



Advanced Practice Providers

Quick-Hit Survey Results

January 2019

Melissa Stahl, Senior Manager, Research & Advisory

Jonathan Walker, Intern

Introduction & Methodology

With an increased prioritization of cost reduction and efficiency, many health systems are increasing their utilization of Advanced Practice Providers (APPs) such as Nurse Practitioners (NPs) and Physician Assistants (PAs). By leveraging APPs, health systems intend to reduce physician burnout and ensure physicians are practicing at the top of their license. To understand the current trends in APP utilization, The Health Management Academy (The Academy) conducted a quantitative survey of C-suite executives around their APP strategy.

Methodology

In September 2018, The Academy conducted an online survey of clinical executives at Leading Health Systems regarding their utilization of Advanced Practice Providers (APPs).

The 13 respondents included Chief Medical Officers (CMO), Chief Medical Information Officers (CMIO), Chief Clinical Officers (CCO), Chief Medical Group Officers (CMGO), Chief Physician Executives (CPE), System Medical Directors (CMDs), and Chief Clinical Services Officers (CCSO). This survey explores the clinical areas that APPs serve across different health systems as well as the compensation and leadership structures for these practitioners.

Respondent Demographics

Number of Health Systems: 13

Average Health System Revenue: \$4.6 billion

Total Number of Hospitals: 146

Region:

East: 31%

Central: 46%

West: 23%

Key Findings

- APPs are heavily utilized in primary care, with over half (58%) of responding health systems indicating APPs handle between 20 – 40% of all primary care appointments.
- The majority (77%) of health systems utilize APPs to conduct Medicare Annual Wellness Visits (AWVs). Executives anticipate that over half (58%) of AWVs will be conducted by APPs or other non-physician clinicians by 2020.
- Few health systems (16%) currently have an organizational strategy for the management, staffing, and utilization of APPs. However, a majority of organizations (69%) are planning to develop a strategy.

APP Employment

- On average, health systems employ 300 APPs.
 - Health systems employ a variety of APPs, including Advanced Practice Nurses (APNs), Advanced Practice Registered Nurses (APRNs), NPs, and/or PAs. Most commonly, health systems employ a combination of NPs and PAs, with fewer health systems employing APNs or APRNs.
- Health systems commonly employ APPs through the health system Medical Group (77%) as well as Hospital/Facility-based employment models (69%). However, health systems typically have more APPs employed through the Medical Group than through the Hospital.
- Most health systems recruit APPs through traditional in-house recruiting capabilities. Internal channels include in-house HR recruiters, health system websites, and communication with internal RNs and APRNs. Some health systems utilize the same mechanism used for recruiting physicians for APPs.
- Health systems also utilize external recruiting methods, including job fairs and job boards, external sourcing companies, advertising, and communication with schools and training programs.

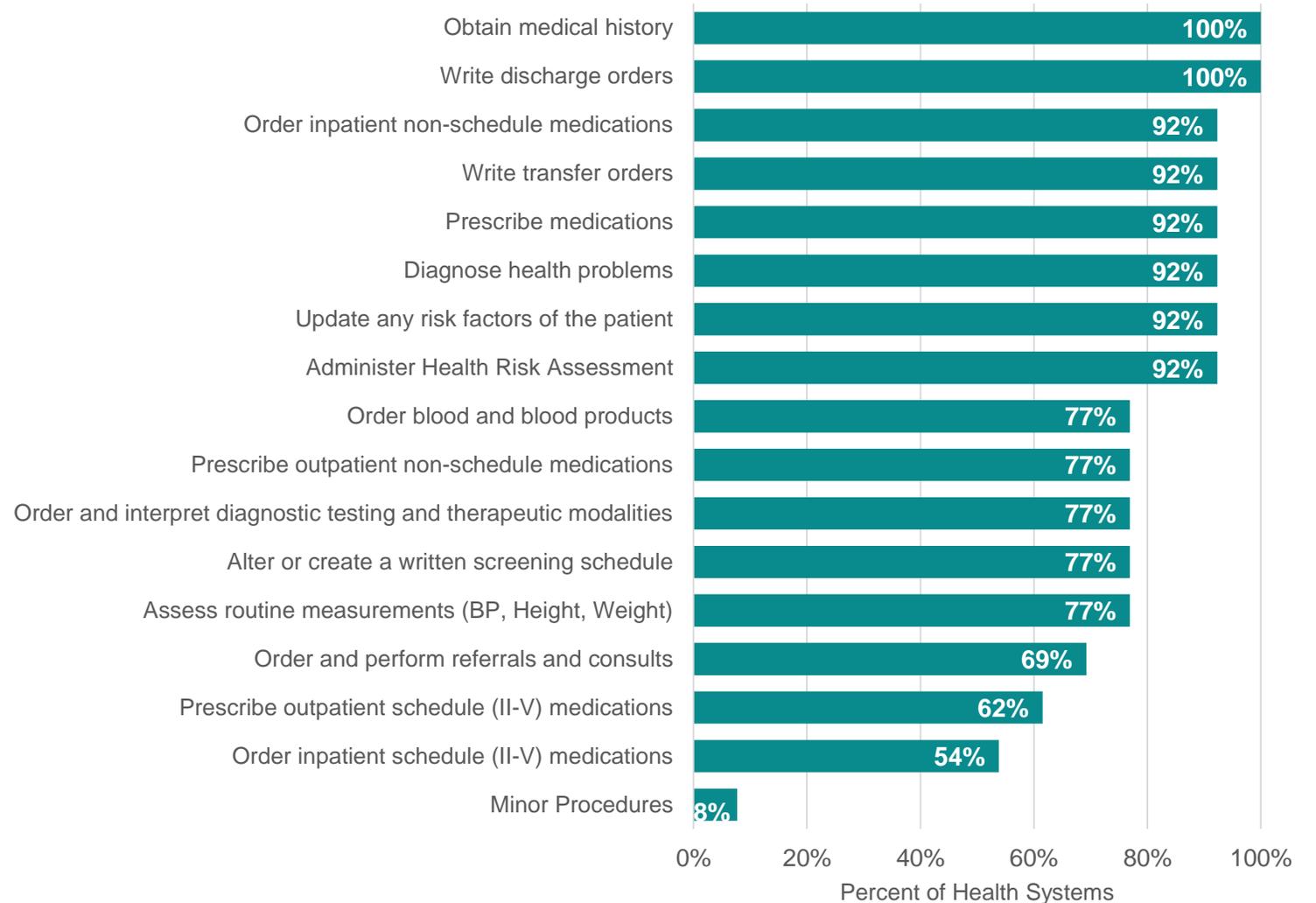
APP Employment Counts by Type

APP	Average	Range
Total APPs	300	130 – 1,000
PAs	107	30 – 200
NPs	180	50 – 260
APRNs	87	30 – 143
APNs	381	2 – 1,000

Utilization of APPs in Primary Care

- APPs perform a wide variety of primary care functions across health systems. All (100%) health systems utilize APPs to obtain medical histories and write discharge orders, while almost all (92%) health systems have APPs order inpatient non-schedule medications, write transfer orders, prescribe medications, diagnose health problems, update patient risk factors, and administer Health Risk Assessments.
- Over half (58%) of responding health systems indicated APPs handle between 20 – 40% of all primary care appointments.
 - 42% of organizations report APPs handle less than 20% of all primary care visits.
 - No health system indicated that APPs handle more than 40% of primary care visits.

Primary Care Functions Performed by APPs

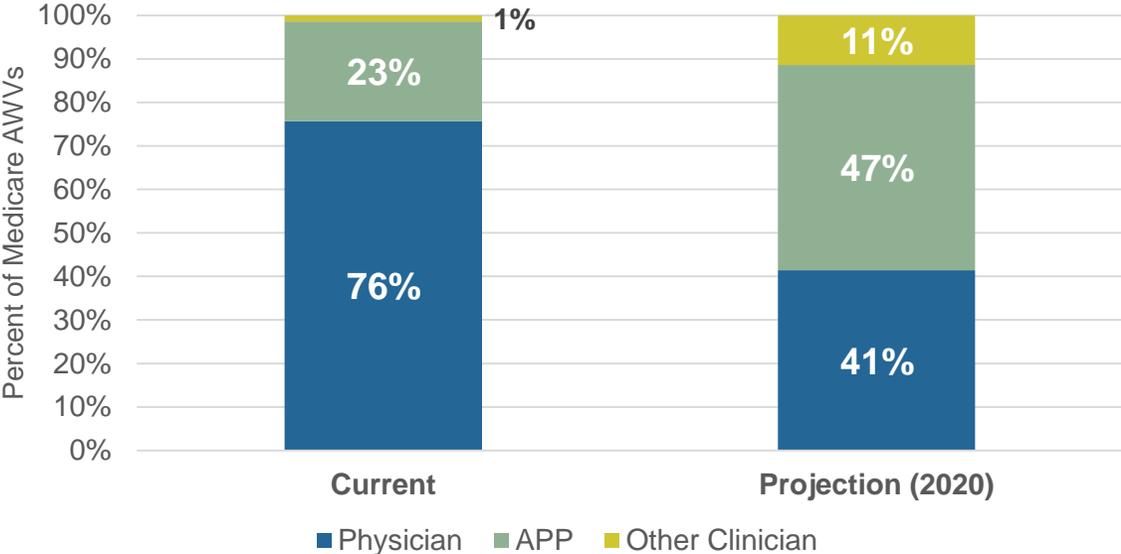


Utilization of APPs for Medicare Wellness Visits

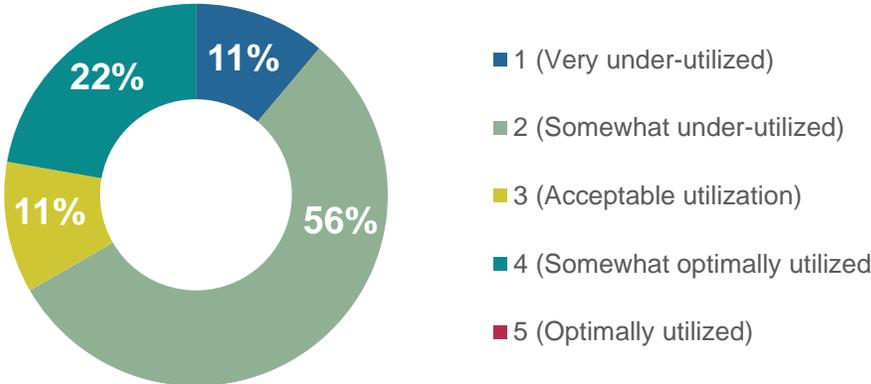
- The majority (77%) of health systems utilize APPs to conduct Medicare Annual Wellness Visits (AWVs).
- Currently, physicians conduct a majority (76%) of Medicare AWVs across health systems, with APPs conducting an average of 23% of these visits. However, executives expect the proportion of AWVs conducted by APPs or other clinicians to increase, projecting over half (58%) of these visits will be conducted by APPs or other non-physician clinicians by 2020.

- Health system executives believe their health system is not optimally utilizing APPs for Medicare AWVs, with a majority reporting APPs are either somewhat (56%) or very (11%) underutilized. This perception of underutilization aligns with executives' expectations that APPs will conduct a greater proportion of Medicare AWVs in the future.

Clinician Conducting Medicare AWVs

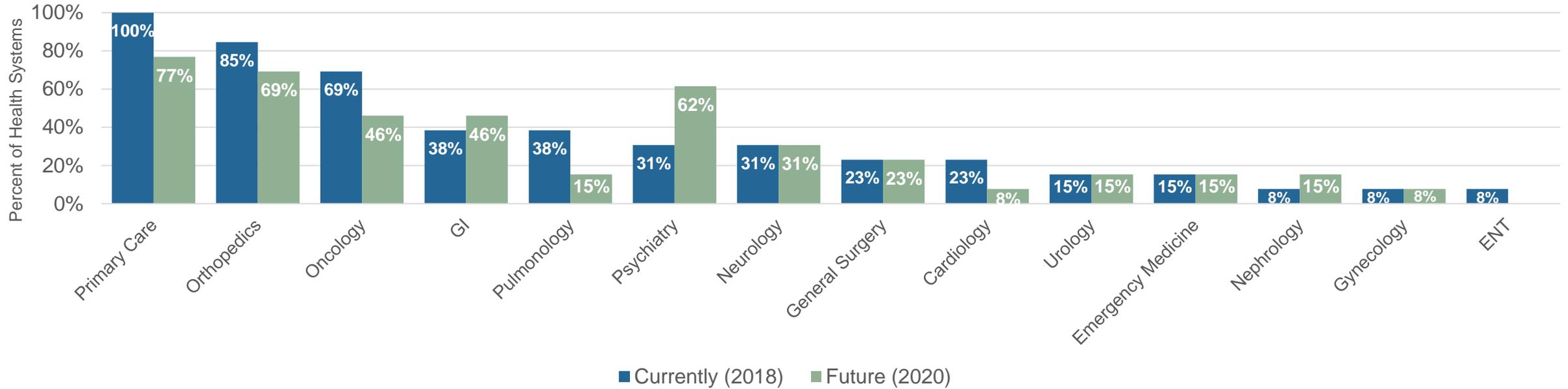


Current Utilization of APPs for AWVs



APP Utilization by Specialty

Top 5 Specialties for APP Utilization, Current and Projected

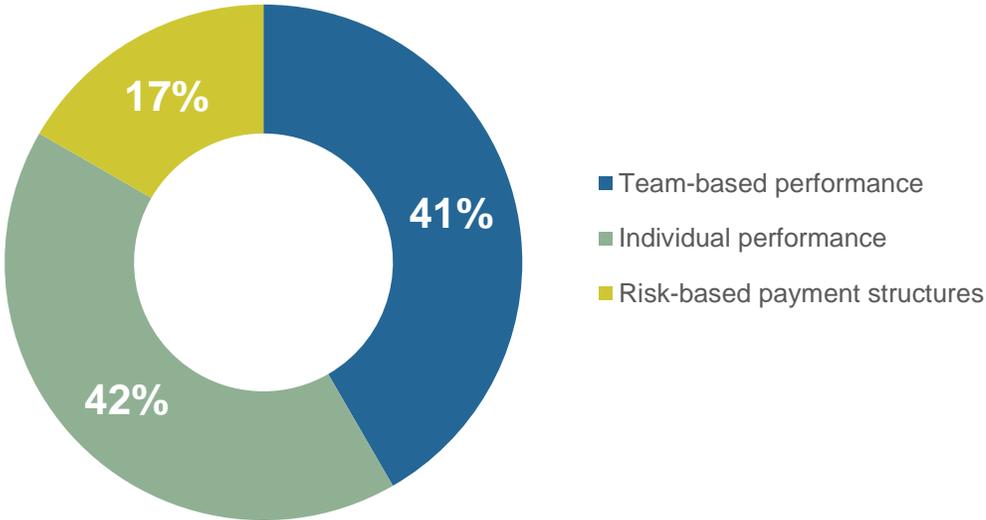


- The top specialties in which health systems currently utilize APPs are primary care (100%), orthopedics (85%), and oncology (69%).
- While health system executives anticipate primary care and orthopedics will still have high primary care utilization in 2020, executives anticipate APP utilization in Psychiatry to become one of the top specialties for APP utilization.
- In addition to psychiatry, executives expect the use of APPs to also grow within GI and nephrology over the next year.

APP Compensation Structure

- No health systems report using the same risk-based and revenue-based compensation for APPs as for physicians.
- Almost all health systems indicate APPs have a salary compensation model, with most health systems incorporating some quality or productivity incentives.
- Some health systems vary compensation models for primary care and specialty APPs, with primary care APPs more commonly having upside potential based on performance metrics.
- For those health systems that incorporate some performance metrics for APPs, most apply individual (42%) or team-based (41%) performance metrics. Few health systems (17%) use risk-based payment structures for APPs.

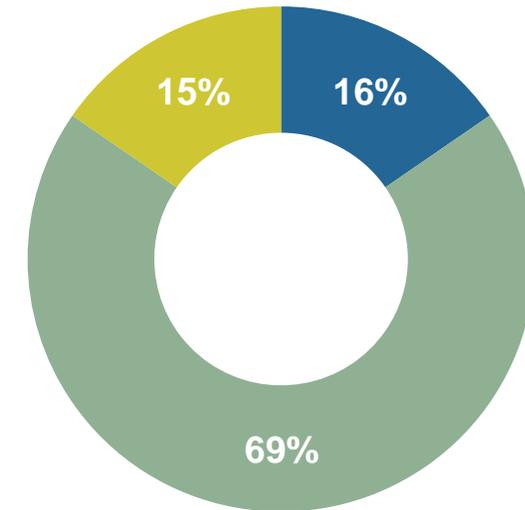
Performance Metrics Tied to APP Compensation



Organizational Structure & Governance for APPs

- Few health systems (16%) currently have an organizational strategy for the management, staffing, and utilization of APPs. However, a majority of organizations (69%) are planning to develop a strategy.
 - One health system with an organization strategy for APPs specified that the health system has an APP Advisory Council and APPs are managed with the rest of the Medical Group.
- Over half of responding health systems (54%) have a APP group leader within the health system.
 - APP group leaders are most commonly PAs, NPs (including DNPs, CNPs, ACNPs, and FAANPs), or APRNs.
 - Most APP group leaders report to the CNO, with some reporting to the CMO of the Medical Group, CEO of the Physician Enterprise, or the Director of Education. One health system noted the APP group leader has no formal reporting structure.
- Health systems often have little formal governance structures for APPs. Some organizations have a dedicated APP Advisory Council or Clinical Governance Group (31%), and many have APPs participating on health system committees. Although APPs are represented at health system committees, most do not have medical staff voting rights.

Presence of an Organizational Strategy for the Management, Staffing, and Utilization of APPs



■ Yes ■ Not yet, but we are developing one ■ No

Strategies for Maximizing Value from APPs

- Reflective of the marginal health system strategy and governance models for APPs, about half (54%) of health systems have an organizational initiative to ensure APPs are working toward the top of their license.
- Almost all health systems (92%) pay for some or all of the recertification of APPs in the medical group, with most (67%) paying fully.
- Health systems are working on a number of strategies for optimizing APP utilization, such as:
 - Defining the scope of APPs and standardizing the delineation of privileges;
 - Implementing team-based care models at several sites;
 - Developing a system-wide APP Council;
 - Leveraging APPs in retail clinics, direct to consumer primary care telemedicine, and virtual hospitalist programs in critical access hospitals.

