CAPG California Association of Physician Groups

August 1, 2013

The Honorable Susan Bonilla.
Assembly Business, Professions & Consumer Protection Committee
1020 N Street, Rm. 338
Sacramento, CA 95814

Re: Support - SB 491 (Hernandez) Nurse Practitioners

Dear Ms. Bonilla:

The California Association of Physician Groups speaks for over 160 multispecialty medical groups and independent practice associations that serve more than 18 million Californians with accountable, quality health care. We are pleased to support this bill, and we greatly appreciate the efforts of the author, staff, sponsors and stakeholders.

CAPG groups are at the forefront of the implementation of delivery system reform in California. Six of our member physician groups have been designated as "Pioneer Accountable Care Organizations" and many others are participating in the federal shared savings ACO program, as well as other ACO projects under employer-sponsored coverage models across California. These new delivery systems will provide increased quality, transparency and value to patients that have not been previously enrolled in coordinated care models of health care delivery. They will require increasing use of team-based care delivery through the combined and collaborative deployment of the various health professions within the care team. The early results from these pilots indicate that tens of millions of dollars of cost within our healthcare system can be saved, and at the same time measurable quality of care can be increased.[i]

Seventeen other states authorize autonomous practice Nurse Practitioners, including all the states contiguously bordering California. CAPG now has member groups operating across 21 states. During this legislative session our investigation of physician group practices outside of California has revealed that autonomous nurse practitioners do not pose quality of care issues and do not hinder the operation of our members in any manner. Allegations of increased

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patient safety issues are not borne out by actual experience. The UCSF Center for the Health Professions has provided ample evidence that such a threat is not posed by autonomous practice. The increased access to care enabled by autonomous nurse practitioners is, in fact, a greater driver of improved patient outcomes.

CAPG member physician groups strive to integrate and coordinate patient care by breaking down practice silos, building organizational cultures that focus on the patient rather than the provider, and doing so under accountable, outcome-driven payment and performance reporting models. We want to build better systems of care for Californians across all geographies, and payer sources – including Medicare, Covered California, employer-sponsored coverage and Medi-Cal managed care. Our members are currently focused on how best to provide increased access to healthcare as over 4.7 million Californians gain health insurance coverage in the coming year.

Our CAPG groups are responsible under the Knox Keene Act to provide both adequate networks of providers in geographic areas and also under timely access regulatory standards. Compliance with these important patient rights is difficult in an environment where over half of the current primary care physician workforce is aging-out of practice and the pipeline to replace them is constricted due to high tuition costs and underfunded medical school programs. The potential for increased access to care for our patients through the use of autonomous Nurse Practitioners is therefore significant to our members.

Four key principles have guided our evaluation of this measure:

- A desire to expand the number of providers and patients within accountable, coordinated care delivery systems, in accordance with the goals set forth in the Berkeley Forum's recent 2013 report, rather than allow legislation that would create silos of different providers and greater fragmentation of the delivery system[ii]
- A recognition that in other states where CAPG member physician groups operate and where Nurse Practitioners have attained autonomous practice, the evidence shows that there is a measurable increase in access to care, no threat to patient safety, and improved patient care outcomes[iii]
- That this legislation provides the potential for a material increase to access to care for the newly covered ACA expansion population of 4.7 million Californians, who will begin to enter the healthcare system in less than 5 months
- Allow greater flexibility for CAPG member physician groups to employ or contract with autonomous Nurse Practitioners and to provide more affordable health care services to patients through team-based care delivery

At all times during this process, Senator Hernandez, his office staff, and the Senate Health Committee staff has been accessible, reasonable and cooperative. We also appreciate the collaborative manner in which the California Association of Nurse Practitioners approached CAPG early in this process. CANP has been similarly accessible, reasonable and open to discussion and compromise. Several versions of this bill have been explored and analyzed.

We also acknowledge the input from the California Medical Association on legal issues related to this bill. Our CAPG member physicians have significant concerns about the implications of autonomous practice on their physician culture at a time of "mass uncertainty" about their future role in the healthcare system as the Affordable Care Act is implemented. Because CAPG member groups are physician-owned and operated organizations, these concerns are material to our Board and staff and have caused us to weigh the competing considerations carefully. We believe that the advantages presented by this bill overcome such concerns.

We also considered the alternative scenarios that may ensue for the physician community if this bill fails. In light of this great wave of incoming patients, our current healthcare workforce will be taxed to meet the demand and still have to meet Knox Keene timely access standards. For CAPG members, compliance with these standards is mandatory. There is no alternative. Also, there is the potential that if significant numbers of physicians do not agree to provide access to the newly covered population, the Legislature can entertain the option of mandatorily requiring them to accept Medi-Cal patients. SB 491 creates more flexibility in the organization of various health professions that comprise a team-based care approach, which is the preferable alternative for both physicians and patients.

In its current amended version, SB 491 is a measure that can greatly help to increase access to care, while at the same time ensuring important patient protections for a population not used to autonomous Nurse Practitioners. CAPG member physician groups already employ several thousand nurse practitioners across the state, but the manner in which they are deployed is constricted under current law, particularly with respect to Medi-Cal services. Under current law, a Nurse Practitioner cannot provide services to a Medi-Cal beneficiary unless the supervising physician is a Medi-Cal provider. CAPG originally proposed amendments to the proposed legislation that would limit the autonomy of Nurse Practitioners to provider organizations like those within our Association. In our negotiations with the sponsors and the author, it became apparent that the ability to legislatively define such organizations and to enforce autonomous practice within them was not feasible at this time. We were also mindful that critical stakeholders that function within other delivery models than CAPG member groups were excluded under our proposed amendments. Many of these other provider entities have to be taken into account.

The latest resulting amendments are an evolution of this process, and provide an acceptable compromise to our Association. The bill now provides two pathways to autonomous practice. First, Nurse Practitioners that meet the necessary additional clinical and certification prerequisites can practice within organizations, such as CAPG member medical groups and independent practice associations. They can also practice within clinics, hospitals, and other facilities that are critical to the increased access needed to serve the newly covered population across California. Second, the bill provides a pathway to independent autonomous practice that will allow nurse practitioners to provide services in any setting, including underserved and rural areas across the state where direct physician supervision is lacking. This is an important mechanism to increase access to care for the rural Medi-Cal patient population, for example. The bill also contains specific provisions that enhance

patient safety, including requirements to carry adequate malpractice insurance and to encourage collaborative relationships with other licensed health professionals.

SB 491 as amended addresses our prior concerns in the following ways:

- The amended definitions of entities within which autonomous Nurse Practitioners may practice will allow our member physician organizations (both medical groups and independent practice associations) the option to either employ or contract with autonomous Nurse Practitioners to provide increased access to primary and specialty care for the ACA expansion patient population
- It is important not to limit this bill to allow autonomous practice to medical groups only and thereby exclude Independent Practice Associations. The intent of the current "group practice" definition is meant to cover both types of entities. IPAs represent a significant membership in CAPG and serve millions of patients across this state. The IPA delivery model is flexible; it can expand and contract readily to meet changes in demand for patient access to services. IPAs can meet the challenges presented by the ACA expansion population more quickly and cost-effectively with the help of autonomous Nurse Practitioners who could contract full or part-time with IPAs
- It is important to not to limit autonomous practice under this bill to primary care, but to allow for specialty practice as well. While other specialty physician associations dispute this point, Nurse Practitioners working in CAPG member groups and other entities provide valuable services to chronic patient populations, including diabetics, cancer and heart disease patients and seniors who present with complex co-morbidities, to name a few. We disagree that concerns over the potential entry of autonomous Nurse Practitioners into independent cosmetic procedure "medi-spa" practices warrants inhibiting the potential for expanded access to critical chronic care management services. Avoidable and manageable chronic disease represents the largest cost sector of health care spending. We need flexibility in the organization of the health care workforce to combat these conditions. Adequate enforcement mechanisms exist to manage patient safety issues and physician-owned cosmetic practices can advertise based on the difference in education, training and clinical experience to inform consumers.
- Small physician practices cannot always afford to employ nurse practitioners, but their larger affiliated IPA may do so as a means to provide practice support to the independent physicians from office to office throughout the IPA, or at the IPA administrative office level to provide complex case management services for sicker patients, for example.
- Autonomous nurse practitioners could greatly increase the ability of IPA structures to provide care to rural and underserved patient populations, where nurse practitioners bear the expense of maintaining their own licenses and malpractice coverage.

We thank you for your leadership in the further development of this bill prior to the August 6th hearing. We look forward to continuing to work with the author and sponsor of this measure, and we respectfully ask for your "aye" vote.

Sincerely,

William J. Barcellona, JD, MHA
Sr. Vice President, Government Affairs

CC: Members of the Committee
Sarah Huchel
Ted Blanchard

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[i] *San Francisco Business Journal*, Brown & Toland ACO Saves Feds $10.6 million: 12% of US Total; http://www.bizjournals.com/sanfrancisco/blog/2013/07/brown-toland-aco-saves-feds-106.html. CMS, **Pioneer Accountable Care Organizations succeed in improving care, lowering costs: 7/16 2013:**

[ii] *Berkeley Forum* report, A New Vision for California's Healthcare System: Integrated Care with Aligned Financial Incentives. March, 2013. http://berkeleyhealthcareforum.berkeley.edu. See in particular, page 10 – "forum vision", page 19, and footnote 15.

[iii] *Health Affairs*, 32, no.7 (2013):1236-1243, States With The Least Restrictive Regulations Experienced The Largest Increase In Patients Seen By Nurse Practitioners. Yong-Fang Kuo, Figaro L. Loresto, Jr., Linda R. Rounds and James S. Goodwin