

Nursing Agenda – Section 5 – Economic Impact of Nursing

Issue 5.1: The economic benefit of nursing to the community, healthcare industry, public health, and overall economy is poorly understood.

Issue	Recommended Action			Action Indicator
	Who	Does What	When	
5.1.1: Understanding must be improved of the dollars brought into communities by healthcare and nursing¹.	CNE, Board, COMON, nursing organizations, MHA, nurse employers, Partnership for Michigan’s Health	Derive (large employer) healthcare and nursing economic data from surveys, studies, and the 2004 and 2005 reports ² , <i>The Economic Impact of Health Care in Michigan</i> ; analyze by region and disseminate. <ul style="list-style-type: none"> ▪ Include information on direct benefits (salaries & fringe benefits) and indirect benefits (induced jobs & spending). ▪ In collaboration with MHA and other nurse employers, develop information on nursing position vacancies by region and estimate losses to regional economy; project five-year trends. 	By 2006	Report on the (large employer) Economic Impact of Healthcare and Nursing in Michigan is disseminated.
	CNE, Board, COMON, MCN, nursing organizations, nurse employers, Partnership for Michigan’s Health, other partners	Collect and report information on the (small employer) economic impact of nurses working in: Home Healthcare agencies, Long Term Care facilities, Public Health, Schools (School-Based Health Centers), Occupational Health, and other community-based entities. <ul style="list-style-type: none"> ▪ Include information on direct benefits (salaries and fringe benefits) and indirect benefits (induced jobs and spending). 	By 2007	Report on the (small employer) Economic Impact of Nursing in Michigan is disseminated.

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<p>5.1.2: Understanding must be improved of the economic value of nursing in prevention services, surveillance, and early intervention activities. These activities decrease overall health care costs, decrease acute care costs, and lower health care and absenteeism costs to employers.</p>	<p>CNE, Board, COMON, MCN, nursing organizations, MHA, relevant partners, consultants</p>	<p>Collect and report information on the cost of preventive/early intervention care provided by nurses vs. the cost of emergency care or acute care provided in other venues.</p> <ul style="list-style-type: none"> ▪ Example: Analyze cost of preventive or non-emergent care provided by: Occupational Health nurses in work environments, School Health nurses in SBHCs, Public Health nurses in the community, and APNs in nurse-managed clinics³ vs. cost of care provided in a hospital ED for the same condition after it has become emergent. 	<p>By 2007</p>	<p>Report is disseminated on the economic value of nursing preventive and early intervention services.</p>

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<p>5.1.3: Understanding must be improved of the economic value of nursing in providing quality health care services (including primary care, care management and quality assurance). Quality health care services decrease overall health care costs, societal burden, and the economic burden of litigated health care errors⁴.</p>	<p>CNE, Board, COMON, MCN, nursing organizations, MHA, relevant partners, consultants</p>	<ul style="list-style-type: none"> ▪ Collect and report information on comparison of primary care provided by APNs in nurse-managed centers⁵ compared to cost of primary care provided by other health professionals⁶ 	By 2006	<p>Report is disseminated on the economic value of nursing in providing high quality preventive & primary care⁸, care management, quality assurance, community-based services, and specialty services such as obstetrics and anesthesia..</p>
		<ul style="list-style-type: none"> ▪ Collect and report information on the cost-effectiveness of care provided with nursing care/case/disease management compared to the cost-effectiveness of care provided with no nursing care/case/disease management. 	By 2007	
		<ul style="list-style-type: none"> ▪ Collect and report information on the cost-effectiveness of care provided with nursing quality assurance compared to the cost-effectiveness of care provided with no nursing quality assurance. 	By 2008	
		<ul style="list-style-type: none"> ▪ Collect and report information on the cost-effectiveness of other nurse-managed health services (offered in public health & community-based settings), such as family planning, primary care, immunizations, and health education). 	By 2008	
		<ul style="list-style-type: none"> ▪ Collect and report information on the cost-effectiveness of services provided by Advanced Practice Nurses compared to the cost-effectiveness of similar services provided by other health professionals⁷. 	By 2008	

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<p>5.1.4: Understanding must be improved of the economic value of nursing in providing high-quality patient direct-care services.</p> <p>[See Section 1, Workforce, Issue 1.3.2.]</p>	<p>CNE, Board, MCN, MHA, nurse employers, MDCH, MMA, healthcare purchasers & payers, nursing organizations, nursing schools/colleges, other partners</p>	<p>Demonstrate the value of nursing services in direct care settings by invoicing specifically for nursing services</p> <ul style="list-style-type: none"> ▪ Establish a billing framework in which hours of nursing services (by type) are listed on patient bills and payer invoices. <ul style="list-style-type: none"> ○ Convert nursing services from a “bundled” cost center to a “billable-hours for services rendered” revenue center⁹. <ul style="list-style-type: none"> ▪ Work with State Medicaid (MSA), BCBSM, MAHP, and other purchasers and payers to develop the policy and systems changes required. ▪ Work with nurse employers to implement the systems changes required. 	<p>By 2009</p>	<p>Nursing services become a revenue center and nursing hours are “billable hours”. The economic value of direct-care nursing is better appreciated.</p>

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5.1.5: The economic benefit provided by retired nurses currently is under-appreciated and undervalued.	CNE, Board, MCN, nursing organizations, MHA, nurse employers, OFIS, nursing schools/colleges, Executive, Legislature	Demonstrate the value of nursing in multiple health care environments by instituting the Retired Nurse Corp. to provide oversight and mentoring to student nurses, graduate-student nurses, direct-care nurses, APNs, and community-based nurses ¹⁰ . <ul style="list-style-type: none"> ▪ Recruit retired nurses to participate in the Retired Nurse Corp. ▪ Members of the RNC will volunteer to serve as mentors for nursing undergraduate and graduate students. <ul style="list-style-type: none"> ○ Collect data on success rates of nursing students with/without RNC mentors. ▪ Members of the RNC will volunteer to serve as mentors in LTC facilities to provide support and input for RNs, LPNs and NA’s. <ul style="list-style-type: none"> ○ Collect data on nursing retention & quality of care changes in LTC facilities served by members of the RNC. ▪ Provide incentives to retired nurses participating in the RNC indexed to the number of verified hours of service per year. ▪ Expand range of healthcare venues in which the RNC provide oversight and mentoring services to include hospitals, home health agencies, school-based health centers, public health and other venues as appropriate 	By 2007	Retired Nurse Corp. is in place. Recruitment and placement of retired nurses as mentors is underway.	
			By 2008		Incentives are provided to members of the RNC.
			By 2008		RNC activities expand to a wide range of healthcare venues.

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¹ Capitol Area Michigan Works, MDLEG, IRMC, SHS, and other healthcare employers (2005). *Healthcare: The Jobs Machine*. (The economic effect of healthcare employment in Ingham, Eaton, & Clinton counties.)

² Partnership for Michigan's Health. (2004) (2005) *The Economic Impact of Health Care in Michigan*. Also see: www.economicimpact.org

³ Vonderheid, S., Pohl, J., Barkauskas, V., Gift, D., Hughes-Cromwick, P., Financial Performance of Academic Nurse-Managed Primary Care Centers, *Nursing Economics*, 21(4), 2003.

⁴ Stanton, M., Hospital Nurse Staffing and Quality of Care. *Research in Action, Issue 14*. (<http://www.ahrq.gov/research/nursestaffing/nursestaff.htm>). Also see: Blendon, R., et al. Views of Practicing Physicians and the Public on Medical Errors, *New England Journal of Medicine* 347(24):1933-1940, 2002 Dec 12.

⁵ Vonderheid, S., Pohl, J., Schafer, P., Forrest, K., Poole, M., Barkauskas, V., Mackey, T. Using FTE and RVU Performance Measures to Assess the Financial Viability of Academic Nurse-Managed Primary Care Centers, *Nursing Economics*, 22(3), 124-134, 2004.

⁶ US News & World Report, March 2005. *Nurses have the data to show the value of their care*.

⁷ Cost studies have been made of Advanced Practice Nursing services in the areas of primary care provision, and obstetrics/gynecology over the past few years. It is proposed that additional studies focus on the cost effectiveness (cost, care, quality, outcomes) of APN nursing services in the areas of anesthesia, obstetrics, and primary care.

⁸ Barkauskas, V., Pohl, J., Benkert, R., Wells, M. Measuring Quality in Nurse-Managed Centers Using HEDIS Measures, *Journal for Healthcare Quality*, 27(1), 2005.

⁹ Billable hours for services rendered could include: fee for hours of service rendered for the physical assessment of a patient; for preparation and administration of an injection, or IV, or medication; for documentation of the medication, dosage, and time administered; for time used to assess a patient's pain level; and for time involved in the follow-up assessment of the reduction of pain level, with length of times for assessments throughout a 24-hour period. Such a billing arrangement is consistent with the healthcare facility billing approach for physical therapy, occupational therapy, and dentistry. (Communication from Ada Sue Hinshaw, Dean, University of Michigan School of Nursing, August 2005.)

¹⁰ Norman, L, Donelan, K, Buerhaus, P, et al. The Older Nurse in the Workplace: Does Age Matter? *Nursing Economics*, 2005;23(6):282-289. Jannetti Publications, Inc.