



# Considering an Advanced Practice Provider?

## HERE'S WHAT YOU NEED TO KNOW

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With the compounding effect of increasing physician shortages and decreasing physician-practice profits, advanced practice providers (APPs), such as nurse practitioners (NPs) and physician assistants (PAs), are highly sought-after in most regions of the country, primarily because they are often easier to source and allow for a lower overhead cost compared to a physician.

## GROWTH BY THE NUMBERS

### A STATISTICAL LOOK AT THE RISING USE OF NPs AND PAs



#### Nurse Practitioners

**PROJECTED:** In 2013, Health and Human Services (HHS) projected that the current 57,000 licensed NPs in the U.S. would trend to 110,500 by 2025.

**REALITY:**

**240,000**

Licensed NPs in 2018

**31%**

Rate of cumulative growth to 2026, as predicted by Bureau of Labor Statistics (BLS)

**1.9%**

Percentage of APPs that have been named as primary defendant in an MPL case (rates remain low)



#### Physician Assistants

**PROJECTED:** In 2013, HHS projected that the then-current 33,000 licensed PAs in the U.S. would trend to 59,000 by 2025.

**REALITY:**

**166,000**

Licensed PAs in 2017

**37%**

Rate of cumulative growth to 2026, as predicted by Bureau of Labor Statistics (BLS)

**Source:** American Association of Nurse Practitioners, Department of Health and Human Services, Bureau of Labor Statistics

While the case for utilizing APPs is fairly clear, this decision can be complicated for many practices. Some groups have historically only employed physicians, and are not sure how an APP will fit into their practice profile. Common considerations include: *What will they do? Will patients want to see them?* and *Will I feel comfortable allowing them to care for my patients?* These are all valid questions that require thought, education, and due diligence.

While reasons for the addition of an APP vary by practice, in most cases consideration is based on physician shortages and patient-access concerns. According to a 2018 study by IHS Inc., there will be a physician shortage of 42,600 to 121,300 by 2030.<sup>1</sup> Conversely, the United States Bureau of Labor Statistics predicts an NP overage of approximately 68,040 full-time equivalents (FTEs) by 2025. Similarly, there will be a predicted PA overage of approximately 19,000 FTEs by 2025.<sup>2,3</sup> In cases where the first available appointment is several weeks or months out, and there is difficulty finding physicians due to shortage, geographic location,

or both, APPs can serve as a solution. Although the licensure scope varies by state, an APP can usually perform many of the ambulatory-care service that patients require.

#### ROLES

There are also cases in which physicians stretch their capabilities to fill patient-access gaps in areas of limited physician resources. This is often managed by extending office hours and scheduling shorter appointments to allow for more visits. While this may suffice as a temporary solution, it can be an exhausting pace to sustain over an extended period of time, potentially driving existing physicians to leave for a more suitable schedule. It can also impact patient-experience and group-quality scores, if patients feel they've received inadequate time and attention. The fatigue of working at this pace may also contribute to clinical oversight or error. Adding APPs in this scenario affords more time for patient visits and follow-up, and allows physicians to complete tasks in a more efficient manner so they can enjoy a better work-life balance.

(Continued on page 8)



*(Considering an APP, continued from page 7)*

APPs can also be an asset as practices expand locations or manage hospital-rounding responsibilities. In some cases, APPs manage their own panel of patients, similar to a physician's. In other cases, APPs are used to assist with hospital rounding and follow-up visit management for patients under a physician's care plan. Utilization of APPs in these areas can free physicians to see more complex patients or reduce their overall workload.

Additionally, when considering office expansion, practices utilizing APPs may allow for a more effective transition of physician time. In some cases, the physician and APP may rotate through each location, providing continuous patient coverage. In other cases, APPs may be hired as full-time staff for a satellite office (allowance for which varies by state and scope of license). These options not only stabilize physician workload during the establishment of an additional location, but also afford increased patient access in outlying communities at a lower cost than hiring a physician, and expand the practice's potential profit.

#### **COMPLIANCE**

There are numerous compliance considerations that accompany APP

employment, such as payer credentialing, billing, and physician supervision. If groups have never operated under this model, these requirements may be foreign. However, education in these areas is critical to avoid creating compliance risk due to lack of either knowledge or adherence to these requirements.

Groups will also need to research their states' scope of license for PAs and NPs, respectively, to determine the most appropriate provider for their needs. Depending on that practice scope, a PA may be sufficient if the practice wants an APP to work in collaboration with the physician in managing patient care. However, if the practice requires a provider with capabilities for more autonomy to reduce routine physician involvement, an NP may be a better option. Also, clinical training requirements are different for PAs and NPs, and may impact the practice's determination based on patient clinical needs.

#### **EXPERIENCE LEVELS**

Additionally, the level of experience required of APPs will vary from practice to practice, and sometimes between physicians within the same practice. As with other clinical support roles, some physicians prefer an experienced employee



who can onboard efficiently and work autonomously. However, in some cases experienced APPs have developed their own clinical workflow habits, and may be harder to retrain. Therefore, some physicians prefer newly trained providers and will recruit from local educational institutes in order to train APPs in the manner in which they prefer to practice. Both require a time investment from the physician and administration to ensure that the APP is operating according to expected practice guidelines.

#### **OPERATIONAL CONSIDERATIONS**

Another consideration is potential impact on practice operations. In some cases, more space may be required to accommodate an additional provider, necessitating a potential expansion of the current office or the addition of new space. Either way, this determination should be made in advance of hiring an APP, so that existing physician workflow is not adversely impacted by decreased available exam rooms or workspaces.

Also, physician-scheduling templates may need to be reviewed, and possibly revised, based on the proposed role of the incoming provider. For example, if physicians typically have morning schedule blocks for hospital rounding,

and the plan is for the incoming provider to assist with patient rounding, a determination should be made for the best use of those available physician time slots to accommodate patient access. Perhaps the outpatient clinic could open earlier, the physician could allocate a portion of that time to administrative tasks, or both.

Consideration should also be given to staff roles and any necessary revisions thereof. If the APP will support a panel of patients or operate similarly to a clinic's physician, additional staff may be needed in the front office and clinical and billing areas to properly support an increased patient volume. Additionally, if the practice has never employed an APP, staff will need training on proper procedures. These may include notifying patients whether they will be seen by an APP or a physician, routing clinical messages or prescriptions requiring physician input or signatures, and adhering to payer guidelines for billing services provided by an APP. This is critical for the practice in preserving an effective workflow, maintaining or improving patient satisfaction, and avoiding potential liability.

#### **FINANCIAL CONSIDERATIONS**

Financial due diligence is another critical step when evaluating the addition of an APP. Consistent with the addition of any

*(Continued on page 31)*

*(Considering an APP, continued from page 9)*

other service, the practice should ensure that the addition of the APP will not place financial burden on the organization. The financial analysis should first consider the proposed additional revenue associated with incremental patient visits. Evaluating this revenue is important to ensure that the practice is not double-counting current revenue from the existing patient volume that may be absorbed by the APP. The projected incremental revenue should then be compared to expenses such as compensation, benefits, incremental staff, and buildout costs to evaluate projected profit. As with any new provider, a ramp-up period may be needed, depending on the severity of current patient-access bottlenecks. However, in some cases the group may not be considering the addition of an APP based on increased revenue. The addition may be to provide the physician with opportunities for increased administrative time, to improve physician work-life balance, or to focus on other roles. In these scenarios, the group should compare estimated costs to existing practice revenue and ensure the additional expense is sustainable.

#### **HIRING AND ONBOARDING**

When an organization has completed the due-diligence process and decides to move forward with the addition of an APP, the next critical step is the interview process. During the interview, the group should clearly define overall performance expectations and practice culture to provide the best opportunity for a long-term relationship. Also at this time, the group should clearly and honestly communicate the required work schedule (office hours, evenings, weekends, etc.) and desired level of patient care (outpatient, inpatient, or both). Since the position requirements may not be suitable for all candidates, it is best to identify this prior to hiring and onboarding. Additionally, narrowing the candidate pool to those for which the work environment is suitable will allow a focus on more specific areas of clinical care and

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workflow during onboarding and training. The hiring process should be approached with the same thoroughness as hiring a physician, since the incoming provider will interact with patients and impact the group's reputation.

Ideally, the group would assign the APP a physician mentor (not necessarily the same as the supervising physician that state nursing protocols require). As part of the onboarding process, the physician mentor would closely monitor the APP for at least three months in order to observe workflow and standard of care on both sides. This will also foster healthy dialogue regarding the APP's strengths and areas for improvement early in the process. Physicians or other leaders within the organization can also use this time to address any issues with the APP scheduling template, patient wait times, bedside manner, etc.

Compliance areas—timely completion of documentation, billing, and adherence to HIPAA and OSHA policies—are often overlooked until there are significant issues. The onboarding period is an ideal time to monitor these areas and help the

APP establish desired behaviors. In support of this, some groups utilize onboarding for clinical shadowing, which allows an opportunity for the incoming APP to more thoroughly understand physician patient care and workflow, in addition to what has already been directly communicated to them. When the APP begins to see patients independently, the mentor or supervising physician should continue shadowing through a documentation review to ensure that clinical decision-making is consistent with practice standards, and that documentation requirements are met. Feedback should remain consistent throughout the onboarding and oversight period, and continue intermittently thereafter.

While increasing patient demand and rising access issues, coupled with shrinking margins, makes alignment of physicians and APPs attractive, time and consideration are critical to evaluating the best solutions for the organization and for building the proper foundation for a long-term fit. With proper education and planning, the utilization of APPs in a physician practice can provide a viable solution to address increasing burdens and to fill a critical gap in population care for the foreseeable future. 

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#### **Sources**

- <sup>1</sup> <https://news.aamc.org/for-the-media/article/gme-funding-doctor-shortage/>
- <sup>2</sup> <https://www.bls.gov/ooh/healthcare/nurse-anesthetists-nurse-midwives-and-nurse-practitioners.htm>
- <sup>3</sup> <https://bhw.hrsa.gov/sites/default/files/bhw/health-workforce-analysis/research/projections/primary-care-national-projections2013-2025.pdf>