

MAR 7 2003
Place On Calendar

HOUSE FILE 479
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO HF 60)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act designating advanced registered nurse practitioners as
2 providers of health care services pursuant to managed care or
3 prepaid services contracts under the medical assistance
4 program.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 479

1 Section 1. Section 249A.4, subsection 7, Code 2003, is
2 amended by adding the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. Advanced registered nurse
4 practitioners licensed pursuant to chapter 152 shall be
5 regarded as approved providers of health care services,
6 including primary care, for purposes of managed care or
7 prepaid services contracts under the medical assistance
8 program.

9 EXPLANATION

10 This bill provides that advanced registered nurse
11 practitioners licensed pursuant to Code chapter 152 shall be
12 regarded as approved providers of health care services,
13 including primary care, for purposes of managed care or
14 prepaid services contracts under the medical assistance
15 program.

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18 HOUSE FILE 479

19 H-1087

20 1 Amend House File 479 as follows:
21 2 1. Page 1, line 8, by inserting after the word
22 3 "program." the following: "This paragraph shall not
23 4 be construed to expand the scope of practice of an
24 5 advanced registered nurse practitioner pursuant to
25 6 chapter 152."

By UPMEYER of Hancock

24 H-1087 FILED MARCH 18, 2003

25 Adopted 3/20/03

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Description

The Bill provides that Advanced Registered Nurse Practitioners (ARNPs) shall be approved providers of health care services, including primary care, under the Medical Assistance Program (Medicaid) managed care contracts.

Assumptions

1. In January 2003, there were 129,265 individuals (49.2%) enrolled in the Medicaid managed care plans out of a total Medicaid population of 262,514.
 2. There are two types of managed care contracts in the Medicaid Program. The first type includes contracts with private Health Maintenance Organizations (HMOs). Under the contracts, the HMOs receive an actuarially determined amount per enrolled person per month (the "capitation rate"). In the HMO program, the Department of Human Services (DHS) pays the contractor the capitation rate and the HMO is responsible for paying claims, reimbursing providers, etc.
 3. A key feature of HMOs is the use of primary care "gatekeepers," (also called "primary care case managers"). The patient must enroll with a primary care provider, commonly a physician, who then authorizes referrals and services. Under DHS's contracts with the HMOs, it is at the health plans' discretion whether ARNPs can also serve as the primary care case manager.
 4. The second type, called "Medipass," is used in areas of the State that do not have access to an HMO. Under the Medipass program, DHS pays a \$2 surcharge to physicians to act as the patient's primary care case manager.
 5. In Medipass, only a physician can be a patient's primary care case manager. Patients can access services from an ARNP, but only with a physician's referral or if the ARNP works within the physician's practice.
 6. Because the HMOs are paid by a single capitation rate each month, DHS does not have data on how much was expended for physician and ARNP services. The DHS does have data on services provided in the fee-for-service system, but the data for Medipass cannot be identified separate from the rest of the fee-for-service population.
 7. In FY 2002, there were 73 ARNPs enrolled as providers in the Medicaid Program. Thirty of the enrolled ARNPs submitted claims for services provided to Medicaid patients. In total (state and federal funds combined), approximately \$54,000 in claims were paid for ARNP services in the managed care program. As discussed above, how much of this was due to Medipass patients cannot be determined.
 8. Advanced Registered Nurse Practitioners (ARNPs) who are employed by a physician are reimbursed at the physician fee schedule because the payment is made to the provider as a whole, not to the individual employees of the provider. According to DHS, the Bill would not affect that reimbursement rate.
 9. The Bill would allow ARNPs to be the primary care case manager. In general, ARNPs are reimbursed at approximately 85% of the cost of physician services. Thus, if some patients decided to use an ARNP as their primary care case manager or if more ARNPs were utilized for services rather than a physician, there would be savings.
 10. In the Medipass system, the ARNP would receive the same \$2 per patient per month as the physician receives to serve as a primary care case manager.
 11. The HMO contract is based on actuarially determined capitation rates based on expenditures for the Program as a whole (hospital, pharmacy, etc.). In order for there to
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be savings in the HMO program, the savings would have to be great enough to affect the overall capitation rate. It is unknown how many patients would choose an ARNP as their primary care case manager or whether it would induce patients to switch from physicians to ARNPs for services.

12. Since ARNPs would receive the same \$2 to serve as the primary manager, there would be no fiscal impact in the Medipass system.
13. This fiscal note does not include a projected savings to the health care system from increased use of ARNPs, such as reduced inpatient or prescription utilization. If increased ARNP utilization were to result in savings in other areas of the Medicaid health care system, the savings would occur in the long term.

Fiscal Impact

The fiscal impact cannot be determined.

Source

Department of Human Services

/s/ Dennis C Prouty

March 11, 2003

Substituted for
SF 410 3/26/03

HOUSE FILE 479
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO HF 60)

(As Amended and Passed by the House March 20, 2003)

Passed House, Date Passed 3/20/03 Passed Senate, Date Passed 4/2/03
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved 4/9/03

A BILL FOR

1 An Act designating advanced registered nurse practitioners as
2 providers of health care services pursuant to managed care or
3 prepaid services contracts under the medical assistance
4 program.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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House Amendments _____

HOUSE FILE 479

S-3111

11 1 Amend House File 479, as amended, passed, and
12 2 reprinted by the House, as follows:
13 3 1. Page 1, line 8, by inserting after the word
14 4 "program" the following: "if the advanced registered
15 5 nurse practitioner has a written collaborative
16 6 agreement with a primary care physician similarly
17 7 approved".

16 **By** BOB BRUNKHORST
17 JEFF LAMBERTI

JACK HOLVECK
JACK HATCH

18 **S-3111 FILED MARCH 31, 2003**

19 Withdrawn 4/21/03

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HF 479

1 Section 1. Section 249A.4, subsection 7, Code 2003, is
2 amended by adding the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. Advanced registered nurse
4 practitioners licensed pursuant to chapter 152 shall be
5 regarded as approved providers of health care services,
6 including primary care, for purposes of managed care or
7 prepaid services contracts under the medical assistance
8 program. This paragraph shall not be construed to expand the
9 scope of practice of an advanced registered nurse practitioner
10 pursuant to chapter 152.

11 **HOUSE FILE 479**

12 **S-3112**

13 1 Amend House File 479, as amended, passed, and
14 2 reprinted by the House, as follows:

15 3 1. Page 1, line 10, by inserting after the figure
16 4 "152." the following: "Each advanced registered nurse
17 5 practitioner acting in the capacity of an approved
18 6 provider of health care services pursuant to this
19 7 paragraph shall be required to maintain liability
20 8 insurance providing coverage in the amounts of one
21 9 million dollars per incident, and three million
22 10 dollars aggregate."

23 **By** JACK HOLVECK
24 BOB BRUNKHORST

JEFF LAMBERTI
JACK HATCH

25 **S-3112** FILED MARCH 31, 2003

26 *lost 4/2/03*

27 **HOUSE FILE 479**

28 **S-3128**

29 1 Amend House File 479, as amended, passed, and
30 2 reprinted by the House, as follows:

31 3 1. Page 1, by striking line 6 and inserting the
32 4 following: "including primary care. When delivering
33 5 primary care services, an advance registered nurse
34 6 practitioner shall have a written collaborative
35 7 agreement with a primary care physician similarly
36 8 approved, for purposes of managed care or".

By BOB BRUNKHORST
JEFF LAMBERTI
JACK HOLVECK

37 **S-3128** FILED APRIL 2, 2003

38 *LOST 4/2/03*

HOUSE FILE 479

AN ACT

DESIGNATING ADVANCED REGISTERED NURSE PRACTITIONERS AS
PROVIDERS OF HEALTH CARE SERVICES PURSUANT TO MANAGED CARE
OR PREPAID SERVICES CONTRACTS UNDER THE MEDICAL ASSISTANCE
PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 249A.4, subsection 7, Code 2003, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Advanced registered nurse practitioners licensed pursuant to chapter 152 shall be regarded as approved providers of health care services, including primary care, for purposes of managed care or prepaid services contracts under the medical assistance program. This paragraph shall not be construed to expand the

scope of practice of an advanced registered nurse practitioner pursuant to chapter 152.

CHRISTOPHER C. RANTS
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 479, Eightieth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved _____, 2003

THOMAS J. VILSACK
Governor