageing research undertaken at NARI. Some views on asset models, corporate and organisational structure are detailed below:

- NARI grew out of a close relationship between University of Melbourne and Mount Royal an aged care hospital service (now part of Melbourne Health). Our primary relationship is with the aged care campus of the hospital where we are collocated, recruit research participants and together co-ordinate weekly clinical and research seminars (or grand rounds). These are always very well attended by internal and external clinicians and researchers. This interaction is one forum for debate between researchers and clinicians seeking to define and answer to clinically relevant questions.

- One could rightly ask the question whether all private enterprises (large and small) currently agree on the best single model for capital and asset management, corporate infrastructure, and organisational structure. Surely these are free market decisions and unlike government funded academic and health institutions, the iMRIs operate in this exact market.

- Collectively the iMRIs have considerable capital resources. It is unclear whether a single or combined model could result in better returns on investment, and with independent boards/governance, it remains unclear whether the risk profile in any joint investment portfolio would be suitable for all.

3. **Identify and describe opportunities for iMRIs to share resources and equipment with other health and medical research institutions (universities, other iMRIs, hospitals, healthcare providers). Suggestions may address sharing administrative services (e.g. HR, security, OHSE, research administration) or scientific facilities (e.g. equipment, staff, laboratories).**

NARI is highly collaborative with strong existing affiliations with several large academic and hospital based partners. For instance, our hospital partner currently provides accommodation, back office services such as telephones, parking, access and other facility support on a cost recovery basis. Most of NARIs ethics applications are submitted to the hospital HREC. In this instance the embedding or research in a specialized setting is vital for the productivity and focus of the institute. Our university partner provides access to library services, ethics review committees and student placements. Such shared resources ensure that existing infrastructure is used to an optimal degree and provides value for tax-payer funding of such resources. Potential purchasing of other administrative infrastructure is not feasible due to higher quoted costs and NARI has found it is more efficient to employ in-house or subcontract to small providers. We would support obvious economies gained through sharing research infrastructure, however, these are already shared with other collaborating partners on an as needed basis. We would contend therefore, that NARI already operates in a highly efficient manner by leveraging off existing infrastructure wherever available and appropriate to need.

- NARI has explored opportunities to combine more fully with other like research or service based entities. However our experience has been largely negative as pairing with larger MRIs puts the smaller institute at a substantial disadvantage regarding utilization of shared services (such as IT and accounting). Our experience of outsourcing such services demonstrated that it was not more efficient. The service provided was inferior, our needs were prioritized as secondary to the lead organisation, and the quality of service was more difficult to influence due to a lack of direct supervision and accountability. In short, this attempt at outsourcing shared services, resulted in no tangible cost savings, greater risk and less adequate service provision.

- Shared service models are still actively sought (if they are more efficient), as with collocation of premises (with other entities), but such initiatives require large capital investment and are typically beyond smaller iMRIs.

4. Identify and describe possible opportunities for accessing more diverse funding sources.

NARI has actively sought various and diverse funding sources from traditional models (i.e. NHMRC), philanthropy, public donation, returns on capital investment, corporate sponsorship, provision of for profit private consulting services, sale of educational resources and commissioned private sector work.

- One example of a recent somewhat novel initiative relates to a new collaborative paradigm. NARI has been instrumental in forming the Melbourne Ageing Research Collaboration comprised of 11 partners drawn from hospitals, Telstra, aged care services, Alzheimer's Australia, universities and primary care services. The major driver is to create efficiencies of research efforts to address some of the key health care challenges in ageing today – dementia, falls, end of life care, and promote healthy ageing (address risk factors) – and then trial projects/programs across several site. Partners share research and systemic information to build on pooled expertise. Each partner has invested in the collaboration and the Victorian Department of Health has matched the contributions. This model provides a model for attracting funding from philanthropic and other sources as there is demonstrable investment and partnership willingness to collaborate which shows commitment and trust.

- International partnerships and collaborations for both research and education are also possible markets for institutes such as NARI and opportunities to leverage off Victorian export business initiatives are being actively explored.

5. Identify opportunities for iMRIs to expand existing and develop new national and international strategic collaborations with other institutions (universities, MRIs, health sector and/or industry), including collaboration with those fields, disciplines and scientific resources needed for research growth and expansion over the next decade (e.g. mathematics and big data expertise, behavioural sciences, engineering).

NARI enthusiastically seeks strategic collaboration with other institutions, both national and international. However, the second part of this question seems to imply that all iMRIs are currently staffed only by medical personnel (scientists,

clinicians and other medical) and are not currently collaborating with other institutions. NARI has a multidisciplinary research faculty including expert statisticians, behavioural science, social science, allied health as well as medical expertise. As detailed elsewhere, we have extensive collaborative networks. There is no doubt that other disciplines and or partners could be sought on an *as needed basis*, but this already happens.

- Specialized institutes such as NARI are well placed to expand collaborations on both a national and international basis. Such partnerships and collaborations are numerous and are constantly evolving. The Melbourne Ageing Research Collaborative provides a tangible example of this approach.

6. **Identify and describe opportunities for iMRIs to implement policy, governance or other arrangements to more readily translate research into health policy, and with this, positive health outcomes.**

The emphasis in this question is unclear as we believe that it is the role of research to influence rather than implement policy. NARI has robust relationships with governments and is called upon regularly to provide input into policy consultations, analysis and evidence to steer policy. Alignments with medical outpatient clinics, input into government consultations and working parties are frequent. For example, NARI has provided evidence based 'tool kits' covering all domains of ageing and frailty which is now available to all health services on line. Or in house developed evidence-based materials to aide good practice are enthusiastically welcomed by clinicians. Advocacy on evidence based issues and clear communication channels with all stakeholders are obvious strategies and provide opportunities for iMRIs to ensure their work has maximum impact. Through their clear focus on targeted research areas, smaller institutes are as well, if not better, placed to influence decision makers, practitioners and clinicians and industry leaders. For example, the Department of Health in Victoria values NARI's expertise and believes that NARI is often best placed to undertake commissioned work in this field (see http://www.health.vic.gov.au/older/toolkit/ as a recent example).

- Sharing in house professional development, research seminars (grand rounds) with hospitals; participation on government advisory boards; development of commissioned position papers and editorials are some of obvious ways NARI uses to influence policy. The Melbourne Ageing Research Collaboration comprising 11 diverse partners also provides a new vehicle to disseminate research outcomes more broadly into health services.

7. **Identify ways iMRIs can actively build the capacity of the health and medical research sector in Australia to respond to future challenges. Suggestions may address innovations in the areas of research methodology, workforce and training.**

   Ageing research seeks to address an identified challenge to all developed countries. It is important to induct younger researcher into training and research and also provide a training platform to encourage clinicians to undertake higher degree. NARI has a strong and proud track record in building a workforce capacity in ageing research. NARI also provides a vehicle for hospital based clinicians to build research programs by supporting them with research expertise not typically available within a health service setting.

8. **Outline strategies that could be implemented by iMRIs to boost their commercial and fiscal returns in the health and medical research sector.**

   NARI has a major translational focus and works in close collaboration with health services, the aged care sector, advocacy and education services and governments. Under its charter, NARI aims to improve the care and health outcomes for older people. This research returns public taxpayer investment by reducing the cost burden to the taxpayer through reducing or shortening admissions and interventions. The public cost benefit on return for investment is based on systemic practice changes in health care, not on potential commercialization imperatives.

   - This question implies that fiscal returns are mainly generated through commercialisation of research products. However saving money for government and health services through reduction in length of hospital stay; the avoidance of preventable hospital admissions or avoidance of expensive interventions can also be considered as an appropriate commercial return from patient based translational research activity. For instance, NARI was responsible for the inception and trial of aged care assessment services. This single initiative saves the Commonwealth government millions of dollars per year, because admission to residential care is now based on medical need rather than just social circumstance. Multidisciplinary outpatient clinics for pain, wounds, falls, memory (now CADMs clinics) were all initiated at NARI and have provided an invaluable resource for older persons and consequently reduced acute hospital services in these very common and important health care needs of many older persons.

   - NARI currently provides consultancy and content expertise to private providers and governments seeking to improve their model of care or evaluate impacts of

new policies and programs. This could be potentially improved with partnership or expertise from high level, for profit, private consulting agencies.

- With respect to the notion of commercialization, there are some concerns that within the ageing research and services sector that commercialization has led to the restricted research use of some common assessment instruments and tools, for example the MMSE and SF36. These instruments, for which development was publically funded, are now underused at a loss to the research community and older people. NARI is committed to the development of translational research and materials that are widely disseminated and accessible to improve practice. There is an inherent tension between the provision of new knowledge to improve the health of all and more restrictive commercialization practices which seek to profit from such, often publically funded, endeavours.

9. Apart from publications and citations, what other impact criteria does your institution use as indicators of individual or institutional success?

NARI also adopts the following criteria to assess success:

- Demonstrable policy impacts and new programs (eg. falls prevention interventions, pain management protocols etc.)
- Adoption of new models into care and change in current practice eg:
- Geriatric Evaluation and Management Units,
- Aged Care Assessment Service (ACAS,)
- use of guidelines and tools in physical activity, falls prevention, pain management
- Healthy ageing self-assessment tools and resources
- External demand for and attendance at professional development activities
- Invitation to present plenary conference presentations
- Completion of PhDs

END OF SUBMISSION.