Nurse Practitioners and Their Role in a Changing Healthcare Workforce

by Libby Benet, Gen Re, Stamford

In its November issue, the journal *Health Affairs* explored how the healthcare workforce in the U.S. could be redesigned to address the concerns of increased patient demand and physician shortages. One such solution is to expand the use of Nurse Practitioners (NPs) to provide patient care. This approach appears to be supported by a recent survey by the American Association of Nurse Practitioners (AANP) demonstrating the public’s very favorable attitude towards Nurse Practitioners.1 If such an expansion does occur, is today’s medical professional coverage, underwriting and pricing keeping pace?

Varying Nurse Practitioner Authority

Currently, scope of practice laws and regulations are a creature of state law and they define what services may or may not be provided by a professional licensed in the state. The legal framework sets forth the authority to provide care to patients, including diagnosing disease, treating illness, prescribing medication and determining the extent of educational training and practice supervision required, as well as licensure and discipline. Sixteen states allow for NPs to fully practice under their license with oversight by the state board of nursing. Twenty-one states have at least some restriction on what NPs may do under their license, and 13 states restrict NPs practice altogether, requiring full supervision by a physician.

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The Affordable Care Act, with its goal to expand availability of health insurance to an estimated 30 million people, will increase the demand for health care services and it is likely that restrictive NP scope of practice laws will come under pressure to be revisited and revised. In fact, between January 2011 and December 2012, 1,800 practice-act bills were proposed and nearly 20% were adopted, according to a database established by the National Conference for State Legislatures.  

There are also those who forecast that the push to reduce costs will create additional pressure to revise the scope of practice laws. Take, for example, the rise of retail clinics. The first retail clinic opened in 2000 and by 2010 there were more than 1,200 operating in 45 states. Revisions to the scope of practice law, argue its supporters, would allow NPs to fully practice in these retail settings and reduce costs to patients.

**Underwriting Impact**

So, if you are in a state whose laws may be undergoing a change or whose NPs practice in non-traditional locations such as retail clinics, what are the implications for your program? Do your current medical professional underwriting, pricing and coverage need to be amended?

To prepare, you can take a page from the states who already have granted full practice rights to NPs. Gen Re follows how insurers are responding to this changing environment by examining the filings in states with full practice rights for NPs. This examination has revealed that some insurers are

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**2013 Nurse Practitioner State Practice Environment**

![Map of 2013 Nurse Practitioner State Practice Environment](image)

**Full Practice**
State practice and licensure laws provide for nurse practitioners to evaluate patients, diagnose, order and interpret diagnostic tests, initiate and manage treatments—including prescribe medications—under the exclusive licensure authority of the state board of nursing. This is the model recommended by the Institute of Medicine and National Council of State Boards of Nursing.

**Reduced Practice**
State practice and licensure law reduce the ability of nurse practitioners to engage in at least one element of NP practice. State requires a regulated collaborative agreement with an outside health discipline in order for the NP to provide patient care.

**Restricted Practice**
State practice and licensure law restricts the ability of a nurse practitioner to engage in at least one element of NP practice. State requires supervision, delegation or team-management by an outside health discipline in order for the NP to provide patient care.

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Source: State Nurse State Practice Acts and Administration Rules, 2012
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developing specific classifications, rates, and severity curves for these evolving classes of practitioners. These classifications also look to stratify the specific NP practice characteristics between lower risk (dermatology and geriatric medicine) and higher risk practices (critical care, OB/GYN, and pain management).

If your program is in a state where the laws have not yet changed, it will become critical that not only data is captured regarding the areas of practice of NPs but the locations they serve as well. This data will assist in better underwriting, rating and covering this evolving healthcare group. In addition, as there is much less experience associated with these new practitioners than the industry has with physicians and surgeons, insurers will need to look to additional ways to price this business while at the same time continually reexamining the rates against the loss experience as it develops.

**Being Prepared**

Like everything else in the healthcare landscape, transformational change is underway. We highlighted our “Top 10” game changers in a recent Gen Re Viewpoint publication (email me for a copy), but many more could be included. The bottom line is that the exposures you underwrote yesterday will not be those you underwrite tomorrow. Appreciating the difference is what we, as underwriters, need to do.

Being out in front of that change as it relates to your program will help weather the changes ahead. Our Gen Re team welcomes the opportunity to discuss your book of MPL business and how Gen Re can support you.

**Endnotes**


2 Catherine Dower, Jean Moore and Margaret Langlier, “It Is Time To Restructure Health Professions Scope-Of-Practice Regulations To Remove Barriers To Care,” Health Affairs, 32, no. 11 (2013): 1971-1976.


**About the Author**

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