APRN BY THE NUMBERS: HOW TO GET PAID
WENDY FLETCHER, DNP, APRN, FNP-BC

DISCLOSURES
• CHAIRPERSON, KY ASSOCIATION OF NPS AND NMS
• BOARD OF DIRECTORS, KY COALITION OF NPS AND NMS
• CLINICAL DIRECTOR, ADVANCED PRACTICE AT ST CLAIRE HEALTHCARE
• KY MEDICAID NURSING TECHNICAL ADVISORY COMMITTEE
• NO FINANCIAL CONFLICTS TO DISCLOSE

OBJECTIVES
• EXAMINE PAYMENT SCHEMES AND THEIR IMPACT ON APRN REIMBURSEMENT
• DETERMINE BEST PATH FOR SALARY CONTRACTING
• UTILIZE A STANDARD PAYMENT EQUATION TO ESTIMATE REIMBURSEMENT BASED ON wRVU, BY SERVICE LOCATION

“PAINTING FINISHED” HOW TO MEET THESE OBJECTIVES
• EXAMINE PAYMENT SCHEMES, INCLUDING:
  • Fee for service
  • Pay for performance
  • Direct primary care
  • ASSESS CURRENT NP SALARY DATA AND TRENDS
  • CONSTRUCT ALGORITHM OF PRIORITIES AND PAYMENT METHODS TO DETERMINE FAIR COMPENSATION FOR APRN PRACTICE BY LOCATION
• DEFINE TERMS:
  • wRVU
  • Primary Care Rate
  • Rural Health Rate
  • Flat Rate
  • HCC Coding and Adjusted Risk Measures
• CALCULATE APRN WORKLOAD FOR GIVEN SALARY RANGE

OBJECTIVE 1
EXAMINE PAYMENT SCHEMES AND THEIR IMPACT ON APRN REIMBURSEMENT

Money Really Doesn't Grow on Trees, especially in the garden of health care
De-mystify where the money comes from before you take the job.

Understand your role in the cash flow.

Know that where the money comes from effects every aspect of your practice...even when you work for free! Resources are typically finite.
PAYMENT SCHEMES

- CASH, CREDIT, OR CHECK
- FEE FOR SERVICE
- PAY FOR PERFORMANCE
- DIRECT PRIMARY CARE

MACRA
- MIPS
- MSSP
- ACO PROVIDER

FEE FOR SERVICE

- Traditional payment model
- Services are rendered and paid separately
- Pros and Cons
  - Quantity and volume of care model
  - Quality is not a consideration
  - Often utilized in convenient care systems or cash based clinics
  - No capitation of services or fees
  - Contributor to the rising cost of health care

PAY FOR PERFORMANCE

- Value-Based Care
  - Payment based on cost efficiency
  - Care coordination
  - "Value"
  - Quality, not quantity of services
  - PCMH model
  - ACO model
  - Contributor to rising documentation requirements in healthcare

DIRECT PRIMARY CARE

- Patient “membership” to provider practice
- Phone, text, email, virtual visits, face-to-face
- “Traditional care utilizing today’s technology”
- “Personal relationships without added cost and bureaucracy of insurance companies”
- In addition to health insurance

DPC Model

Pros   and             Cons
Advantages of the DPC model
Better health outcomes through better access to physicians
Lower, transparent costs based on a flat rate
Enhanced patient experience by creating a relationship between provider and patient by offering unrestricted access to treatment across a variety of platforms
Available access regardless of age, pre-existing conditions, insurance coverage or nature of the illness
Less administrative burden, generally allowing for longer interactions

Limitations of the DPC model
DPC agreements do not cover specialists or hospital stays
As primary care physicians see fewer patients under the DPC model, access will be limited
Patients with Medicare, Medicaid or ACA plans will have limited funds

Medicare Shared Savings Program

- The Shared Savings Program is an Alternative Payment Model (APM) that offers providers and suppliers (e.g., physicians, hospitals, and others involved in patient care) an opportunity to create a new type of health care entity, an Accountable Care Organization (ACO).
- An ACO agrees to be held accountable for the quality, cost, and experience of care of an assigned Medicare fee-for-service beneficiary population.

6. CMS.GOV (2019)
MIPS and MSSP

- Merit-Based Incentive Payment System
- Quality (50 percent)
- Resource Use/Cost (10 percent)
- Advancing Care Information - formerly Meaningful Use (25 percent)
- Clinical Practice Improvement Activities (15 percent)
- Medicare Shared Savings Program
- Advanced Alternative Payment Model

MIPS Metrics

- Quality (50 percent)
- Resource Use/Cost (10 percent)
- Advancing Care Information - formerly Meaningful Use (25 percent)
- Clinical Practice Improvement Activities (15 percent)

Alternative Payment Models

- An Alternative Payment Model (APM) is a payment approach that gives added incentive payments to provide high-quality and cost-efficient care.
- APMs can apply to a specific clinical condition, a care episode, or a population.

OBJECTIVE 2

DETERMINE THE BEST PATH FOR SALARY CONTRACTING

NP DATA, SALARIES, TRENDS

- 270,000 licensed NPs* in the US
  - 99% Graduate degrees
  - 87% Primary Care Certified
  - 83% accept Medicare, 80% accept Medicaid
  - Primary Care’s projected rise of NPs from 57,330 (2013) to 110,540 (2025)
  - Mean salary in 2018 was $105,903
  - $87k median base, with median overall salary of $96k

To DNP or Not to DNP?

- Statewide Salary Data for DNP-Educated APRNs and More in Kentucky
- DNP-educated nurses in all their various roles are consistently recognized for earning top salaries (Kentucky Labor Market Information, 2015):
  - Nurse Administrators – $143,631
  - Nurse Practitioners – $125,139
  - Nurse-Midwives – $125,016
  - Nurse Educators – $103,605
  - Health Diagnosing and Treating Practitioners – $96,104

* Nurse Practitioners, by AANP definition, does not include Nurse Midwives.
What is “Fair” Compensation?

• What shapes (our perspective of) fair compensation?
  - Data
    - NP Salary Survey
    - Labor Statistics
    - MGMA market data, by geographical region
    - Peer groups and Professional Organizations

"Fair is a place where you win a ribbon for a pig or a pie!" (Grandpa Andy)

• World View
  - Personal Values: You should know what your top 2 values are and not sway from them
    "Do a job you love and you’ll never work a day in your life." (Unknown)
  - Education

"Being passionate about your work means you’ll do it, even if for free!" (Unknown)

• Experience
  - Education

"Being passionate about your work means you’d do it, even if for free!" (Unknown)

• Priorities
  - Your own health
  - Your own wealth and financial objectives

• What we are told is fair by potential employer, lenders, payers and our thoughts about life

Terms to understand in “fair” pay

• wRVU
  - Primary Care Rate
  - Rural Health Rate
  - HCC Coding and Adjusted Risk Measures
  - Flat Rate
  - Expected Work Load
  - Benefits
  - Pay Parity

OBJECTIVE 3

UTILIZE A STANDARD PAYMENT EQUATION TO ESTIMATE
REIMBURSEMENT BASED ON wRVUs by SERVICE LOCATION

FORMULA FOR SUCCESS

• SALARY GUARANTEE
  - SELF-DIRECTED ACTIVITY WITHIN SPECIFIED BOUNDARIES
  - NOT TIME BASED, DESPITE ROUTINE OFFICE HOURS
    - EXPECTATION IS “UNTIL THE JOB IS DONE”
  - NEEDS WELL-DEFINED JOB DESCRIPTION
  - AVOID NON-COMPETE LANGUAGE WITH THIS TYPE OF AGREEMENT
  - SHOULD COME WITH ADMINISTRATIVE AND SCHEDULING FLEXIBILITY/CONTROL

FORMULA FOR SUCCESS

• PRODUCTIVITY MODEL
  TOTAL COMPENSATION (TC), based on wRVUs:
  \[ TC = (wRVU \times \text{Rate}) + (\text{Benefit(s)} - \text{Overhead}) \]
  - Time is not a factor in the productivity model
  - PRO: Great model for experienced providers with solid patient bases and "work-a-holics" or highly efficient providers
  - CON: System with high no-shows, inefficient workflows, unreliable patient population, new/slower providers, or resource draining but otherwise low acuity patients

FORMULA FOR SUCCESS

• NET REVENUE MODEL
  TOTAL GROSS INCOME – TOTAL EXPENSES = NET REVENUE
  - NORMAL MODEL FOR INDEPENDENT OWNERS OR PARTNERS IN PRACTICE
  - REQUIRES ATTENTION TO DETAIL AND ABILITY TO RIDE THE UPS AND DOWNS OF CASH FLOW
  - NEED TO BE ABLE TO FLEX PRN
  - NEED TO BE DISCIPLINED WITH MONEY, STAYING ON A BUDGET
  - MUST BE COMFORTABLE WITH ASSUMED RISK
FORMULA FOR SUCCESS

• CONTRACT WORK
  • MUTUALLY AGREED UPON AND PRE-DETERMINED
  • SET PAYMENT FOR WELL-DEFINED OUTCOME(S)
    • CONTRACTOR LIABLE FOR DELIVERABLES
    • CONTRACTOR SELF-DIRECTS THE WORK
    • CONTRACTOR COVERS OWN LOSSES, IF ANY
    • TYPICALLY WITHOUT BENEFITS
  • LOCUM TENENS
• TEMPORARY / TRANSITIONAL

Know your thresholds, thoughts, feelings about......

• Time
• Money
• Quality
• Limits

Keep your own data

• Monitor your workflow
• Record your own experiences with policy, procedures, staff
• Feedback from patients

References


References (continued)


Questions...?
WendyFletcherDNP@gmail.com

Now.....Go Get Paid!