

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

SPOTLIGHT: NEW JERSEY | AUGUST 2014

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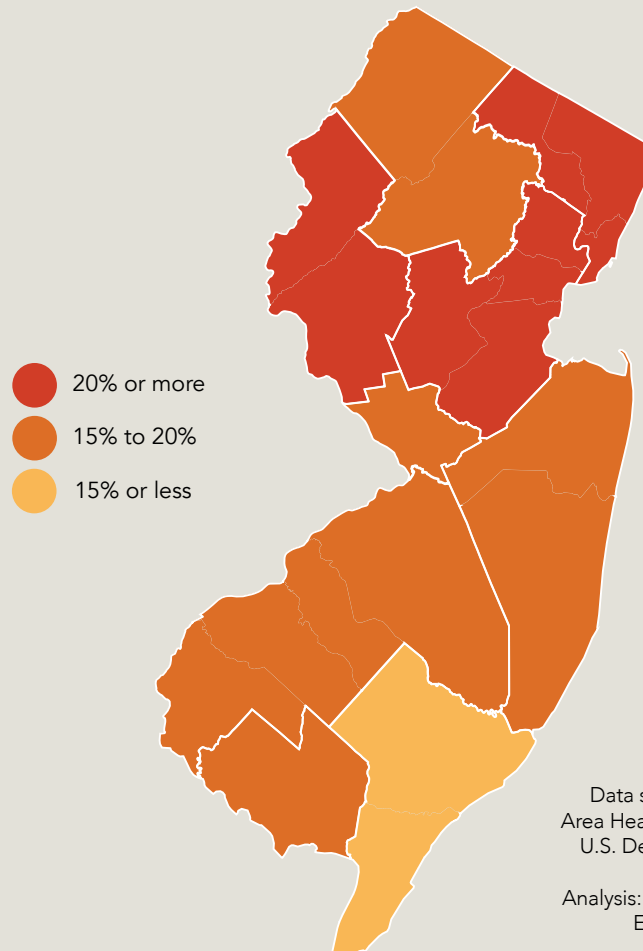
Expanding access to and improving the quality of primary care is critical to controlling health care costs for businesses and consumers. It is also essential to respond to the greater demand for health care from the coverage expansion of the Affordable Care Act and the aging of our population. Granting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

## NEW JERSEY

New Jersey is the most densely populated state in the nation and home to a relatively large number of primary care physicians per capita. However, the state also has a large population of uninsured individuals, many of whom will gain coverage under the Affordable Care Act. With over 400,000 individuals newly covered across the state, the supply of primary care clinicians is likely to become strained.<sup>1</sup>

The number of nurse practitioners in New Jersey has risen dramatically in the past decade, increasing nearly 275 percent from 2001 to 2011.<sup>2</sup> Along with accounting for a rising share of primary care clinicians nationwide, research suggests nurse practitioners 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 Medicaid. Furthermore, the counties in which nurse practitioners practiced were more likely to be either rural or a Health Professional Shortage Area, critical targets for increasing access.<sup>3</sup>

## Increase in the Supply of Nurse Practitioners by Health Service Area 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 nurse practitioners, 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 1,050 additional nurse practitioners would be practicing in New Jersey today had practice restrictions been lifted in the state previously, representing a 19 percent increase in the number of nurse practitioners practicing throughout the state.<sup>5</sup> In addition, the growth rate of the nurse practitioner workforce would increase by 25 percent,

**19%**  
more nurse  
practitioners  
in New Jersey

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**\$400 million**

in savings on preventative care visits in first ten years

**450,000**

more preventative care visits per year

providing relief to the state's health care workforce into the future.

### IMPROVING QUALITY

Yearly preventative care visits are essential for increasing the quality of health care. Our research, based on the findings of recent studies, shows that granting full practice authority to nurse practitioners would result in over 450,000 additional preventative care visits per year in New Jersey, an increase of 10.3 percent.<sup>6</sup> This increase in the number of primary care visits individuals would receive will allow for less emergency room use, better management of chronic conditions, and an overall increase in health.

Decades of definitive evidence show that the quality of care delivered by nurse practitioners is as high as that provided by physicians.<sup>7</sup> In years following increased practice authority, adults report a 13-15 percent increase in visit quality, while children report gains of 17-27 percent.<sup>6</sup> Nurse practitioners also receive extensive patient-centric training, and patients of nurse practitioners report higher satisfaction with care received when compared to physicians.

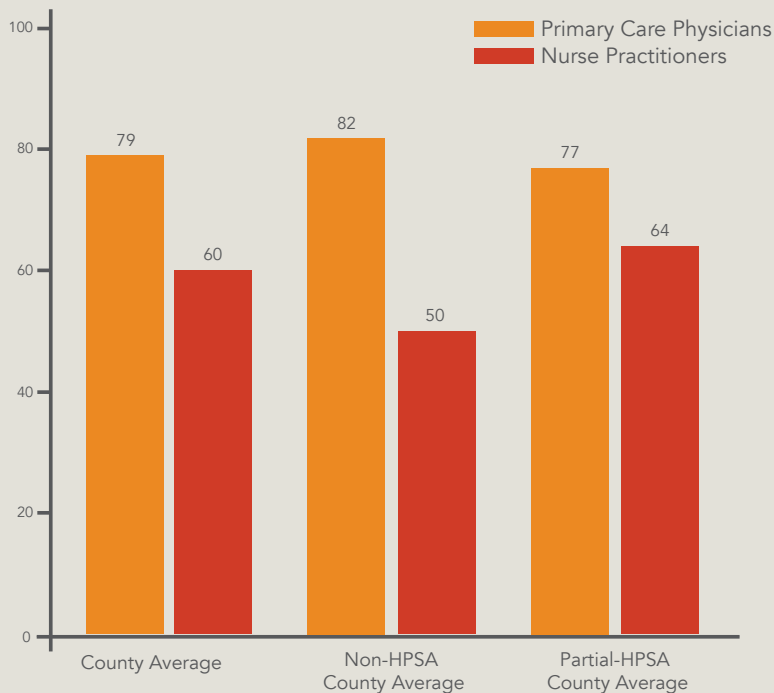
### LOWERING COST

Full practice authority for nurse practitioners is also associated with lowering the cost of common procedures without sacrificing quality. In states with limited practice authority, the average cost for a preventative care visit is as much as \$16 higher than in states with full practice authority. We estimate full practice authority for nurse practitioners in New Jersey would save over \$400 million in the cost of preventative care visits alone over the first ten years.<sup>8</sup> This directly translates to decreased burdens on public programs and business spending.

### POLICY

In order to increase access, improve quality and control costs, New Jersey should follow the lead of 19 other states and the District of Columbia and grant full practice authority to nurse practitioners. This move on its own is not a panacea. It is important to train more health care professionals, in particular more primary care physicians. And we must redesign care management in order to get better value for our health care spending and improve health outcomes across the board.

### Clinicians per 100,000 Residents in New Jersey 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. Rutgers Center for State Health Policy, 2014
2. Bay Area Council Economic Institute analysis of the 2012-2013 Area Health Resource File and 2012 Pearson Report
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. *Advanced Practice Nurse Outcomes 1990-2008: A Systematic Review*, Newhouse et al., Nursing Economics, 2011
8. 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, Coody Wing, NBER Working Paper, 2014