

# New medicare model produces expert nurses to address shortage of primary care

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Penn Nursing's Linda Aiken, PhD, the Claire M. Fagin Leadership Professor in Nursing and Director of the Center for Health Outcomes & Policy Research  
Credit: Penn Nursing

Nurse practitioners (NPs) are providing an increasing proportion of primary care, which is in short supply in many areas of the country. NPs deliver quality care in retail clinics, community health centers, rural

clinics, and in primary care and specialty medical practices. In an article published today in the *New England Journal of Medicine*, University of Pennsylvania researchers call for modernizing the way Medicare pays for training nurses, and highlight a successful new model of cost-effectively training more advanced practice nurses to practice community-based primary care.

The findings come from a recently completed, five-state demonstration of an innovative model of graduate nurse education (GNE), authorized by the Affordable Care Act. In 3 projects, each GNE site, managed by one teaching [hospital](#) hub, combined the training capacity of entire communities across health systems, hospitals, private medical practices, clinics, long-term care, and universities. Offering payment to Medicare providers allowed communities to scale up high quality [clinical training](#) for advanced practice nurses in the settings where they are most needed when they graduate. Researchers at the University of Pennsylvania School of Nursing's Center for Health Outcomes and Policy Research (CHOPR) and the Hospital of the University of Pennsylvania (HUP) led the largest demonstration site, which included nine universities, multiple health systems, and more than 600 community health care providers in the greater Philadelphia region.

The article calls for Medicare to adopt, and fund, the nurse training model nationally. "There are significant economies of scale in organizing education across multiple universities and practice settings with a single teaching hospital hub," said Linda Aiken, Ph.D., the Claire M. Fagin Leadership Professor in Nursing and Director of CHOPR. According to an independent evaluation, the cost of educating each nurse practitioner varied from \$28,000 to \$57,000, compared to the cost of training a primary care doctor of close to \$158,000 a year for multiple years.

Studies show that [nurse practitioners](#) (NPs) provide high-quality [primary care](#) that is satisfactory to patients, improves access to care in

underserved areas, and reduces costs of care. But although Medicare spends more than \$15 billion annually on graduate medical education for physicians, it spends very little on clinical training for NPs. How Medicare pays for nurse training is based on formulas that predate the existence of most advance practice programs.

The researchers call for a shift in Medicare funding from diploma nursing programs that produce entry-level RNs to permanent, national funding of training for advance practice registered nurses (APRNs). To underscore their point, they analyzed how Medicare currently allocates funds for nurse training. They found that Medicare funds for nurse training have decreased 30% (from \$174 million in 1991 to \$122 million in 2015), and that most funding still goes to hospital-operated diploma programs that now train less than 5% of RNs. "That analysis showed a substantial decrease in Medicare payments for nurse training between 1991 and 2015, at a time jobs for NPs are estimated to grow by 50%, making NPs among the top 10 jobs in the economy in terms of percent job growth," added Aiken.

The researchers also explain another consequence of outdated Medicare policies for nurse training: inequitable distribution of Medicare funds for training by state. Hospitals in six states (Pennsylvania, Illinois, Ohio, New York, Virginia, and Missouri) received 53 percent of Medicare nurse-training funds in 2015, largely because they have historically been home to a disproportionate number of diploma nursing schools. Only two hospitals west of the Rocky Mountains received any Medicare funding for nurse training in 2015.

"The GNE Demonstration shows how Medicare could achieve greater value for its investments in [nurse](#) training while contributing to the development of a workforce that can better deliver the care that Medicare beneficiaries want and need," said co-author Barbara Todd, DNP, Director of the Graduate Nurse Education Demonstration at HUP,

a 791-bed nonprofit teaching hospital affiliated with the Perelman School of Medicine and part of Penn Medicine. "The Demonstration shows that it is feasible and affordable for Medicare to pay hospitals to facilitate the expansion of clinical training opportunities for APRNs in the community as well as hospital settings, similarly to Medicare's support of clinical residency [training](#) for physicians."

Provided by University of Pennsylvania School of Nursing

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