

**STORAGE NAME:** h0461.in

**DATE:** April 9, 1999

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
INSURANCE  
ANALYSIS**

**BILL #:** HB 461

**RELATING TO:** Health Care Contracts/Nurses

**SPONSOR(S):** Representative Morroni & others

**COMPANION BILL(S):** SB 882 (s)

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

- (1) INSURANCE
  - (2) HEALTH CARE SERVICES
  - (3)
  - (4)
  - (5)
- 

**I. SUMMARY:**

Under the bill, any health insurance policy providing for the payment of services when performed by a physician licensed to practice medicine under Chapter 458 or practice osteopathic medicine under Chapter 459 would be required to be construed as providing for payment to an advanced registered nurse practitioner (ARNP) if the services are performed by an ARNP and are services an ARNP legally may perform. ARNP services must be performed in accordance with established protocols and under the medical supervision of a physician or on-site medical direction. As a result, reimbursement payments would be made directly to the ARNP.

There is no fiscal impact on state or local government.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Advanced registered nurse practitioners: authority and services

More than 7,400 advanced registered nurse practitioners (ARNPs) are licensed in Florida. An ARNP is "any person licensed in this state to practice professional nursing and certified in advanced or specialized nursing practice."<sup>1</sup> An ARNP may diagnose and treat injuries or illnesses and administer medications and treatments. An ARNP generally must act under the general supervision of a practitioner licensed to practice medicine under Chapter 458 or osteopathic medicine under Chapter 459<sup>2</sup> in accordance with established protocols.<sup>3</sup>

Florida Statutes recognize three categories of ARNP: the nurse practitioner is the generalist and the certified registered nurse anesthetist (CRNA) and nurse midwife are the specialists. An ARNP must meet certain educational and training requirements and, if a specialty is preferred, receive certification from the appropriate specialty board either as a nurse anesthesiologist or nurse midwife. An ARNP must hold a license to practice professional nursing, satisfactorily complete a formal post-basic educational program of at least one academic year, and for nurses seeking certification as a nurse practitioner, graduate from a program leading to a master's degree in a nursing clinical specialty area with preparation in specialized practitioner skills.<sup>4</sup>

*Nurse Practitioner*

A nurse practitioner may manage selected medical problems; order physical and occupational therapy; initiate, monitor, or alter therapies for certain uncomplicated acute illnesses; monitor and manage patients with stable chronic diseases; and establish behavioral problems and diagnosis and make treatment recommendations.

*Certified Registered Nurse Anesthetist*

A certified nurse anesthetist may order and administer "regional, spinal, and general anesthesia" and "take appropriate corrective action for abnormal patient responses to anesthesia . . . ."<sup>5</sup>

*Certified Nurse Midwife*

A certified nurse midwife may perform superficial minor surgical procedures; manage the patient during labor and delivery to include amniotomy, episiotomy, and repair; order, initiate, and perform appropriate anesthetic procedures; perform postpartum examinations; order appropriate medications; and manage the medical care of the normal obstetrical patient and the initial care of a newborn patient.

---

<sup>1</sup>s. 464.003 (6), F.S.,

<sup>2</sup>Osteopathic physician is defined as a person who is licensed to practice osteopathic medicine in this state (s. 459.003(4), F.S.) pursuant to Chapter 459, F.S.

<sup>3</sup>Although not the subject of this bill, an ARNP also may perform certain acts in a dentistry context under the supervision of a dentist licensed under Chapter 466, F.S.

<sup>4</sup>Similarly, graduation from a graduate program is required of nurse anesthetists for applicants graduating from a program leading to a master's degree on or after October 1, 2001. Section 464.012(1), F.S.

<sup>5</sup>Section 464.012(3)(a), F.S.

### Reimbursement of an ARNP

Although ARNPs generally may provide a broad range of health care services under a doctor's supervision, health insurance policies are not required by law to provide for payment to an ARNP for performing services otherwise provided by a physician within the scope of the ARNP's license. Apparently not all insurance policies provide for direct payment to the ARNP. An ARNP does receive direct reimbursement under Medicaid and Medicare. Also, according to the Division of State Group Insurance within the Department of Management Services, the Florida State Employees' PPO (i.e., Preferred Provider Organization) Plan reimburses covered services performed by advanced registered nurse practitioners when the services are within the scope of their professional license.

One type of ARNP, the CRNA, provides services through a variety of arrangements. Some may be employed by an anesthesiologist and assign billing rights to the employer. Others may contract with a surgeon to provide anesthesia services. When in a contractual relationship, the surgeon and the CRNA will typically each submit a bill for their services directly to the insurer. Depending on the insurance policy, an insurer may or may not reimburse the CRNA.

According to the Agency for Health Care Administration (AHCA), "insurance policies reimburse ARNP charges at approximately 85% of [physician] charges but still [make payment ] to the doctor." Further, an ARNP is reimbursed at 80% of the amount a physician is reimbursed under Florida's medicaid program, according to AHCA.

Health insurance policies may limit the providers eligible for payment and provide for terms of payment. However, in certain instances insurers are required by law to reimburse specific providers for services which are within the scope of the provider's license to the extent the services are otherwise covered under the insurance policy. For example, the Legislature enacted into law a requirement that insurers make 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, if the policy would reimburse a physician for performing the service and the physician assistant performed the service instead of the physician.<sup>6</sup> Similar provisions exist as applied to optometrist or podiatrist services and chiropractic services.<sup>7</sup>

### B. EFFECT OF PROPOSED CHANGES:

Under the bill, any health insurance policy providing for the payment of services when performed by a physician licensed to practice medicine under Chapter 458 or practice osteopathic medicine under Chapter 459 must be construed as providing for payment to an advanced registered nurse practitioner (ARNP) if the services are performed by an ARNP and are services an ARNP legally may perform. ARNP services must only be performed in accordance with established protocols and under the medical supervision of a physician or on-site medical direction. Reimbursement payments would be made directly to the ARNP.

### 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?

N/A

---

<sup>6</sup>Section 627.419(6), F.S.

<sup>7</sup>Section 627.419(3) and (4), F.S.

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

Yes. Insurers would be required to pay an ARNP for services rendered to patients when an insurance policy provides for payment to a physician and the services are legally performed by an ARNP instead of a physician.

- (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?

N/A

- 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 ANALYSIS:

N/A

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

According to the Division of State Group Insurance, the bill would have no fiscal impact on the State Employees' PPO or HMO plans.

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:

Local governments could be impacted in an indeterminate amount depending on the terms of the insurance policies offered to local government employees.

3. Long Run Effects Other Than Normal Growth:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

No rate or cost increase is anticipated. The reimbursement amount should not change, according to the Agency for Health Care Administration, "only the licensed professional receiving the payment is changed."

2. Direct Private Sector Benefits:

There could be a decrease in health care costs if ARNPs services cost less than those of a physician performing the same services and they can bill separately for those services.

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

None.

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:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON INSURANCE:

Prepared by:

Staff Director:

\_\_\_\_\_  
Luis F. Rodriguez, Jr.

\_\_\_\_\_  
Stephen Hogge