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West Virginians for Affordable Health Care



The Affordable Care Act: What It Means for Nurses and Future Nurses



The Voice of All Nurses

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The Affordable Care Act and Nursing

The Affordable Care Act (ACA) promises a broader and more important role for nurses in the health care system. After decades of advocating for meaningful reform, the American Nurses Association (ANA) joined others in celebrating the signing into law of the Affordable Care Act on March 23, 2010. This is the most significant piece of social legislation since the creation of Medicare, with many provisions that build upon the traditional and current strengths of the nursing profession.

The Institute of Medicine report on the *Future of Nursing: Leading Change, Advancing Health*, states that “nurses have key roles to play as members and leaders for a reformed and better-integrated, patient-centered health care system.” These features, plus greater emphasis on prevention and health promotion, are among the most significant reforms in the Affordable Care Act.

This brief explores key provisions of the new law that are of particular interest to the nursing profession:

- ◆ **Nursing education**, including expansion of the National Health Service Corps and Registered Nurse (RN) scholarships and loan repayment.
- ◆ **Access to care**, including expansion of health insurance coverage and changes in insurance company rules.
- ◆ **Health care delivery system**, including patient-centered medical homes, Accountable Care Organizations, nurse-managed health clinics, and more primary and preventive care.



The Affordable Care Act and Nursing Education

Modernizing and strengthening the health care workforce, including nursing, is a major goal of the ACA. The Bureau of Labor Statistics predicts that by 2018 more than 581,500 RN positions will be created in the U.S. health system. Even at this rate of growth, experts predict that by 2025 there will be a nursing shortage approaching 260,000 RNs.

To meet the demand for nurses, the ACA supports nursing education in three major ways:

1. *Advance Practice Nurses Scholarship and Loan Repayment for nurses working in primary care:* Perhaps the most important provision in the ACA for future advance practice nurses is an increase in funding for the National Health Service Corps. The budget for this scholarship and loan repayment program will be increased by \$1.5 billion over five years. This funding is both authorized and appropriated through fiscal year 2015.



The Corps scholarship program covers tuition, some fees, and costs for students enrolled in a graduate nursing degree program. The stipend paid to advance practice nurses is \$1,289 a month during the 2011-12 school year. After graduation,

scholarship recipients are required to work for up to four years as a primary care provider in an area of greatest need. The penalties for non-compliance are severe, however. If advance practice nurses fail to keep this commitment, they are subject to a penalty three times the amount of the scholarship plus interest.

Under the program, a nurse practitioner in primary care or a certified nurse midwife can receive \$60,000 in loan repayment for two years of service at an approved facility (e.g., federally qualified health center or rural health center, etc.) that is located in a Health Professional Shortage Area. In 2011, more than 160 sites in West Virginia are approved to accept advance practice nurses in the Corps' loan repayment program. Advance practice nurses can apply for additional years of service in exchange for additional loan repayment. An advance practice nurse can receive up to \$200,000 for six years of service, or even additional loan repayment for additional years of service.

Initial Contract	Full-Time 2 Years \$60,000	Half-Time 4 Years \$60,000	Half-Time 2 Years \$30,000
3 rd year	\$40,000	Initial Contract	\$20,000
4 th year	\$40,000	Initial Contract	\$20,000
5 th year	\$30,000	\$15,000	\$15,000
6 th year	\$30,000	\$15,000	\$15,000
Total after 6 years	\$200,000	\$90,000	\$100,000

These loan repayments are in addition to the salary paid to the advance practice nurse by the federally qualified health center (FQHC) or other facility and are not subject to federal or state income taxation or employment taxes (e.g., FICA).

It is important to note that the advance practice nurse has to be the signatory to the loan. If a parent or another party signed for the loan, the loan does not qualify for the Corps loan repayment program. This is a competitive program and not an entitlement. The loan repayment program will open for new applications in December 2011. Details of any changes, including different amounts of loan repayment and different approved sites, will be available at <http://nhsc.hrsa.gov/loanrepayment/>.

2. **Registered Nurses Scholarship and Loan Repayment:** Under the ACA, RNs are eligible for scholarships that cover tuition, fees, reasonable educational cost and a monthly stipend. RNs can receive this scholarship for each year he or she agrees to work full-time after graduation at a health facility with a shortage of nurses. The RN loan repayment program will pay 60 percent of their student loans in exchange for two years of service at designated facilities. An additional payment of 25 percent of student loans may be received for a third year of service.
3. **Nurse Training:** The ACA provides for a number of grant programs aimed at improving, expanding and promoting training and the retention of nurses. Grants are available to promote career advancement, assist individuals in pursuing a career in nursing, and provide for scholarships and loan repayment.

The Affordable Care Act: Access to Health Care

The Affordable Care Act closes most of the current gaps in health coverage by strengthening our current system of Medicare, Medicaid and private insurance. Nearly all Americans will be eligible for one of the following:

- ♦ **Employer-sponsored plans** will continue to cover people who get health insurance at work. Small business tax credits will make it easier for many employers to offer health plans.
- ♦ **Medicare** will continue to cover people who are elderly or disabled. The “donut hole” in coverage for prescription drugs will be significantly reduced in 2011 and eventually eliminated.
- ♦ **Medicaid and the Children’s Health Insurance Program** will still cover income-eligible children. Medicaid will expand in 2014 to cover more low-income adults, including many low-wage workers who don’t have employer coverage. Everyone under the age of 65



earning less than 138 percent of the federal poverty level (FPL) — just under \$15,000 for an individual and about \$25,000 for a family of three — will qualify for Medicaid. The ACA eliminates the asset test in determining eligibility for the expansion of Medicaid. As many as 122,000 West Virginians will be able to enroll in Medicaid in 2014.

- ♦ *Affordable private plans* will be offered through new health insurance exchanges to people who don't have coverage through their employers, Medicare, or Medicaid. As many as 178,300 West Virginians will be eligible for subsidies in 2014 to purchase health policies in the exchange.

Insurance reforms in the ACA make the system fairer for everyone. Currently, children with pre-existing conditions cannot be denied coverage by an insurance company. People will not risk losing benefits due to costly treatments; lifetime caps on insurance coverage are banned; and annual caps on coverage are restricted. Young adults up to age 26 can be covered on their parents' insurance plan whether the young adult lives at home or away from home; is in school or out of school; is married or unmarried; or is claimed on a parent's tax return or files independently.

Beginning in 2014 further reforms will eliminate denial of coverage to adults with pre-existing conditions and provide generous subsidies for people to buy health insurance within the new health insurance exchange, where individuals and small businesses can buy affordable health plans. West Virginia has passed a law authorizing the establishment of the exchange, and the state Office of the Insurance Commissioner is moving forward to make the exchange operational by October 2013.

The Affordable Care Act: Health Care Delivery System Reforms

The current health care system in the United States is fragmented, uncoordinated, and focused on "sick care" rather than "health care." We have 50 million uninsured Americans, and costs that are double those of other nations with universal insurance systems. Some say that the U.S. health system is good at "rescue care" but poor at health care.

The provisions of the ACA are meant to change our current system through a renewed emphasis on prevention and by supporting primary care practice and developing the primary care workforce.

The ACA extends preventive services to millions of Americans in four major ways:

1. Effective in 2011, Medicare covers an annual wellness visit. These wellness visits include a personalized health risk assessment; screening for cognitive impairment; compiling a list of all doctors providing care to the patient; advice and referral for educational services on weight loss, physical activity, smoking cessation, nutrition and fall prevention. In addition to the wellness visit, Medicare will cover all recommended A

and B preventive services by the U.S. Preventive Services Task Force. Both the wellness visit and the extensive list of preventive services are provided without a deductible, copayment or coinsurance payment by the patient.

2. All new insurance policies sold after September 2010, including all policies sold in the health insurance exchange, are required to cover all A and B recommended services by the U.S. Preventive Services Task Force. These measures include not only pap smears, mammography, colorectal screens, but also counseling for obesity, cholesterol control, alcohol abuse, etc. These preventive measures are projected to cover 40 million Americans in 2011, and must be provided without a deductible, copayment or coinsurance.
3. When a new plan year begins after August 1, 2012, insurance companies will be required to provide preventive measures to women with no deductible, copayment or coinsurance. These measures include all FDA approved contraceptives, well woman visits, and counseling on domestic violence and sexually transmitted diseases.
4. Beginning in 2013, state Medicaid programs that cover the A and B recommended prevention services will be given additional federal financial assistance. This measure is projected to cover 40 million Americans during the first year of implementation.



These clinically-proven preventive measures will move us toward a health care system based on prevention rather than one focused on curing illnesses. The ACA also promotes primary care. For example, primary care practitioners, including nurse practitioners, will receive a 10 percent bonus payment from Medicare from January 2011 through December 2015.

The ACA also provides financial incentives for three emerging delivery models, including the Accountable Care Organizations (ACO), the medical or health home, and the nurse managed health center. The role of registered nurses is integral to the success of these models.

An ACO is a collaboration among primary care clinicians, hospitals specialists and other health professionals who accept joint responsibility for the quality and cost of care provided to its Medicare patients.

The medical or health home provides patients with a central primary care provider who coordinates the patient's care across settings and providers. In West Virginia, Medicaid is developing a system of health homes for people with chronic diseases, such as diabetes and asthma.

Nurse-managed health clinics (NMHCs) are practice arrangements that are required to be led by advance practice nurses who are associated with a school, college, university or department of nursing, federally qualified health center, or independent, nonprofit health or social service agency. Grants are available to establish NMHCs for vulnerable and underserved populations.

The Affordable Care Act: A Call to Action

Nurses have an important role to play both in communicating the benefits and goals of the ACA to their patients and in actively engaging the health care system to become a safe, high-quality and effective system of care. Nearly every health care encounter includes a registered nurse. Nurses represent the largest segment of the health professions and have enormous influence. Surveys have found that nursing is the most trusted profession in America and that Americans rank nurses above eight different health care providers in the quality of care they provide.

West Virginia nurses have clout and should use it in the interest of their profession and the patients they serve.

The West Virginia Nurses Association recommends that West Virginia nurses:

- ◆ Learn the benefits, goals and challenges in the new health care law.
- ◆ Help their patients understand the benefits, goals and challenges of the new health care law.
- ◆ Provide leadership in the emerging models of health care delivery.
- ◆ Expand the state's Nurse Practice Act and remove barriers to permit nurses to practice to the full extent of their education and experience.



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This brief guide provides highlights of the new law and how it impacts nursing.
A PDF copy of this guide and additional information on the many provisions of the ACA are available at
www.wvahc.org

For information on the implementation of the ACA in West Virginia visit
www.healthreformwv.org



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