

# Full Practice Authority for Nurse Practitioners Increases Access and Controls Cost

SPOTLIGHT: CALIFORNIA | APRIL 2014



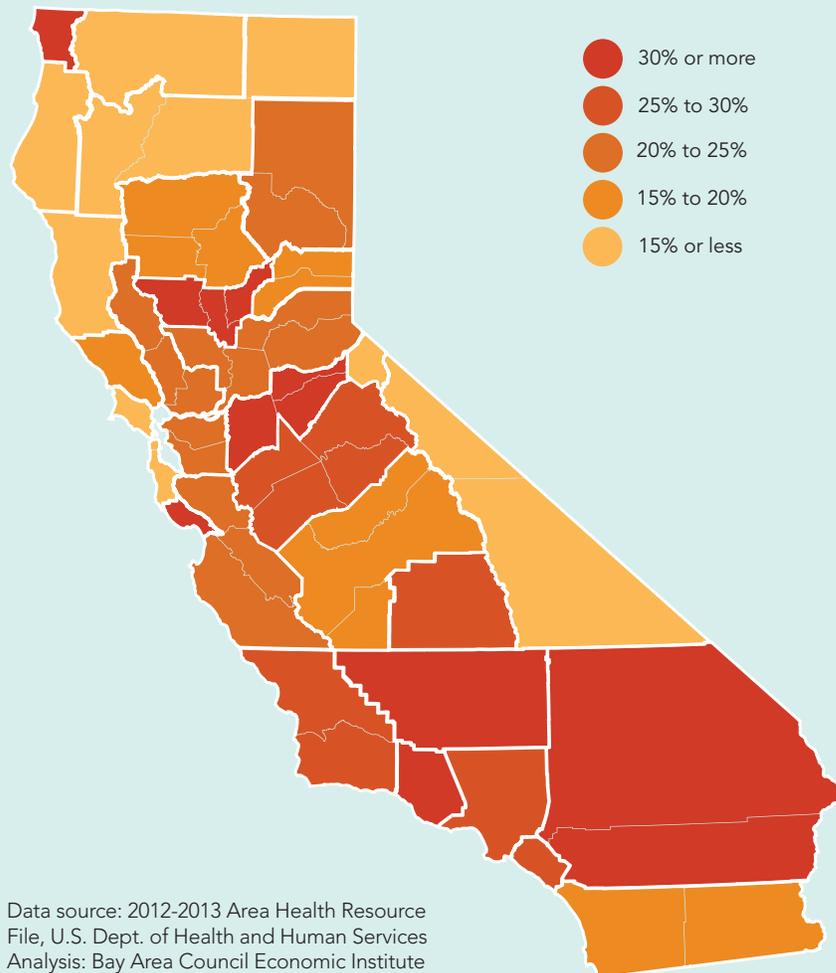
Expanding access to and improving the quality of primary care is critical to controlling healthcare costs for businesses and consumers. It is also essential to respond to the greater demand for healthcare from the coverage expansion of the Affordable Care Act and the aging of our population. Granting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

## CALIFORNIA

California is the most populous state and has been a leader in the implementation of federal health reform. It is home to the largest number of primary care physicians (PCPs) and NPs. However, the state ranks 23rd in the number of PCPs per resident.<sup>1</sup> With the state's covered population set to rise substantially, the supply of primary care providers will become strained even further.

The number of NPs in California has seen a dramatic rise in the past decade, more than doubling from 8,240 in 2004 to over 17,000 in 2008. Nurse practitioners now represent almost 6 percent of all nurses in the state, up from 2 percent in 1993.<sup>2</sup> Along with accounting for a rising share of primary care providers, research suggests NPs 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 Medi-Cal. Furthermore, the counties in which NPs practiced were more likely to be either rural or a Health Professional Shortage Area (HPSA), critical targets for increasing access.<sup>3</sup>

## Increase in the Supply of Nurse Practitioners by HSA as a Result of Reform



## INCREASING ACCESS

In early 2014 Federal Trade Commission staff recommended states take caution when considering proposals to limit the practice authority of NPs, citing evidence of a reduction in both competition and benefits to consumers that result from such laws.<sup>4</sup> Our analysis shows that over 4,000 additional NPs would be practicing in California today had practice restrictions been lifted in the state previously, representing a 24 percent increase in the number of NPs practicing throughout the state.<sup>5</sup> In addition, the growth rate of the NP workforce would increase by 25

**24%**  
more NPs  
in practice  
in California

Written by:  
**Micah Weinberg, PhD**  
Senior Fellow, BACEI

**Patrick Kallerman**  
Policy Director, Healthy Systems Project

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# \$1.8 billion

in savings on preventative care visits in first ten years

# 2 million

more preventative care visits per year

percent, providing much needed relief to the state's healthcare workforce into the future.

A large body of research indicates that an increase of this magnitude in the number of primary care access points would address pent-up demand. It would also result in an increased use of preventative services and would improve the quality of healthcare for both presently covered and newly covered populations. One major study found a significant increase in the likelihood that an individual had a preventative care visit in the past year in states with full practice authority.<sup>6</sup>

## IMPROVING QUALITY

Yearly preventative care visits are essential for increasing the quality of healthcare. Granting full practice

authority to NPs yields nearly an additional 2 million preventative care visits per year in California, an increase of 10.3 percent. This increase in the number of primary care visits individuals will receive will allow for less emergency room use, better management of chronic conditions, and an overall increase in health. Nurse practitioners also receive extensive patient-centric training, and patients of NPs report higher satisfaction with care received when compared to physicians. In years following increased NP authority, adults report a 13-15 percent increase in visit quality, while children report gains of 17-27 percent.<sup>6</sup>

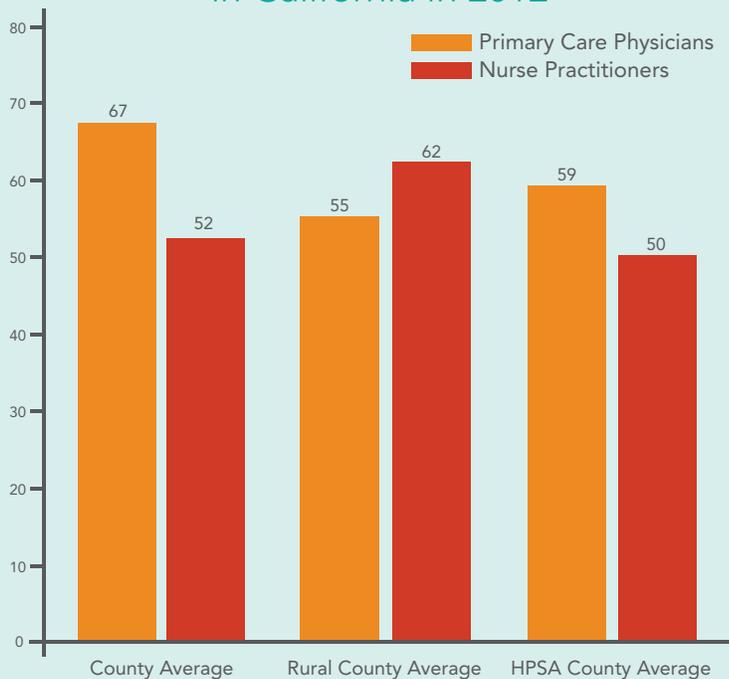
## LOWERING COST

Full practice authority for NPs is also associated with lowering the cost of common procedures without sacrificing quality. In states with limited NP practice authority, the average cost for a preventative care visit can be as much as \$16 higher than in states with full practice authority. We estimate scope of practice reform in California would save \$1.8 billion in the cost of preventative care visits alone over the first ten years.<sup>7</sup> This directly translates to decreased burdens on public programs and business spending.

## POLICY

In order to increase access, improve quality and control costs, California should follow the lead of seventeen other states and grant full practice authority to nurse practitioners. This move on its own is not a panacea. It is important to train more medical professionals, in particular more primary care physicians. And we must redesign care management in order to get better value for our medical spending and improve health outcomes across the board.

### Providers per 100,000 Residents in California 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. 2012 Survey of Registered Nurses, California Board of Registered Nursing, October 2013
3. 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
4. Policy Perspectives: Competition and the Regulation of Advance Practice Nurses, Federal Trade Commission, March 2014
5. 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
6. 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
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, Coady Wing, NBER Working Paper, 2014