

Full Practice Authority for Nurse Practitioners Increases Access and Controls Cost

SPOTLIGHT: KENTUCKY | AUGUST 2014

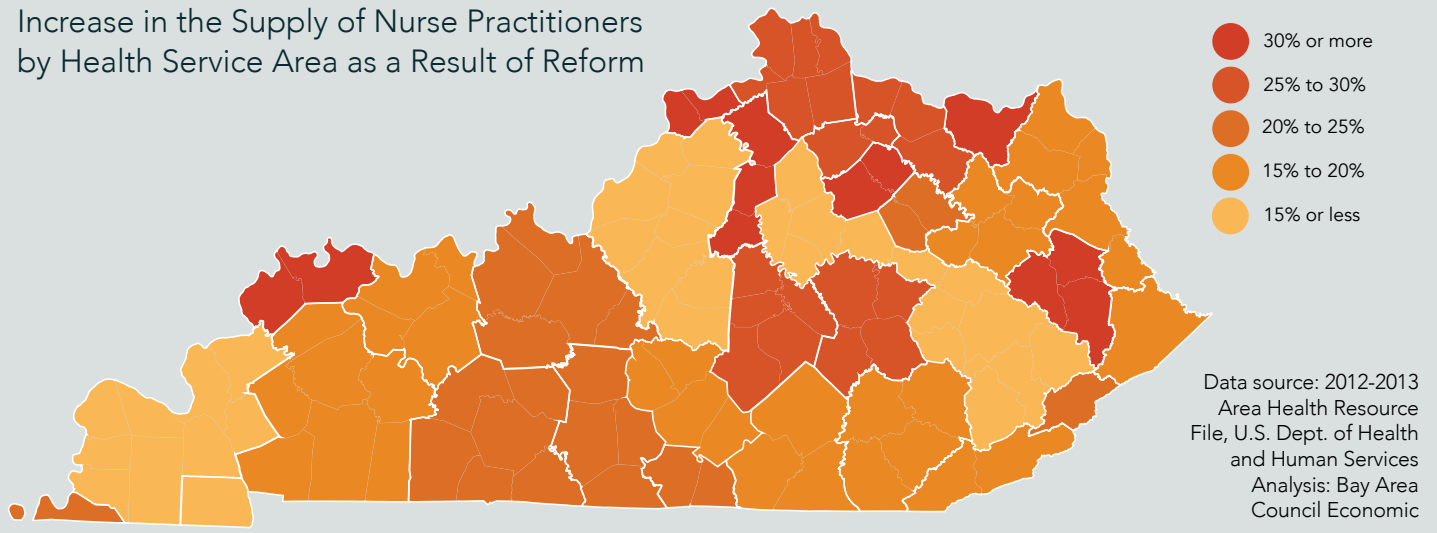
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Increase in the Supply of Nurse Practitioners by Health Service Area as a Result of Reform



Expanding access to and improving the quality of primary care is critical to controlling health care costs for businesses and consumers. It is also essential to respond to the greater demand for health care from the coverage expansion of the Affordable Care Act and the aging of our population. Granting full practice authority to nurse practitioners is one of the most effective steps that states can take to increase the supply of primary care clinicians while maintaining high quality and driving down costs.

KENTUCKY

Kentucky faces a severe physician shortage. The state ranks 40th in the number of primary care physicians per capita and seven out of ten Kentucky counties have partial or full designations as Health Professional Shortage Areas.¹ As one of the few Southern states participating in the Medicare expansion, the strain on the state's primary care workforce is only going to increase. However, after passing legislation in early 2014 Kentucky is also one of the few Southern states to expand practice authority to nurse practitioners, a move that will go a long way to ease the burden on the state's primary care workforce. The number of nurse practitioners in Kentucky has risen dramatically in the past

decade, increasing nearly 250 percent from 2001 to 2011.¹ Along with accounting for a rising share of primary care clinicians nationwide, research suggests nurse practitioners also serve a more diverse and historically underserved population. Nurse practitioners were more likely than physicians to care for younger, female and non-white patients. They were also much more likely to serve individuals with disabilities and those dually eligible for Medicare and Medicaid. Furthermore, the counties in which nurse practitioners practiced were more likely to be either rural or a Health Professional Shortage Area, critical targets for increasing access.²

INCREASING ACCESS

In early 2014 Federal Trade Commission staff recommended states take caution when considering proposals to limit the practice authority of nurse practitioners, citing evidence of a reduction in both competition and benefits to consumers that result from such laws.³ Our analysis shows that over 500 additional nurse practitioners would be practicing in Kentucky today had practice restrictions been lifted in the state previously, representing an 18 percent increase in the number of nurse practitioners practicing throughout the state.⁴ In addition, the growth rate of the nurse practitioner

18%
more nurse
practitioners
in Kentucky

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\$200 million

in savings on preventative care visits in first ten years

225,000

more preventative care visits per year

workforce would increase by 25 percent, providing much needed relief to the state's health care workforce into the future.

IMPROVING QUALITY

Yearly preventative care visits are essential for increasing the quality of health care. Our research, based on the findings of recent studies, shows that granting full practice authority to nurse practitioners would result in over 225,000 additional preventative care visits per year in Kentucky, an increase of 10.3 percent.⁵ This increase in the number of primary care visits individuals would receive will allow for less emergency room use, better management of chronic conditions, and an overall increase in health.

Decades of definitive evidence show that the quality of care delivered by nurse practitioners is as high as that provided by

physicians.⁶ In years following increased practice authority, adults report a 13-15 percent increase in visit quality, while children report gains of 17-27 percent.⁵ Nurse practitioners also receive extensive patient-centric training, and patients of nurse practitioners report higher satisfaction with care received when compared to physicians.

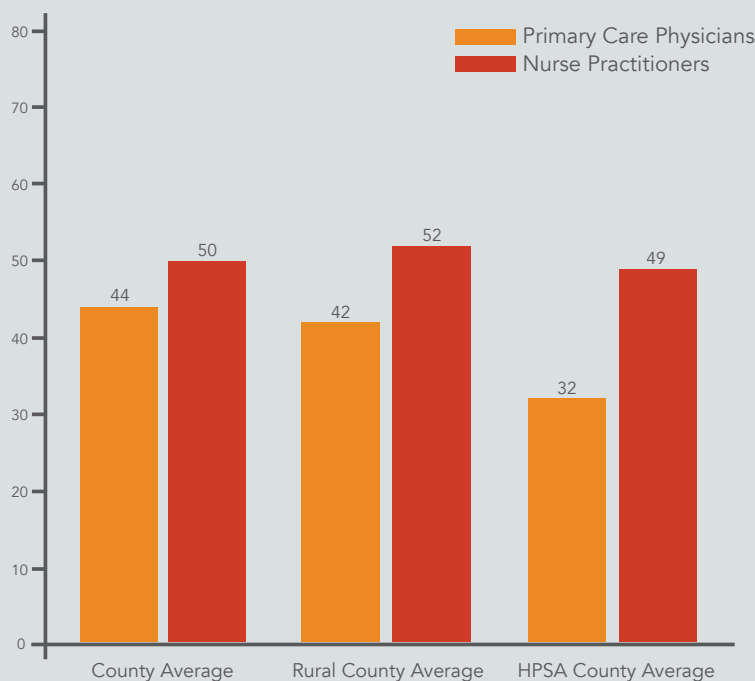
LOWERING COST

Full practice authority for nurse practitioners is also associated with lowering the cost of common procedures without sacrificing quality. In states with limited practice authority, the average cost for a preventative care visit is as much as \$16 higher than in states with full practice authority. We estimate full practice authority for nurse practitioners in Kentucky would save over \$200 million in the cost of preventative care visits alone over the first ten years.⁷ This directly translates to decreased burdens on public programs and business spending.

POLICY

Kentucky has taken some important steps towards expanding practice authority for nurse practitioners but has more to do to ensure even better outcomes for the state. In order to increase access, improve quality and control costs, Kentucky should follow the lead of 19 other states and the District of Columbia and grant full practice authority to nurse practitioners. This would be a significant step toward increasing access, improving quality and controlling costs. This move on its own is not a panacea. It is important to train more health care professionals, in particular more primary care physicians. And we must redesign care management in order to get better value for our health care spending and improve health outcomes across the board.

Clinicians per 100,000 Residents in Kentucky in 2012



Data Source: 2012-2013 Area Health Resource File, U.S. Dept. of Health and Human Services
Analysis: Bay Area Council Economic Institute

1. Bay Area Council Economic Institute analysis of the 2012-2013 Area Health Resource File and 2012 Pearson Report
2. *Using Medicare data to assess nurse practitioner-provided care*, Catherine M. DesRoches, Jennifer Gaudet, Jennifer Perloff, Karen Donelan, Lisa Iezzoni, Peter Buerhaus, Nursing Outlook 2013
3. *Policy Perspectives: Competition and the Regulation of Advance Practice Nurses*, Federal Trade Commission, March 2014
4. Bay Area Council Economic Institute application of findings from *The effects of state-level scope-of-practice regulations on the number and growth of nurse practitioners*, Patricia Reagan and Pamela Salsberry, Nursing Outlook, 2013
5. Bay Area Council Economic Institute application of findings from *Nurse Practitioner Independence, Healthcare Utilization, and Health Outcomes*, Jeffrey Traczynski and Victoria Udalova, working paper, 2013
6. *Advanced Practice Nurse Outcomes 1990-2008: A Systematic Review*, Newhouse et al., Nursing Economics, 2011
7. Bay Area Council Economic Institute application of findings from *Relaxing Occupational Licensing Requirements: Analyzing Wages and Prices for a Medical Service*, Morris M. Kleiner, Allison Marier, Kyoung Won Park, Coody Wing, NBER Working Paper, 2014