What You Need to

Before You Hire a Nonphysician Practitioner

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Faced with shrinking reimbursements, reduced drug margins, and rising costs, hospitals and physician practices are looking to nonphysician practitioners to realize savings, while continuing to provide patients with quality care.

Limited only by the scope of practice as outlined in state law, nonphysician practitioners can render the full range of care to oncology patients including such services as routine office visits, hospital follow-up visits, and emergency evaluations. They may also perform procedures such as bone marrow biopsies. Practicing under the supervision of a physician, a nonphysician practitioner can provide care comparable to that of a physician both in terms of quality of care and patient acceptance.[1]

Medicare broadly defines a nonphysician practitioner as "any nonphysician licensed medical professional" and includes in its definition providers such as physician assistants, nurse practitioners, and clinical nurse specialists, as well as social workers, physical therapists and speech therapists.[2]

Although oncology practices and hospitals may see nonphysician practitioners as one way to cut costs, they must remember that nonphysician practitioners are *not* replacements or substitutes for physicians—regardless of the type of provider or the responsibilities that provider performs. Instead, a nonphysician practitioner provides complementary knowledge and skills to enhance patient care.

Who Pays for the Nonphysician Practitioner?

Your payer mix will be an important factor in the decision to hire a nonphysician practitioner. Medicare and Medicaid will pay for services provided by physician assistants, nurse practitioners, and clinical nurse specialists, and their reimbursement guidelines are quite clear. Similar to physician reimbursement, the services provided by nonphysician practitioners must be within their scope of practice, which is outlined by state law in the state in which services are performed. Additionally, the nonphysician practitioner must have a Medicare billing number. For office and outpatient hospital services billed under the nonphysician practitioners' Medicare number

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and paid under the physician fee schedule, Medicare pays 85 percent of the normal fee schedule amount.

In the office setting, Medicare covers certain office services provided by nonphysician practitioners as "incident to" a physician's service. ("Incident to" does *not* apply to hospital services.) Nonphysician practitioners providing evaluation and management services can be covered under this provision if all of the "incident to" requirements are met. Payment is at 100 percent of the physician fee schedule amount.

The "incident to" requirement stipulates that the physician must be present in the office suite and immediately available to provide assistance. In addition, under the "incident to" rule:

- The service must be medically necessary.
- The service must be one that is typically performed in a physician's office.
- The service must be within the scope of practice of the nonphysician practitioner.
- The nonphysician practitioner must be an employee (part-time, full-time, or leased) of the supervising physician or group practice that employs the physician.
- The physician present in the office suite must be indicated on the billing claim form.

In the hospital setting, Medicare reimburses for covered services provided by nonphysician practitioners in one of two methods. The first option is for hospitals to bill services to Medicare Part B, which covers professional fees for physicians and nonphysician practitioners. With

Meet the Physician Assistant

Physician assistants are licensed to practice medicine *with* physician supervision. The scope of practice for a physician assistant is defined by state law and is commonly linked to the scope of practice of the supervising physician. Supervisory requirements for physician assistants vary from state to state. New Hampshire, for example, requires that the supervising physician be available for consultation at all times either in person or via radio, telephone, or other telecommunication.[1] Connecticut is less strict, requiring "at least weekly personal review of physician assistant practices" and "regular chart review."[1]

Although specific duties vary with training, experience, and state law, physician assistants can conduct physical examinations, diagnose and treat illnesses, order and interpret tests, counsel on preventative health care, and assist in surgery and with other procedures.

In most states, physician assistants also write prescriptions. Forty-seven states, the District of Columbia, and Guam have enacted laws that authorize physician assistants to prescribe medication.[2] (Although Arkansas and Illinois are included in the 47 states, physician assistants in these states have statutory authority to prescribe and will be able to write prescriptions as soon as rules are adopted.)

Prescribing and dispensing requirements for physician assistants are state specific. Many states require specific pharmacy education—either formal coursework or successful completion of a pharmacy law exam. Other states have specific requirements for prescribing controlled medications or physician co-signature requirements. Some states have different prescribing requirements for inpatients and outpatients. Connecticut, for example, limits prescriptive authority for schedule II and III drugs. Physician assistants may order schedule II and III drugs for inpatients and prescribe these medications for patients in hospitals, emergency departments that are hospital satellites, and after admission evaluation by a physician in long-term care facilities. Orders to schedule II and III drugs require supervising physician co-signature within 24 hours.

Generally, physician assistants are licensed by state boards of medicine, with specific licensure requirements varying from state to state. Most states require graduation from an accredited physician assistant program and six-year certification through the National Commission on Certification of Physician Assistants.[1]

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[2]American Academy of Physician Assistants. Information about PAs and the PA Profession. Available at: *www.aapa.org/geninfo1*. Accessed July 10, 2003.

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this method, the hospital would be reimbursed under the physician fee schedule, which is based on the resource-based relative value system (RBRVS). The second option is for the hospital to include the nonphysician practitioner's salary in the hospital's cost report under Medicare Part A, which covers facility charges and diagnosis-related group (DRG) payments.

The Balanced Budget Act of 1997 precludes double billing of services provided by nonphysician practitioners. A hospital may not bill for nonphysician practitioner services under Medicare Part B *and* include the nonphysician practitioner's salary in the hospital's cost report under Medicare Part A.

While reimbursement for nonphysician practitioners is relatively straightforward under Medicare, the same cannot be said for the other half of your payer mix—private insurers. Reimbursement of services provided by nonphysician practitioners varies widely from one payer to the next. Some commercial payers recognize and reim-

Resources on Regulatory Issues, Prescriptive Authority, and Reimbursement

National Council of State Boards of Nursing
Phone: 312.525.3600
E-mail: *info@ncsbn.org*
Website: *www.ncsbn.org*

American College of Nurse Practitioners
Phone: 202.659.2190
E-mail: *acnp@acnpweb.org*
Web site: *www.nurse.org/acnp/*

American Academy of Nurse Practitioners
Phone: 202.966.6414
E-mail: *webmaster@aanp.org*
Web site: *www.aanp.org/*

American Academy of Physician Assistants
Phone: 703.836.2272
E-mail: *aapa@aapa.org*
Web site: *www.aapa.org/*

National Association of Clinical Nurse Specialists
Phone: 717.234.6799
Web site: *http://www.nacns.org/*

Centers for Medicare & Medicaid Services
Phone: 877.267.2323
Web site: *http://cms.hhs.gov*

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Meet the Nurse Practitioner

Nurse practitioners are registered nurses with advanced education and clinical training in a health care specialty area who can practice independently and/or in collaboration with other health care professionals. With their advanced academic and clinical experience, nurse practitioners are able to provide some care previously offered only by physicians and can diagnose and/or manage acute episodic and chronic illness; order, conduct, supervise, and interpret diagnostic tests; and prescribe pharmacologic and nonpharmacologic therapies. They practice under the rules and regulations of the Nurse Practice Act of the state in which they work. Some states require that nurse practitioners follow specific protocols or develop collaborative practice agreements with physicians.

In most states, nurse practitioners are allowed some degree of prescribing authority, although considerable variation exists from state to state. Some states require the development of drug formularies and may require pharmacology education and other demonstrations of competency. For instance, Virginia requires a nurse practitioner to have no less than 100 hours of practice and 15 continuing education units for each of the two years immediately prior to applying for prescriptive authority. Additionally, in Virginia, nurse practitioners must have 30 contact hours of education in pharmacology or pharmacotherapeutics, and they must submit a practice agreement between the nurse practitioner and the supervising physician. New Hampshire has an exclusionary formulary for nurse practitioners, regulated by the Joint Health Council. The regulations state that advanced registered nurse practitioners may prescribe drugs within their scope of practice unless the drug is listed as an exclusion or if other considerations exist. Interestingly, the New Hampshire formulary currently excludes most antineoplastics.

In March 2000, the United States had 102,829 nurse practitioners and of these, 14,643 were also certified as clinical nurse specialists.[1]

References

[1]Health Resources and Services Administration. The Registered Nurse Population: Findings from the National Sample Survey of Registered Nurses. Available at: *http://bhpr.hrsa.gov/healthworkforce/reports/rnsurvey/*. Accessed June 16, 2003.

Meet the Clinical Nurse Specialist

Clinical nurse specialists are registered nurses with graduate training in nursing and clinical expertise in theory-based and/or research-based nursing practice within a specialty area. These practitioners divide their time into five general areas: clinical practice, teaching, research, consulting, and clinical leadership.

Clinical nurse specialists are uniquely prepared to assume the role of case manager—organizing and coordinating services and resources and working to control costs. They are key players in managed care, and they offer expertise in many different areas of health care practice.

Oncology clinical nurse specialists work primarily in hospitals providing and supervising care for cancer patients who are either chronically or critically ill. Specific duties can include monitoring their patients' physical conditions, providing complex physical care, and formulating symptom management strategies. These practitioners are trained to apply nursing theory and research to clinical practice, and may function as researchers, administrators, consultants, and educators in their field.

Like nurse practitioners, clinical nurse specialists practice under the rules and regulations of the Nurse Practice Act of the state in which they work; however, not all states recognize the role of the clinical nurse specialists. Prescriptive authority for the clinical nurse specialist also varies from state to state. If your cancer program is considering hiring a clinical nurse specialist, research your state laws to determine if services offered by the clinical nurse specialist are recognized and will be reimbursed.

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burse for services provided by nonphysician practitioners; others do not. Some commercial payers may recognize and reimburse nurse practitioners and physician assistants but not clinical nurse specialists. Some payers require individual credentialing and provider numbers for nonphysician practitioners; other payers require that you bill under the physician's provider number.

To ensure adequate reimbursement of services provided by nonphysician practitioners, survey your commercial payers and review your contracts *before* adding nonphysician practitioners to your staff. If nonphysician practitioner services are not covered, re-open contract negotiations to add appropriate language. Working with your payers to reimburse for such services provides an excellent opportunity to educate them about the important role these nonphysician practitioners will play in the care of your patients. Once your hospital or physician practice has worked with each commercial payer to identify credentialing and other reimbursement requirements, you must ensure that your billing staff follows these requirements.

Your Bottom Line

Nonphysician practitioners offer the hospital or private practice a number of rewards. Not only can a nonphysician practitioner provide added support to your patients and alleviate the workload of your existing staff, this health care professional can also strengthen the financial viability of your cancer program.

Nonphysician practitioners generate revenues far in excess of what they actually cost employers, according to the Medical Group Management Association (MGMA). MGMA collects data annually comparing physician assistant compensation with their gross charges. According to 2000 data, for every dollar of charges generated by a primary care physician assistant, the employer paid on average 33 cents to employ the individual.[3]

Nonphysician practitioners provide care at a lower cost when compared with physicians, and they provide care of comparable quality. A study in the *Journal of the American Medical Association*, for example, found the quality of care of nurse practitioners equal to that of physicians.[4] Patients in an ambulatory care setting who received care from both physicians and nurse practitioners reported the same level of satisfaction with both physicians and nurse practitioners *and* had the same health outcomes, the research found.[4] What made this study so unique was that it examined nurse practitioner outcomes in a practice run autonomously by nurse practitioners who had the same authority, responsibility, and patient population as physicians in comparable practice settings.[4]

While direct cost-savings are important, nonphysician practitioners also offer hospitals and practices indirect benefits. Perhaps one of the greatest advantages of hiring a nonphysician practitioner is that this individual can shift the physician's workload and improve patient flow. With a nonphysician practitioner handling routine office visits, rounds, and calls, the physician is free to focus on more complex cases. Nonphysician practitioners fill an important role as patient health educators, teaching patients about prevention strategies, medication regimens, follow-up plans, diet and exercise, and side effects to watch for.

Hiring a nonphysician practitioner can also enhance patient satisfaction (e.g., by reducing patient waiting time). One patient satisfaction survey queried patients about the interpersonal care given by the physician assistant, the physician assistant's understanding of the patient's problems, and the confidence the patient had in the physician assistant, among other indicators. The findings showed that patient satisfaction with physician assistants ranged between 89 and 96 percent.[5]

Cancer programs reeling from the combined effects of the health workforce shortage and increased patient volume are now looking to these nonphysician practitioners to staff their programs. As the number of oncologists and nurses continues to decline at an alarming rate, the field of nonphysician practitioners is growing. Nonphysician practitioners increased from

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60,000 in 1992 to 124,000 in 2000—more than doubling in eight years.[6] In this same timeframe, the number of active physicians grew only 27 percent.[6]

Before deciding to add a nonphysician practitioner to your oncology team, however, take a close look at your current staff. You may be able to promote someone who is already a member of your oncology team. Oncology nurses have considerable expertise in patient assessment, education, support and counseling, and symptom management. Sometimes you can best meet your cancer program's needs by employing your current nurses in ways that more fully use the specialized skills and services they offer or by hiring additional nurses. These options are considerably easier and less expensive than hiring nonphysician practitioners. (Table 1 compares nonphysician practitioner salaries with salaries of other oncology team members.)

If your hospital or practice decides to hire a nonphysician practitioner, be sure to include existing staff members in the assessment and selection process to avoid personnel conflicts and allow smooth integration of the new provider into your oncology team.

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Other Resources

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Table 1: Nonphysician Practitioner Salaries Compared With Other Members of the Oncology Team

	25th Percentile	Median	75th Percentile
Licensed Practical Nurse	$33,817	$35,340	$38,485
Oncology Staff Nurse (RN)	$42,752	$47,784	$52,635
Clinical Nurse Specialist	$49,433	$61,622	$69,973
Nurse Practitioner	$61,644	$65,824	$72,068
Nurse Practitioner (specialty care)	$63,928	$69,747	$76,778
Physician Assistant	$66,387	$69,970	$75,946
Oncologist/Hematologist	$92,432	$164,550	$206,421

Source: www.salary.com (salary amounts as of June 2003)