

STORAGE NAME: h4235.hcs

DATE: April 3, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HEALTH CARE SERVICES
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 4235

RELATING TO: Health Care Contracts/Nurses

SPONSOR(S): Rep. Brennan

COMPANION BILL(S): CS/SB 726 (similar)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) HEALTH CARE SERVICES
 - (2) GENERAL GOVERNMENT APPROPRIATIONS
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

House Bill 4235 requires any health insurance policy that provides for the payment of services that are within the scope of an advanced registered nurse practitioner's (ANRPs) professional license is to be construed as providing for payment to the ARNP or the employer of the ARNP who performs such services. These provisions apply only if reimbursement for an assisting medical doctor, licensed under chapters 458 or 459, F.S., would be covered and the ARNP performs such services instead of the doctor.

This bill amends section 627.419, Florida Statutes, which is in Part II of Chapter 627, F.S., and is titled the Insurance Contract. Part II applies to all insurance policies.

There is no fiscal impact on state or local government.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Currently, there are more than 6,000 advanced registered nurse practitioners (ARNPs) licensed to practice in Florida. ARNPs are defined under s. 464.003 (6), F.S., as persons who practice professional nursing and are certified in advanced or specialized nursing practices. Licensed by the Board of Nursing, ARNPs must satisfy certain prescribed educational and training requirements to be certified in one of three categories: nurse midwives, nurse anesthetists and nurse practitioners. ARNPs must practice under the supervision of a medical doctor, osteopathic physician or dentist and in accordance with a written protocol that delineates their functions and responsibilities.

Health insurance policies may limit the type of providers eligible for payment. However, there are provisions currently in law that do require health insurance policies to reimburse specific providers for such services that are within the scope of the license to the extent the services are otherwise covered under the insurance policy. For example, last year legislation was enacted (ch. 97-5, L.O.F.) to require payment to physician assistants under health insurance policies, health care services plans, or other contracts, for services within the scope of a physician assistant's license, where the policy would reimburse a physician for the service and the physician assistant performed the service instead of the physician.

The problem which occurs presently as to ARNPs is that although ARNPs may legally provide a broad range of health care services under a doctor's supervision, some health care policies do not provide payment for the services provided by ARNPs, especially where an ARNP bills for her or his services separately from the supervising physician.

B. EFFECT OF PROPOSED CHANGES:

The greatest change would be that ARNPs would be reimbursed for the services which they perform, as mandated by the law.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

The Department of Insurance would be granted more authority to adjudicate disputes, and enforce the terms of the bill.

- (2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Private insurance organizations will have to pay ARNPs reimbursement for services rendered to patients. Under current law, this is not a requirement.

- (3) any entitlement to a government service or benefit?

No.

- b. If an agency or program is eliminated or reduced:

- (1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

- (2) what is the cost of such responsibility at the new level/agency?

N/A

- (3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

s. 627.419 (9), F.S.

E. SECTION-BY-SECTION RESEARCH:

Section 1. Creates s. 627.419(9), F.S., to require that any health insurance policy that pays for services within the scope of an advanced registered nurse practitioner's (ARNP) professional license is to be construed as providing payment to the ARNP or the employer of the ARNP who performs such medical services. However, this provision applies only if reimbursement for a physician licensed under ch. 458 or ch. 459, F.S., would be covered and the ARNP performs such services instead of the physician.

Section 2. Provides that the bill shall take effect upon becoming law.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

HB 4235 does not expand the health insurance contract to services not currently covered in current policies. Thus, no rate or cost increase is anticipated. There may be a decrease in health care costs, since the cost of ARNP services is generally lower than that of physicians. The bill may minimize delays or disputes over payment for services rendered by ARNPs.

3. Effects on Competition, Private Enterprise and Employment Markets:

There should be an improved employment market for ARNPs.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

The Florida Association of Nurse Anesthetists is very supportive of this bill and similar Senate Bill 726, which require health insurance policies to provide payment for the services provided by an advanced registered nurse practitioner if the policy covers the service when provided by a physician and an ARNP provides the service instead of the physician.

In addition, the Florida Association of Nurse Anesthetists states that HB 4235 does not change the scope of practice of ARNPs or the way ARNPs now practice, and that the bill should reduce the health care costs, since the cost of ARNP services is generally lower than that of physicians.

HB 4235 is very similar to the bill (CS/HB 7) that passed last year providing payment for physician assistant services (see s. 627.419(6), F.S.).

This bill is also supported by Florida Nurses Association, and other nursing associations.

Opponents of the bill include the Florida Society of Anesthesiologists (FSA). Their concerns about the bill, which are restricted to Nurse Anesthetists only- and not all ARNPs, are grounded on the principles that this bill would expand the scope of practice done by nurse anesthetists. FSA argues that this would 1) reduce the scope and quantity of work done by anesthesiologists, 2) reduce the quality of services provided to the patients of the State of Florida (as nurse anesthetists are not as well educated as anesthesiologists, who are MDs), and 3) not necessarily be less expensive to the consumer, in certain cases, as is presumed by the proponents of the bill.

FSA argues that nurse anesthetists (one segment of the ARNPs) have received direct reimbursement under Medicaid, Medicare, the workers compensation law, and many private insurance plans for a number of years. FSA concludes that due to these factors, the provisions of this bill are unnecessary, and unfavorable.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

It is expected that a "strike everything" amendment will be offered which will be identical to a "strike everything" amendment passed in the Senate (on SB 726). That amendment would make the following changes to the original bill.

1. Application of the bill will be narrowed to health insurance policies ("health care services plan or other contract" deleted). Intent is that this bill not apply to HMOs.
2. "Must pay" language in original bill is deleted, and is replaced with "is to be construed as providing for payment." This conforms to s. 627.419(6), F.S., concerning physician assistants and RN first assistants.
3. Language providing that an advanced registered nurse practitioner must be "used as a substitute" for a physician to qualify for reimbursement is deleted. New language: "ARNP performs such services instead of a physician." This addresses concerns raised by a physician group about an ARNP "substituting" for a physician.

VII. SIGNATURES:

COMMITTEE ON HEALTH CARE SERVICES:

Prepared by:

Legislative Research Director:

Benjamin H. Pingree

Michael P. Hansen