The RN Role in Healthcare Reform: How You Can Make a Difference

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Objectives

• Articulate key skills nurses need to be successful in the future

• Understand how nursing plays a role in the business of healthcare
Introduction

- As nurses, we did not learn about finance or budgeting in nursing school
- Talking the finance talk can be one of your biggest strengths
- As we have grown as a profession, so has our responsibility
- You all play an important role in the financial health of your organization
Bridging the Clinical and Financial Agenda
State of the Union

- 187,000 RNs nationally plan to retire in the next 2 years
- 1/3 of population turned 50 in 1996 and reached 65 by 2011
- A baby boomer turns 50 every 7 seconds
- Our healthcare system is siloed
Health Care System Challenges

- An Aging and Sicker Population
- Lack of Preventive Care
- Millions More Insured
- Primary Care Shortage
- High Costs
A New Era in Health & Health Care

Patient-Centered

- Improved quality
- Better health outcomes
- Lower costs
- Coordinated care at home & in community
- Integrated health & health care services
What Does This Mean for Providers?

Payment and reimbursement tied to new measures

- Improved outcomes for people with multiple chronic conditions
- Reduced unnecessary rehospitalizations
- Prevention and wellness
Campaign Vision

Everyone in America can live a healthier life, supported by a system in which nurses are essential partners in providing care and promoting health.
High-quality, patient-centered health care for all will require a transformation of the health care delivery system.
Areas of Focus

Leadership

Practice & Care

Education

Interprofessional Collaboration

Diversity
Promote Nurse Leadership

Nurses bring a unique perspective to management and policy discussions.

Nurses spend the most time with people receiving health services.

Nurses are the largest segment of the health care workforce.

Nurses are vital to improving quality.
Leadership Evidence

When nurses are positioned to influence system practice and policies, it leads to improvements in quality of care, wellness, and reduced medical errors.

Nurse-led initiatives have:

- Reduced falls with harm
- Reduced “code blue” calls
- Reduced 30-day re-admissions
- Improved care transitions.
Remove Barriers to Practice and Care

Nurses provide an immediate and cost-effective solution to care shortages.

All clinicians should be able to practice to the full extent of their education and training.

Remove barriers that limit APRNs from expanding access to care.

Utilize clinicians more efficiently.
Increase Education Level of Nurses

Prepare nurses to meet new challenges in health & health care.

Increase the proportion of nurses with BSN and higher degrees.

Increase the number of nurses with doctorates.

Implement nurse residency programs.
Improve Workforce Diversity

Nurses should reflect the population in terms of gender, race and ethnicity.

Recruit the nursing workforce of the future.

All nurses should provide culturally competent services and care.

Greater workforce diversity may help to reduce health disparities.
Interprofessional Collaboration

Patient-Centered Care

Improved Quality Outcomes

Interprofessional Education and Practice

Wellness & Prevention

Integrated Services & Coordinated Care
Campaign Resources

Visit us on the web at
www.campaignforaction.org

http://facebook.com/campaignforaction
www.twitter.com/campaign4action
The Big Picture
The Business of Healthcare

- Hospitals are businesses!
- Managers use financial information to manage
- Financial
  - A new language for many of us
  - Organizational accounting of finances
  - Foundation of accounting
Healthcare Spending

NHE Share of GDP
5% of Population = 50% of Spending

Note: Dollar amounts in parentheses are the annual expenses per person in each percentile. Population is the civilian noninstitutionalized population, including those without any health care spending. Health care spending is total payments from all sources (including direct payments from individuals and families, private insurance, Medicare, Medicaid, and miscellaneous other sources) to hospitals, physicians, other providers (including dental care), and pharmacies; health insurance premiums are not included.

Per Capita Total Current Health Care Expenditures
U.S. and Selected Countries, 2009

<table>
<thead>
<tr>
<th>Country</th>
<th>Expenditures</th>
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<tbody>
<tr>
<td>Austria</td>
<td>$4,045</td>
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<td>United States</td>
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Root Cause for Spending

Some disagreement over driving factors exist but the following three areas have been discussed:

- New medical technologies and prescription drugs
- Rise in chronic diseases
- Administrative costs
How can Nurses Impact the 5%?

- Proactive management of Chronic Disease and elderly patients
- Engage in end-of-life care decisions
- Ensure Durable Power for Healthcare
- Increase primary care access/expand use of APRN role
- Community education
- Develop innovative care models
How is the money spent?

- Labor accounts for 60% or higher of cost for operations (Regular, OT, DT, PTO, Benefits)
- Daily supplies (care supplies, clerical, other)
- Facility costs (utilities, maintenance)
- Equipment (purchase, lease, repairs)
- Other non-payroll (education/training, dues/subscriptions, consulting fees)
The Nurse Leader, now and in the Future
AONE Nurse Executive competencies

- Communication and Relationship-Building
- Knowledge of the Healthcare Environment
- Leadership
- Professionalism
- Business Skills
#5: Business Skills

- Financial Management
- Human Resource management
- Strategic Management
- Marketing
- Information Management and Technology
Who/What affects cost?

- Staffing/Acuity/Patient Mix
- Patient Volume/Capacity/Surge/Length of Stay
- Patient outcomes/adverse events/harm/preventable complications
- Contracting of services/market rates
- Regulatory compliance
- Facilities/Equipment Upgrades
The Health Care Environment

Five key groups

- Providers
- Suppliers
- Consumers
- Regulators
- Payers
Revenue

What is revenue?

How do we get paid?

• Cost based reimbursement
• Charity care
• Managed care-negotiated rates
• Prospective payment systems
• DRGs
• Pay for Performance
The Role of Leadership

Healthcare finance and economics
Steward of the environment
• Understands fiscal context
• Evaluates products
• Evaluates the effect of health care financing on care access and patient outcomes
The Role of the CFO

• Responsible for the overall budget
• Finance office manages money coming into the organization and money going out of the organization
• Do you know who your CFO is?
Avoid These Responses!

“Finances are not in my job description!”

“We need more because our patients are sicker….that is why.”

“Nurses will leave if we don’t have enough staff.”

“If I don’t get what I need…patients will die!”
Shifting Tides = Opportunity

The Transition

- Increased insurance access
- Penalties for all cause readmissions
- Integrated informatics
- ACO formulation/alignment relationships
- Value Based Purchasing, bundled physician payments, transparency with outcomes

Nursing Opportunities

- Primary care
- Leaders in population health management
- Telehealth, PHR’s, mining of data for EBP
- APRN value in service line development and management
- Leadership, inpatient, transition, outpatient, nurse-led clinics
What Can You Do to Participate in Cost Containment?

- Communicate with your manager
- Stay current with journals
- Work closely with CNLs
- Join committees/unit councils
- Read hospital annual report
- Make decisions at the point of care related to cost and quality!
Questions