

## 06/15/11 - Nursing Workforce

By Joel Teitelbaum

### **Background**

Strengthening and modernizing the health care workforce was a major goal of the Affordable Care Act (ACA). The ACA contains dozens of provisions related to health care workforce issues, including strengthening primary care, national workforce policy development, increasing the supply of health care workers, education and training of the workforce, and other supports and improvements to the existing workforce. This Implementation Brief focuses on those provisions of the ACA that specifically target the strengthening of the nursing workforce.

In 2009 the Bureau of Labor Statistics projected that by 2018 over 581,500 Registered Nurse (RN) positions would be created in the U.S. health system.[1] Yet even at this rate of growth, experts nonetheless predict that by 2025, there would still be a nursing shortage approaching 260,000 RNs.[2] A number of factors are contributing to this discrepancy, including the fact that nursing school enrollment is not keeping pace with the demand; indeed, the U.S. Health Resources and Services Administration (HRSA) estimates that nursing programs need to graduate 90% more nurses in order to keep up with demand.[3] At the same time, enrollment in nursing schools is limited by the shortage of adequate nursing school faculty and facilities.[4] In 2009, nursing schools turned away over 50,000 qualified applicants for baccalaureate and graduate nursing programs, citing lack of faculty and facilities. Another factor driving individuals away from the nursing profession is insufficient staffing of nurses, which raises the stress level of nurses and lowers job satisfaction.[5]

Maintaining an adequate supply of nurses is essential to the health system. Many recent studies link the quality of care – including reductions in hospital-related mortality and length of stays – to nursing supply.[6]

### **Changes Made by the ACA (P.L. 111- 148, §§ 5202, 5208, 5308-5311, 5316, 5404, 5501, and 5509)**

The ACA made a number of changes with respect to enhancing and strengthening the nursing workforce. They can be classified into two major areas:

#### *1) Financial incentives*

- The ACA creates an incentive for primary care nurse practitioners (NPs) and clinical nurse specialists (CNPs) by providing for a 10 percent boost in Medicare Part B payments between January 1, 2011 and December 31, 2015.[7] In addition to receiving regular Medicare payments for services provided during this time period, these providers can also recover an additional 10 percent of the cost of providing certain primary care services, as defined in the statute. NPs and CNPs can recover under this section provided that primary care services accounted for at least 60 percent of the practitioner's allowed charges under Part B for a prior period as determined by the Secretary of the U.S. Department of Health and Human Services (HHS). The primary care services for which the bonus can be recovered are limited to patient office visits or other outpatient visits; nursing facility care visits, and domiciliary, rest home, or home care plan oversight services; and patient home visits.
- The ACA also expands the Nursing Student Loan Program by increasing the amount of loans that nursing students can obtain from their school under this program each year.[8]

## 2) Grant Programs

The ACA authorizes the Secretary of HHS to make contracts and/or grant awards under a number of different programs aimed at the nursing workforce. The following provides a brief description of the purpose and structure of each program:

- *Nursing Training*: A number of grant programs are aimed at improving, expanding, and promoting training and retention of nurses. First, the HHS Secretary can make grants or enter into contracts with an accredited nursing school or health care facility to establish programs that promote career advancement for individuals in nursing professions.[9] Funds can also be used for programs that assist individuals in pursuing a career in nursing and for programs that develop and implement internships and residency programs. Second, the Secretary can make grants to entities to develop programs aimed at nursing retention.[10] The ACA also establishes loan repayment and scholarship programs for faculty of accredited schools of nursing.[11] Furthermore, the Secretary is authorized to enter into agreements with educational institutions to provide loans and loan repayments to

nursing graduate students in exchange for employment as a faculty member in another program.[12] Finally, the ACA expands the mechanisms through which the Secretary can award grants and contracts to educational entities that provide nursing educational opportunities to individuals from disadvantaged backgrounds.[13]

- *Nursing Managed Health Centers*: The ACA establishes grants for opening and operating nurse-managed health centers (NMHCs).[14] NMHCs are treatment centers managed by advanced-practice nurses that provide primary care or wellness services to underserved and vulnerable populations. In order to be eligible for a grant, a NMHC must submit an application that assures that nurses are the primary care providers; that care will be provided regardless of a patient's income status or ability to pay; and that the clinic will establish a community advisory committee, with a majority of members coming from the community served, within 90 days of receiving the grant.
- *Nurse Practitioner Training*: The HHS Secretary must also establish a demonstration program by providing grants to entities to establish training programs in primary care for graduates of nurse practitioner programs.[15] Nurse practitioners in the program will work in federally qualified health centers and nurse-managed clinics.
- *Nurse Midwife Education*: The ACA supports Nurse Midwifery Programs by amending the Advanced Education Nursing Grant program to include programs that have the objective of educating midwives and are accredited by the American College of Nurse-Midwives Accreditation Commission for Midwifery Education.[16]
- *Graduate Nurse Education*: The ACA further authorizes a demonstration program for five hospitals to receive payments from HHS for the costs of providing clinical training to advance practice nurses.[17]

## **Implementation**

### *Agency*

The HHS Centers for Medicare and Medicaid has authority over the Medicare payments. HRSA is the fiscal and administrative agent for the grant and loan programs.

### *Key Dates*

None.

### *Process*

The health reform law does not provide specific direction to HHS regarding the administrative process used to implement the law. The agency therefore has the discretion to use a range of tools to implement the statute, such as publishing regulations in the Federal Register with a public notice and comment period, or using other types of approaches such as posted policy instructions, funding availability announcements (where applicable), official letters to affected entities (such as letters to state Medicaid agencies), and posted rulings and notices. Agency websites can be checked regularly for updates.

### *Key Issues*

- *Supply*: Generally, will the ACA provisions reduce the barriers that currently discourage nursing students from pursuing primary care careers? For example, will a five-year, 10% boost in Medicare payments drive nurses into primary care training and practice?
- *Grant Programs Impact*: Will the education, training, and NMHC programs come close to alleviating concerns about the existing and worsening nursing shortages?
- *Grant Program Funding*: Some of the ACA funding has been authorized but not appropriated. Given the current budgetary and political climate, will the increase be funded and, if so, can it be sustained long enough to increase participation in nursing training programs?

### *Recent Agency Action*

On September 27, 2010, the Secretary of HHS announced that \$320 million is available for grants to improve and expand the health care workforce. Of that amount, \$14.8 million will go directly to fund the Nurse-Managed Health Clinics grant program and \$31 million will go to Advanced Nursing education Expansion. Read the press release [here](#).

On August 5, 2010, the Secretary of HHS announced \$159.1 million in grant funds to support health care workforce training. Read the press release [here](#). Funds

included \$106 million for Nursing Workforce Development grants, of which \$42 million is for Advanced Nursing education, \$16 million for Advanced Education Nursing Traineeship, \$1.3 million for Nurse Anesthetist Traineeship, \$29.9 million for Nurse Retention Programs, \$14.3 million for Nursing Workforce Diversity, and \$2.5 million for Faculty Development.

On November 29, 2010, CMS published "Medicare Program; Payment Policies Under the Physician Fee Schedule and Other Revisions to Part B for CY 2011; Final Rule" in the Federal Register.[18] Included in this final rule is the Medicare incentive for NPs and CNPs as established by ACA §5501. Comments were accepted until January 1, 2011, and corrections were made to the final rule on January 11, 2011.[19]

#### *Authorized Funding Levels*

For the Medicare incentive payments, the changes address individual entitlements and thus do not specify an aggregate amount of spending.

For the Advanced Education Nursing Grants; Workforce Diversity Grants; and Nurse Education, Practice and Retention: \$338 million for fiscal year 2010, and such sums as may be necessary for each of the fiscal years 2011 through 2016.

For the Nurse Practitioner Training Demonstration Program: Congress authorized such sums as necessary to be appropriated for the years 2011 through 2014.

For the Graduate Nurse Education Demonstration Grants: \$50 million is appropriated for each of fiscal years 2012 through 2015.

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[1] "Occupational Outlook Handbook, 2010-11 Edition ? Registered Nurses," Bureau of Labor Statistics, Dec. 17, 2009, available at: <http://www.bls.gov/oco/ocos083.htm>.

[2] Peter Buerhaus, David I. Auerbach and Douglas O. Staiger, "The Recent Surge in Nurse Employment: Causes and Implications," Health Affairs 28, no. 4 (2009): w657-w668.

[3] Available at <http://bhpr.hrsa.gov/healthworkforce/reports/behindrnprojections/index.htm>.

[4] "Nursing Shortage fact Sheet," American Association of Colleges of Nursing, Sept. 20, 2010, available at: <http://www.aacn.nche.edu/media/factsheets/nursingshortage.htm>.

[5] *Id.*

[6] "Nurse Staffing and Quality of Patient Care," Agency for Healthcare Research

and Quality, AHRQ Publication No. 07-E005, March 2007, available at:  
<http://www.ahrq.gov/downloads/pub/evidence/pdf/nursestaff/nursestaff.pdf>.

[7] ACA § 5501(a).

[8] ACA § 5202(a).

[9] ACA § 5309(b).

[10] *Id.*

[11] ACA § 5310.

[12] ACA § 5311.

[13] ACA § 5404.

[14] ACA § 5208.

[15] ACA § 5316.

[16] ACA § 5508.

[17] ACA § 5509.

[18] See 75 Fed. Reg. 73170.

[19] See 76 Fed. Reg. 1670.

"Occupational Outlook Handbook, 2010-11 Edition ? Registered Nurses," Bureau of Labor Statistics, Dec. 17, 2009, available at: <http://www.bls.gov/oco/ocos083.htm>

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<http://www.ahrq.gov/downloads/pub/evidence/pdf/nursestaff/nursestaff.pdf>. ACA §

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5404. ACA § 5208. ACA § 5316. ACA § 5508. ACA § 5509. See 75 Fed. Reg.

73170. See 76 Fed. Reg. 1670.