



## Accelerating Impact: How to Support Nurse Practitioners in Expanding Access to Care

California's Assembly Bill 890 (AB 890) — which was enacted in September 2020 — allows nurse practitioners (NPs) who meet certain criteria the authority to practice without physician supervision under the NPs' own licenses.<sup>1</sup> Before the law can fully take effect, the Board of Registered Nursing was directed to create regulations to define the criteria that would make NPs eligible to practice without physician supervision. The Board of Registered Nursing is still working on getting the regulations approved as of the time of this writing, so the criteria will not be presented in this issue brief. AB 890 presents opportunities to increase access to health care for Californians, especially those served in the safety net and those who live in rural and underserved areas. This issue brief can be used by policymakers, health plans, NPs, communities, and those in safety-net settings to understand how we can support NP practice in the wake of the passage of AB 890.

### AB 890 created two new categories of NPs:

- ▶ **1.** 103 NPs: NPs working within institutions in which one or more physicians work (e.g., hospitals, clinics). These are known as "103 NPs" in reference to the California Business and Professions Code § 2837.103.<sup>2</sup>
- ▶ **2.** 104 NPs: NPs who open their own practices outside of those institutions in which one or more physicians work. These are known as "104 NPs" in reference to the California Business and Professions Code § 2837.104.<sup>3</sup>

The law shifts NPs' relationships with physicians and health care institutions and has the potential to foster the building of a substantial workforce of providers

ready to fill critical gaps in access to care.<sup>4</sup> This could affect health care institutions in parts of the state that are experiencing severe workforce shortages due to retirements, COVID-19 burnout, and maldistribution. The hardest hit are California's rural areas, where it's more difficult to recruit physicians.

Based on focus groups and key-informant interviews with NPs, health care leaders, and policy experts, this issue brief explores the driving factors and the challenges to implementing AB 890 and expanding NP services in the state.<sup>5</sup> It also synthesizes some of the key recommendations emerging from this project and includes vignettes from some of the NPs who were interviewed (the names have been changed to protect their anonymity). This issue brief's purpose is to inform efforts to maximize the law's effectiveness in increasing access to care, especially within the safety net and in underserved areas.

### Background

Historically, NP practice in California was structured around physician supervision, a model reinforced by statutes, regulations, payer policies, clinical agency operations, interprofessional team structures, health care finance, employment, and public and policymaker understanding. These practice restrictions presented challenges for health care employers, professionals, and settings, including safety-net institutions, despite the absence of research demonstrating that physician supervision increases safety or quality of care.<sup>6</sup> Research has suggested that the removal of restrictions on NP practice would have tremendous benefits to the workforce, improving access to care and reducing costs without compromising quality.<sup>7</sup>

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## Methodology

Key stakeholders engaged in a series of six focus groups and five individual key-informant interviews between November 2021 and June 2022. Twenty respondents from California and other states participated in virtual sessions. Each session was between 60 and 90 minutes.

### Respondents included the following:

- ▶ 9 NP entrepreneurs
- ▶ 5 health care leaders in organizations such as county health systems and Federally Qualified Health Centers (FQHCs) as well as nurse-managed health centers
- ▶ 6 policy experts

An advisory panel of seven leaders from multiple health systems assisted in identifying potential focus group participants and interviewees, and in refining the topics and questions to be addressed.

### The findings are presented below in two sections, focusing on the following topics:

- ▶ How AB 890 could affect 103 NPs
- ▶ Experiences and lessons learned from 104 NP entrepreneurs
- ▶ California Business and Professions Code § 2836.1(e) restricts the maximum ratio of one physician supervising no more than four NPs who furnish or order drugs or devices.

## How AB 890 Could Affect 103 NPs

AB 890 provides an opportunity for NP, clinic, and health system leaders to reevaluate how they deploy NPs working within institutions. Clinic and health system leaders who participated in these sessions indicated that they frequently employ NPs, deploying their skills in a variety of ways in their institutions. However, leaders described the historical challenges in hiring NPs, including physician-to-NP ratio mandates\* and the cost of supervision, and other administrative burdens. The ratio mandates were cited as a particular problem. Without sufficient physicians to satisfy the ratio mandates, NPs could not be hired even when they were available and interested in working.

Clinic leaders noted that when AB 890 is fully implemented, the administrative costs previously associated with physician supervision could be redirected so that support personnel could be hired to take over certain activities from the providers. This, they noted, could help decrease the burnout of providers and ease their heavy workloads.

Anticipating AB 890 changes, some FQHC leaders said they were considering recruitment strategies for NPs that included improving compensation and benefits, allowing more flexibility in NPs' schedules for other activities such as teaching or training, and offering Health Resources and Services Administration (HRSA)-funded NP residencies for newly graduated NPs.

Respondents also noted that FQHCs could expand access to primary care in their service areas by establishing NP-managed health centers within the FQHC system. Additionally, participants indicated that NPs could serve as clinical directors in FQHCs. This would, they suggested, provide more options for hiring NPs to oversee these settings, which traditionally have struggled to find qualified physicians to fill these roles.

*\*California Business and Professions Code § 2836.1(e) restricts the maximum ratio of one physician supervising no more than four NPs who furnish or order drugs or devices.*

## County leaders pointed to opportunities for NPs to offer primary care services in public housing, mobile clinics for people experiencing homelessness, and rural communities without access to care.

For some of the county health system representatives who participated in the sessions, the biggest limitation for expanding NP hiring is the constraints associated with county budgets. These respondents noted that if funding were available, counties could offer new settings for NP practice without physician supervision. They pointed to opportunities for NPs to offer primary care services in public housing, mobile clinics for people experiencing homelessness, and rural communities without access to care.

### County to Continue Robust Deployment of NPs, with Less Administrative Cost

Alicia\* is a pediatric nurse practitioner (PNP) in a California urban county health system with a large safety-net hospital and multiple primary care clinics. Access to care is a major concern, worsened by the pandemic, budget constraints, and the difficulty of recruiting physicians.

However, because the county is located near several major universities, the system benefits from a solid pipeline of NPs who are widely employed to support hospital-based subspecialists and to provide direct primary care in outpatient clinics. Many of the NPs are bilingual and come from the same background as the population served. The pediatric provider role for the county is the same for physicians and NPs: See new and returning patients for well-child visits, treat chronic conditions, and provide open-access acute care services. The county medical director does not envision major change in NP practice because of AB 890, except for a reduction in the administrative burden of annually updating standardized procedure documents.

However, the law may make it practical for NPs to start their own practices as 104 NPs and contract with the county. This would enable them to bypass the county's complicated processes and limitations, she said.

\* Interviewees names have been changed to protect their anonymity.

This potential for expansion of nurse practitioner services could also help fill the high workforce demand for mental health providers in California. Psychiatric/mental health nurse practitioners (PMHNPs) working in county systems and FQHCs often care for underserved populations in the foster care system, and for people experiencing eating disorders, adverse childhood experiences (ACEs), and post-traumatic stress disorder (PTSD). PMHNPs also provide suicide prevention and counseling services, filling a service gap that has grown as rates of suicide — particularly among black, tribal, and lesbian, gay, bisexual, transgender, and queer and/or questioning (LGBTQ) youth — have increased.

For some organizations and providers, the implementation of AB 890 is likely to simplify their engagement with NPs. Interviewees suggested that a decrease in administrative requirements will be welcomed. The participants noted that education will need to be offered to medical directors, NPs, physicians, and other health care colleagues, as well as patients and the general public, to explain the changes and the impact on health care services.

### **However, in environments where there is physician resistance, ...the expansion of access to care through 103 NP services could be problematic.**

However, in environments where there is physician resistance or other challenges, the expansion of access to care through 103 NP services could be problematic. For example, NPs may face difficulties in applying for and getting credentialed and privileged in a medical staff office or in a group medical practice based on institutional bylaws. Overcoming such obstacles will require that regulatory guidance and any subsequent statutes be clear and minimize the possibility of AB 890 being misinterpreted.

## **Experiences and Lessons Learned from 104 NP Entrepreneurs**

The participants who were NP entrepreneurs said they decided to start their own businesses in response to health care needs in their communities. Some indicated that they wanted to provide services to traditionally underserved populations such as in rural areas, those in skilled nursing facilities, and people experiencing substance use or mental health disorders.

Some NP entrepreneurs created partnerships with physicians in areas such as cardiology, nephrology, endocrinology, rheumatology, and geriatrics to provide complementary or add-on services such as kidney care, anticoagulation management, congestive heart failure management, diabetes management, and palliative care. These NPs reported that they provided in-depth patient education, treatment monitoring, and care that required intensive patient support. This work was often focused on improving coordination of care and reducing hospitalizations and overall health care costs, the NPs said.

In general, NP entrepreneurs stressed the importance of providing an alternative model of care they variously described as holistic, compassionate, and patient-centered. They emphasized the importance of taking time for conversations about diagnoses and the risks and benefits of different therapy options, and making patients and families feel they are full partners in their care.

## Partnering with Cardiologists: Anticoagulation Management Services

After 20 years working as a cardiology nurse and setting up an anticoagulation clinic for her prior employer, NP Brenda decided to start her own anticoagulation clinic in a rural Western state requiring physician supervision of NPs. She did not need to advertise her services, simply telling her physician colleagues what she was planning to do. “One of the cardiologists actually hugged me,” she said. “And I had 50 referrals on my fax the next day.”

Within a month, Brenda became credentialed, established a contract with a collaborating physician, and started the clinic with the help of her husband, a former small business owner, who also served as a part-time office manager/biller. A legal consultant helped her set up a business corporation. Most of her patients have Medicare, which allows NPs to bill for services, unlike private payers like Blue Cross Blue Shield.

Still, Brenda said it was difficult setting up her business and that she felt overwhelmed by the legal, compliance, and human resource issues she had to address. She said she would have benefited from an elective course on clinic operations, professionalism, and business ownership during her NP education.

Brenda has tried unsuccessfully to hire another provider “so I can take a vacation.” During the height of the COVID-19 pandemic, she had up to 60 patients per day driving up for blood testing and has continued to see patients on a drive-through basis. “It’s still just me,” she said. “We are still very underserved up here.”

## Business-related knowledge

The participants reported a variety of business-related challenges around establishing a practice and said they needed to develop new skills to navigate the financial, regulatory, human resource, and marketing decisions that were necessary. Without a centralized resource for support, these entrepreneurs said they sought out books, business courses, NP entrepreneurial websites and organizations, networking with other entrepreneurs, and the use of consultants. Many said they learned through trial and error as they set up their businesses. All said they wished they’d had a comprehensive guide as well as mentorship and peer support to help them through the process.

The participating NP entrepreneurs were aware of the need to develop a strategic business plan, and some stressed the importance of having a business plan that reflected their core values. Respondents identified a few examples of values important to them, including personal lifestyle considerations, taking stock of their finances and support systems, and choosing a sustainable business model.

## Handling start-up costs

Participants noted that the start-up costs of establishing an NP business were considerable and included legal fees to set up a nursing or medical corporation, business and professional license fees, insurance, electronic health records, and medical supplies.

Since most of the businesses initially operated at a loss, start-up funding was a major consideration. The participating NPs cited a number of approaches to securing funding, including taking out home-equity loans, borrowing against savings or retirement funds, self-funding practices through family or partner support, downsizing personal housing costs, relocating to less expensive areas, and selling personal possessions.

## Filling a Need: Rural Women's Health Services

Before Maria opened her clinic, a vast 9,000-square-mile region in the mountainous center of the country — home to 20,000 women — had no dedicated women's health provider. A women's health nurse practitioner (WHNP), Maria started out by renting office space from her partnering behavioral health clinic. She expanded her practice to offer treatment for substance use disorders in pregnant women, providing free methadone and suboxone. As both practices grew, she purchased her own building and added staff; she now employs an additional NP, a registered nurse, a medical assistant, a receptionist, a biller, and a bookkeeper.

Maria's thriving practice became the first integrated behavioral and physical health center in the state. It inspired other counties to do the same, treating opioid and other substance use disorders, which are typically higher among women in rural areas than in urban areas. When Maria started her clinic, her county had the fourth-highest rate of opioid deaths and overdoses in the nation.

Recognizing that equitable health care for women required more resources and funding than her fee-for-service business could provide, Maria searched for diverse revenue streams. She added a nonprofit arm to the business, allowing her to qualify for local, state, and federal grants to expand the scope of her services. She now offers trans care, a sexual education program that helps other providers in the area stay up-to-date on sexual health, and a teen council in which young people teach their peers self-care. The clinic also serves as a busy teaching hub for registered nursing students as well as a preceptor site for nurse practitioner students.

Maria's marketing strategy is to focus on her patients by listening and responding to their needs and making herself available: "I built a movement around caring for women — that is our reputation." She says marketing is partly accomplished through what patients tell their friends: "Go to them, they'll listen, they'll sit down and talk with you. They care."

Participants also reported reducing costs and diversifying revenue streams by starting small, renting clinic space, partnering with existing clinics or facilities, and accepting teaching positions or paid speaking engagements to supplement their income.

## Billing

Billing is a significant challenge for NP entrepreneurs. Many commercial payers do not allow NPs to bill directly, leaving them with the option of requiring patients to self-pay or limiting their patients to those covered through Medi-Cal/Medicaid or Medicare. Some NPs had financial arrangements with physician groups to provide their billing services.

A participating NP entrepreneur outside of California worked with her state legislator and advocated with others to change the law regarding NP billing and reimbursement. She successfully negotiated full

reimbursement for NPs working in primary care in her state.

Several NP entrepreneurs added a nonprofit arm to their businesses to be able to add complementary health care services. Through the nonprofit organization, they were eligible for local, state, and federal grants to provide services in such areas as youth development and behavioral health.

## Regulatory requirements

NP entrepreneurs must understand and fulfill a wide variety of regulations, including those from the Occupational Safety and Health Administration (OSHA) and California's Division of Occupational Safety and Health (Cal/OSHA). They must also comply with many requirements related to the Health Insurance Portability and Accountability Act (HIPAA), prescribing (including opiates), human resources, and

credentialing. They said they could benefit from a comprehensive list of local, state, and federal requirements for operating a practice.

## Recruiting and hiring

Even for small NP-owned practices, the time and effort required to recruit, hire, train, and manage employees is considerable. NP entrepreneurs have to make decisions regarding salaries and benefits such as health, dental, and vision care, as well as retirement benefits and paid leave. NPs must decide which tasks to do themselves and which tasks to delegate to employees. Participants cited the burden of needing to assume staff roles when employees leave the practice, requiring the NP owner to function in a variety of administrative roles, including billing. After making extensive investments in training staff, some NP practices faced competition for their best employees from higher-paying hospitals and larger clinic systems — and often lost valuable employees as a result.

## Expansion and marketing

The interviewed NP entrepreneurs fell into two categories: those who wanted to grow their businesses, even to other states, and those who planned to stay small and felt that they had as much business as they could handle without hiring additional staff. Regardless of their plans for expansion, the entrepreneurs stated that they had to educate the public on the role of the NP and the services they could offer.

Several of the entrepreneurs had sophisticated marketing strategies. Interviewees interested in growing their business said they used branding to establish a clear description of their practice: their mission and values, their service population, and what sets them apart from other practices. Some NP entrepreneurs felt that their most effective marketing strategy was to provide excellent care — spending time with patients, listening to their needs, responding, and providing supportive services for their health and well-being.

## Building a Pediatric Primary Care Practice

Nine years ago, experienced pediatric NP Carl took a loan against his retirement savings to begin his own practice in a competitive urban market in a Western state requiring physician supervision of NPs. He felt called to provide a complementary alternative method of providing care to patients and families. “We’re traditional in our training, and the information is the same,” he said. “But we’re nurses, and how we deliver care is different.”

To get referrals, Carl reached out to birthing centers, licensed midwives, and certified nurse-midwives that had a similar philosophy of care and patient population. Realizing that renting was more expensive than buying his own building, Carl converted an old chiropractor’s office to a pediatric office. His practice now employs two NPs, two medical assistants, an office manager, a receptionist, and an operations manager. The clinic has about 12,000 patient visits per year.

But getting started wasn’t easy. It took two years to break even, he said. “There was a lot of competition and physician resistance.” Finances continue to be a worry. Paying a collaborating physician is costly, and now insurance companies are cutting reimbursements to 75% of physician fees. Carl rents out space to a naturopathic doctor, which helps his cash flow, but he is always trying to find ways to run a leaner business.

Carl is convinced that his practice offers something that people want. “It isn’t about speed or efficiency,” he said. “It is more about sitting down, engaging the patients and families, making eye contact with them, and having a conversation.” That kind of practice wasn’t being offered in the area, he added. “People came out of the woodwork when they heard that I was doing that.”

The participants employed a variety of marketing methods, including setting up websites, using social media, and sending out monthly or bimonthly newsletters with health tips and information. Some connected with health reporters and participated in radio and press interviews. Others used paid advertising with Google ads, newspapers, and radio, or agreed to be featured in local magazines. Some NP entrepreneurs became a visible part of the community by participating in presentations and setting up booths at community and health events.

## Recommendations

The participants shared overall optimism about the potential of AB 890 to expand NP practice and indicated that much more needs to be done to make the legislation and associated laws fully effective. They offered specific suggestions for physicians, health care system leaders, policymakers, and NPs themselves. Their advice includes the following recommendations:

### Promote understanding of NP practice

Respondents suggested that the lack of understanding of the NP role could be addressed with more exposure to NPs and messaging toward the public and community leaders to reinforce the quality and safety of NP practice. The NP participants agreed on the need for a concise, unified message emphasizing that NPs are highly trained medical professionals who offer a holistic model of care that is patient- and community-centered. Published research about positive outcomes and acceptance of NP practice would be especially compelling if synthesized and made more accessible.

The respondents cited numerous NP allies who could be engaged to share these messages with patients and other constituents, including supportive physicians. Respondents noted that many younger physicians are comfortable with the NP role, have trained with them in

their residencies, and understand the high-quality care they can provide. The nurse practitioners interviewed felt personally supported by physician colleagues and believed that the voices of physician allies, especially those in primary care, need to be amplified.

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There are many other potential promoters of NP practice who may be willing messengers to their constituents. These include community entities such as the AARP (formerly the American Association of Retired Persons), and child and family service providers, who recognize that NPs often serve populations that may have a tough time getting access to care.

### Remove remaining practice barriers

Clinical agency policies, insurance policies, and state and federal laws continue to create unnecessary barriers for NP practice related to clinical management of patients as well as operating a practice. These include hospital policies limiting NP privileges and leadership roles, NP practices not being allowed to apply for rural health clinic designation, NPs not being able to be laboratory directors in order to offer lab services in their own clinics, and telehealth regulations. A recurring obstacle for newly graduated NPs is that some local institutions mandate participation in a fellowship program before being allowed to practice. Another barrier is laws preventing nurse-owned corporations from hiring physicians in California.

Insurance billing will also be affected by this new law. AB 890 establishes a clearly delineated scope of practice that provides more clarity for direct reimbursement



from private insurers once NPs are eligible to be empaneled by all insurers. However, some insurers do not allow NPs to bill directly, causing NPs to either omit this potential source of patients, or require patients to self-pay, limiting access to care for patients with low incomes. The current workaround, billing under a collaborating physician's name, is costly and restricts NPs — as well as employers and health policy analysts — from collecting quality data on their practices.

NPs could benefit from support in navigating the health care policy system so that they can work with policymakers and lawmakers to remove barriers that hamper the expansion of NP practice. Researchers have already compiled a list of many of the statutes and regulations that need to be harmonized with AB 890 provisions to allow NPs to provide full-service care.<sup>8</sup> These include aligning statutes to match the intent of AB 890 so that qualified NPs can practice independently in long-term care and recovery, and mental health settings.

## Increase awareness of nurse-managed health centers

Nurse-led health centers, also known as nurse-managed clinics, are typically affiliated with academic health centers (AHCs). They usually offer primary care for underserved populations while providing community-based training sites for nurse practitioners. Academic affiliation has often been financially necessary for nurse-managed health centers because they do not benefit from the supplemental funding that FQHCs receive through higher reimbursement rates. However, with the implementation of AB 890, new nurse-managed centers not affiliated with AHCs could supplement or become affiliated with FQHCs in the provision of primary care. Under AB 890, 103 or 104 NPs could either expand existing or create new nurse-led health centers to contract with the county systems to provide greater access to care.

## Provide education/supports for NPs

All focus group and individual interview participants stated that education and supports for NPs — whether to expand existing practices for 103 NPs or to establish new NP practices for 104 NPs — were essential to successfully realize the intent of AB 890. If California NPs are to expand access to health care services, particularly in areas where practices do not already exist, they need to have business knowledge and skills to find funding and run their own businesses or expand practices within institutions. NPs need the skills to manage the complex institutional, financial, billing, compliance, human resources, and marketing tasks they will face.

## Conclusion

The implementation of AB 890 has the potential to significantly increase access to health care for Californians, especially within the safety net and in rural areas. Nurse practitioners can hasten the change by embracing new practice models, seizing opportunities within the changing health care funding and delivery systems, and sharpening their business acumen.

NPs, clinic and health care system leaders, policymakers, safety-net providers, and communities must be proactive in shaping attitudes and policies that impact their practice, and addressing the resistance of some physician organizations seeking to restrict any advancement of NP practice. To accomplish this, NPs will need the active involvement of supportive physicians, other health care leaders, and policymakers to attest to the safety and quality of NP practice.

They will also need the advocacy of their patients, sharing their experience of care with families and friends in the community. Throughout the sessions, NP participants voiced insights about the bonds that they create with patients by taking time with them. “It isn’t about speed or efficiency,” said pediatric nurse

practitioner Carl about his approach to NP practice. “It is more about sitting down, engaging the patients and families, making eye contact with them, and having a conversation.” The more people understand the unique contributions of nurse practitioners, the easier it will be for NP practice to flourish in California.

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### About the Foundation

The California Health Care Foundation is dedicated to advancing meaningful, measurable improvements in the way the health care delivery system provides care to the people of California, particularly those with low incomes and those whose needs are not well served by the status quo. We work to ensure that people have access to the care they need, when they need it, at a price they can afford.

CHCF informs policymakers and industry leaders, invests in ideas and innovations, and connects with changemakers to create a more responsive, patient-centered health care system.

### Endnotes

1. [CAHP Legislative Information: AB 890 \(Wood\), Chapter 265, Statutes of 2020](#), California Association of Health Plans, accessed October 7, 2022.
2. California Business and Professions Code [§ 2837.103](#) (2020).
3. California Business and Professions Code [§ 2837.104](#) (2020).
4. Joanne Spetz, [California’s Nurse Practitioners: How Scope of Practice Laws Impact Care](#), California Health Care Foundation, May 2, 2019.
5. [AB 890: An Overview \(PDF\)](#), California Association for Nurse Practitioners and HealthImpact, October 23, 2020.
6. Joanne Spetz, [California’s Nurse Practitioners: How Scope of Practice Laws Impact Care](#), California Health Care Foundation, May 2, 2019.
7. Micah Weinberg and Patrick Kallerman, [Full Practice Authority for Nurse Practitioners Increases Access and Controls Cost \(PDF\)](#), Bay Area Council Economic Institute, 2014.
8. Garrett K. Chan, Karen G. Duderstadt, and Catherine Dower, [Aligning Nurse Practitioner Statutes in California](#), California Health Care Foundation, July 30, 2021.