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Reimbursement for Nursing Services: Issues and Trends

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Americans have long wanted a health care system that is accessible, comprehensive and affordable. Our failure to accomplish these goals has resulted in a resurgence of interest in national health insurance as a mechanism for increasing access, expanding the scope of services, and controlling costs.

Unfortunately, the health care industry (which is really a sick care industry) has fostered dependence on the two most expensive components of care: physician services and hospitalization. This situation has evolved from several historical themes, three of which threaten to perpetuate our inflationary system and prevent reimbursement for non-physicians:

1. failure to distinguish between medical care and health care
2. control of the industry by physicians and hospital administrators
3. lack of recognition for and undervaluing of the services of nurses

All of these factors have reduced the health options for consumers and have been demoralizing for nurses. This discussion will focus on various ways these issues impact upon the contributions nurses can make.

The first issue, **failure to distinguish between medical care and health care,** is a conceptual problem that has continually been reinforced by media, health service institutions and the existing benefit structure in the health care field. Medicine is one part of health care, but certainly not synonymous with it. The primary focus of medical care is the diagnosis and treatment of disease entities. However, patients have other health needs that transcend medical diagnostic categories and fall within the nurse's scope of practice. A few examples of such areas are: patient teaching; psychosocial assessment, counseling and referral; health maintenance; illness prevention; and improvement of function in daily living. The nurse is the only health professional prepared to deliver this care in all types of settings.

Under most existing third party plans in the public and private sectors, nurses are not reimbursable care providers. Therefore, patients with nonmedical problems are financially limited in their access to other services because only physician care is covered by health insurance. In a system that overemphasizes medical problems, other health concerns of patients are often unidentified and untreated. For example, in my practice as a Family Nurse Practitioner in the nonacute Emergency Department of an urban hospital, I have become increasingly aware of patients' need for nursing care. Most of the clients that are triaged to the nonacute area do not need the services of a physician. Their problems usually involve the identification of a self-limiting illness, assessment of and referral for psychosocial concerns, need for health education and, sometimes, assistance in gaining entry into the health care system.

The second historical issue is **the power of physicians and hospital administrators to control access to and financing of health care services.**[1] This has increased the price of care by forcing the consumer to consult the most expensive health professional for all problems or be hospitalized in order to be reimbursed for some services. This control has even prompted the Federal Trade Commission to investigate the health insurance industry to determine if a conflict of interest exists.[2] (An amendment to the Federal Trade Commission Authorization Bill that would limit the Commission's authority to investigate the health care field was recently defeated in the United States Senate.)[3]

The limitation of reimbursement only to physicians results in an underutilization and inappropriate utilization of nurses. The physician "gatekeeper" role has been apparent in all practice arrangements. For example, nurses in "collaborative" practices must usually bill third party insurers for nursing services under the auspices of physicians. In other practice settings, such as the home, public health nursing services are reimbursable only if "ordered" by a doctor. This requirement increases the cost of care by assuming that patients are not capable of deciding for themselves when they need a nurse. Consulting the nurse directly would be much more economical and efficient.

The physician intermediary requirement and other obstacles caused by restrictive insurance and business corporation laws have generally limited nurses to employee status because they are unable to independently generate

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