

HF 479 substituted

3/26/03

Withdrawn 4/2/03

FILED MAR 17 '03

SENATE FILE

410

BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO SF 166)

Passed Senate, Date \_\_\_\_\_ Passed House, 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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SF 410

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 EXPLANATION

12 This bill provides that advanced registered nurse  
13 practitioners licensed pursuant to Code chapter 152 shall be  
14 regarded as approved providers of health care services,  
15 including primary care, for purposes of managed care or  
16 prepaid services contracts under the medical assistance  
17 program. The bill provides that those provisions shall not be  
18 construed to expand the scope of practice of an advanced  
19 registered nurse practitioner pursuant to Code chapter 152.

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### Description

Senate File 410 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. Senate File 410 clarifies that the Bill does not expand ARNP's new scope of practice.

### 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 \$2.00 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 85.0% 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 \$2.00 per patient per month as the physician receives to serve as a primary care case manager.
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