

It's time to add NPPs to your Practice: How to make them cost effective and profitable – Part 1

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Adding Non-Physician Providers (NPP's) such as nurse practitioners (NPs) and physician assistants (PAs) can substantially increase a primary care, specialty and/or surgical practice's profitability and access.

NPP's can enhance a medical practice by improving patient care and providing additional availability for appointments and practice hours in order to reduce fixed costs per provider and increase profitability for the physician owner.

Utilizing NPPs for those off hours, such as adding a Thursday of 12-9pm or Sat 8am-12noon can give patients, who also work that 8-5pm job, an opportunity to schedule their appointments prior to or after work, and not have to take time out of their schedules or their family's schedule to keep a doctor's appointment.

Access is always a balancing act for profitability. A practice that can show access to patients can utilize NPs or PA's to increase the access for and provide those acute care needs so you don't lose a patient to an urgent care or an inappropriate and expensive trip to a hospital emergency room for something that can be easily handled in the office.

- a. Practice must realize and set up safeguards to comply with "incident to" billing standards and when they set the proforma for the additional hours to include the "haircut" of 15% and account for other staffing and support, including the potential need to provide MD/DO back up and or compensation.
- b. Also, it's important to remember that NPs and PA's typically take longer in an office appointment setting than a Specialty or Family Practice physician, so the office workflow would need to be mindful of that, when scheduling patients to keep the schedule on time.

MGMA says that medical practices with more advanced practice practitioners, nurse practitioners and other non-physician providers (PA's or CNS's) are more profitable and productive, according to a new report they published. Physician-owned practices with more non-physicians earned \$100,748 more in net income. That difference was \$131,770 in hospital-owned primary-care practices, again based on their statistics report from 2019.

But is this true for every size practice? Every specialty?

Discussing this topic with Adam Middleton, CHBC, Business Consultant out of Dayton, Ohio and fellow, NSCHBC member, he offered these insights:

"I can't speak for every specialty but those that I work with such as Cardiology, Family Practice, Pain Management and Nephrology, see very positive results from their NPP's. Some examples in Pain Management, can include: filling pumps and case management, which can allow for the physician to concentrate on procedures only the physician can do which increases access and overall practice revenues."

Adam goes on to explain that access is a major consideration when hiring an NPP.

Primary care practices, that are in remote and rural areas, that have very little access to physicians can benefit from a staff NPP, as they can perform a telepresence consult with patients to screen and evaluate to see if they need an in person visit at the physician's main office. (Medicare calls these "virtual check-ins). This workflow process will allow for patient access weeks before they typically could be seen. Family Practice physicians, nephrology practices along with internal medicine providers, can also use NPP's for patient education. Education for CKD (chronic kidney disease), Diabetic Counseling and Behavioral Modification for mental health and opioid use patients.

CKD patients in Stage IV and V of their disease can have educational services provided up to 6 times in their lifetime, covered by most payers, including Medicare. These are typically being done by the NP creating better outcomes and positioning the practice for mandatory bundles and other value-based services opportunities in the specialty.

NPP's can also have a huge impact in Behavioral and Mental Health services, along with Care Management services. Behavioral Health services speak to the patient leery about in-person wait times and may prefer a visit with a mid-level provider who tend to be more accessible. Chronic Care Management services can be managed by your NPP's and this can lead to less hospitalizations as the patient has access to your practice provider that knows and understands the patient's chronic conditions in contrast to the hospital providers who are starting from scratch at an admission. Not to mention how costly hospital admissions can be, so this is a win-win for the patient and the practice as the NPP is a revenue generator.

Employee or independent contractor?

Check your own state law to ascertain whether NPP's are classified as exempt or non-exempt workers.

In most states, they are judged exempt as opposed to non-exempt (hourly wage workers) from overtime under the "professional" classification. This is preferable because they should be treated as the professionals they are. Physicians do not get paid overtime to perform their patient care duties, including charting, nor should NPP's.

However, most NPP's should be classified as employees, rather than independent contractors. The Internal Revenue Service has resources to determine whether a worker is an independent

contractor or an employee. Check with a certified public accountant or labor attorney regarding these rules and classifications for your particular practice situation.

Under U.S. law, a worker is considered an employee if the person for whom he/she works has the right to direct and control the way he/she works, both as to the final result and the details of when, where, how, and in which sequence the work is to be done—for example, scheduling the hours the midlevel provider works.

Track profitability

Many physicians who employ NPs or PAs, do not track the productivity of their NPPs, so they do not know whether they are profitable or not.

It is very important to credential your NPP's through your payer contracts and identify the rendering provider when performing any patient care duties. Billing and EMR software can track the midlevel provider's productivity by billed charges and payments.

If you load work Relative Value Units (wRVU) into the software by Current Procedural Terminology (CPT®) code, these will be tracked as well. If not, an Excel spreadsheet can be easily developed to determine the wRVUs the NP or PA has performed by CPT® code. But because these are expensive employees, this should not be an optional management consideration, but part of your administrative tasks.

Creating an incentive plan for NPP's can go a long way toward increasing their productivity.

In our next article on this topic, we will discuss how to set these goals, and incentivize your NPPs to not only make your practice profitable, but efficient, patient focused and welcoming.

You can listen to more on this topic on the Tuesday, July 13th episode of the NSCHBC Edge Podcast, with Terry Fletcher where Terry and Adam going into more detail on enlisting NPPs into your medical practices and the cost benefit of doing so. The NSCHBC Edge podcast is available for download and subscription on all podcasts platforms.