

ANA's Health Care Agenda 2005



EXECUTIVE SUMMARY

The U.S. health care system remains in a state of crisis. Despite incremental efforts at reform, the number of uninsured continues to grow, the cost of care continues to rise, and the safety and quality of care is questioned. The overwhelming problems of the health care system require significant attention on the part of health professionals, policy makers and the public.

In 1989, the American Nurses Association (ANA) Board of Directors appointed the Task Force on Health Policy Support of Access, Quality and Cost Efficiency. This committee's work, in collaboration with the broader nursing community, resulted in the publication of *Nursing's Agenda for Health Care Reform* (ANA, 1991), a blueprint for reform that was endorsed by over 60 nursing and other health organizations. Yet, despite 15 years of incremental, market-based approaches to reform, the health care system continues to be fragmented and costly. ANA remains committed to the principle that all persons are entitled to ready access to affordable, quality health care services and thus offers *ANA's Health Care Agenda – 2005*.

- ANA believes that health care is a basic human right (ANA, 1989, ANA, 1998). Thus, ANA reaffirms its support for a restructured health care system that assures universal access to a standard package of essential health care services for all citizens and residents.
- ANA believes that the development and implementation of health policies that reflect the six Institute of Medicine (IOM) aims (*Safe/Effective/Patient-centered/Timely/Efficient/Equitable*) and are based on outcomes research will ultimately save money.
- The system must be reshaped and redirected away from the overuse of expensive, technology-driven, acute, hospital-based services in the model we now have, to one in which a balance is struck between high-tech treatment and community-based and preventive services, with emphasis on the latter. The solution is to invert the pyramid and focus more on primary care, thus ultimately requiring less costly secondary and tertiary care.
- Ultimately ANA supports a single-payer mechanism as the most desirable option for financing a reformed healthcare system.

While not initially addressed in *Nursing's Agenda for Health Care Reform*, the cyclical shortage of registered nurses and other health care workers is a testament to the fragility and flaws in the current health care system. For health care delivery to be effective, fair and affordable there must be an adequate supply of well-educated, well-distributed, and well-utilized registered nurses.



The need for fundamental reform of the U.S. health care system is more necessary today than in 1991. Bold action is called for to create a health care system that is responsive to the needs of consumers and provides equal access to safe, high-quality care for every citizen and resident in a cost-effective manner. Working together – policy makers, industry leaders, providers, and consumers – we can build an affordable health care system that meets the needs of everyone.

“The existing health care system stands as evidence of the futility of patchwork approaches to health care reform” (ANA, 1991). *ANA’s Health Care Agenda – 2005* continues to be a viable solution to that healthcare crisis.



INTRODUCTION

The U.S. health care system remains in a state of crisis. Despite incremental efforts at reform, the number of uninsured continues to grow, the cost of care continues to rise, and the safety and quality of care is questioned. The facts speak for themselves: 15.2 percent of the total U.S. population or almost 44 million people were uninsured in 2002; health expenditures account for 14.9 percent of the U.S. gross domestic product; and, five years after the Institute of Medicine's groundbreaking report on health care errors in hospitals, 55 percent of people surveyed say that they are dissatisfied with the quality of health care. In addition, the health care system and the nursing profession are yet again in the throes of a nursing shortage that has been exacerbated by the inadequacies of the system. The overwhelming problems of the health care system require significant attention on the part of health professionals, policy makers and the public.

In 1989, the American Nurses Association (ANA) Board of Directors appointed the Task Force on Health Policy Support of Access, Quality and Cost Efficiency. This committee's work, in collaboration with the broader nursing community, resulted in the publication of *Nursing's Agenda for Health Care Reform* (ANA, 1991), a blueprint for reform that was endorsed by over 60 nursing and other health organizations. *Nursing's Agenda for Health Care Reform* articulated the need for immediate health care reform by focusing on the basic "core" of essential health care services (Appendix 1) that must be available to everyone. The report called for a restructured health care system that focuses on the health needs of consumers with services delivered in familiar, convenient sites, such as schools, workplaces, and homes. The report also called for a shift from an illness orientation toward one of wellness and prevention., and it spoke to the need to "use health resources effectively and efficiently by balancing efforts to promote health with the capacity to cure disease."

Despite 15 years of incremental, market-based approaches to reform, the health care system continues to be fragmented and costly. While some individuals have access to a sophisticated system of care, for many others this same system is characterized by high costs, inconsistent quality and an unequal distribution of services. **ANA remains committed to the principle that all persons are entitled to ready access to affordable, quality health care services.** Nursing, as the pivotal health care profession, is well positioned to advocate on behalf of and in concert with individuals, families and communities who are in desperate need of a well financed, functional and coordinated health care system that provides safe, quality care. Indeed, all of us stand to benefit from such a system. Accessible, affordable, and quality health care will positively contribute to our individual health, the strength of society, our national well-being, and overall productivity.



ACCESS

The ANA believes that health care is a basic human right (ANA, 1989, ANA, 1998). Thus, ANA reaffirms its support for a restructured health care system that assures universal access to a standard package of essential health care services for all citizens and residents. The current fragmented system of employer-based coverage, plus government funded programs designed to reach targeted populations, is not a long-term, comprehensive mechanism for ensuring access to health care services.

Access must be affordable, accessible, and acceptable. Improved access can be achieved by expanding the availability of services rendered by all categories of health providers and broadening the array of services that must be included to provide for reasonable patient choices.

Affordable health care is provided in settings that provide treatment and follow-up care that is reasonably priced with patient co-payments that are based on the person's ability to pay.

Available health care services have convenient hours, locations, and waiting times to accommodate working families, people with disabilities, and people across the life span. Vulnerable groups will continue to need services that augment the package of essential services, such as home visiting for women with high-risk pregnancies and directly observed therapy for patients with tuberculosis.

Acceptable health care services are culturally appropriate, respectful of patients and their families, and inclusive of patient involvement in treatment decisions. Community leaders must also be involved in designing health care services that are tailored to meet local needs.

Access to care alone is not sufficient if the safety and quality of the health care system is called into question. A reformed health care system must deliver consistent good-quality care across the spectrum of consumers who access it.

QUALITY

Nursing's Agenda for Health Care Reform recognized the intersections among quality of care, appropriateness of care and cost of care. Quality care remains an elusive end point. In fact, the notion of quality rests on a continuum that stretches from poor care to high-quality care. Somewhere in between these two extremes lies safe care. The overall safety of the health care system was called into question with the release of the 1999 IOM report, *To Err is Human: Building a Safer Health System*. With its focus on preventable injury and death rates in hospitals and health care institutions, the report concluded, "it is simply not acceptable for patients to be harmed by the same health care system that is supposed to offer healing and comfort." (IOM,



1999) In its follow-up report, *Crossing the Quality Chasm: A New Health System for the 21st Century* (2001), the IOM noted that to be safe, “care must be seamless – supporting the ability of interdependent people and technologies to perform as a unified whole, especially at points of transition between and among caregivers, across sites of care, and through time.”

Since 1994, ANA’s own intensive efforts regarding quality have been dedicated to the identification and development of nursing-sensitive indicators that allow for the evaluation of nursing’s contribution to patient outcomes. Improving some aspects of the safety and quality of the health care system will require an understanding of the critical nature of the relationship between nurse staffing and patient outcomes. Extensive research studies (Blegen, 1998; ANA, 2000; Aiken, 2000; Needleman, 2001) have already begun to characterize the extent of this relationship and its significant contribution to patient safety. Among the key findings from these studies are that 1) this relationship is measurable; 2) increased hours of registered nurse care per patient day results in fewer adverse events for selected patient outcomes; and 3) more highly knowledgeable and skilled providers produce better patient outcomes for selected measures.

The IOM (2001), in its report *Crossing the Quality Chasm: A New Health System for the 21st Century*, identified six major aims that can raise the quality of health care. These aims describe health care as safe, effective, patient-centered, timely, efficient and equitable. Recognizing that quality must be the driver of any reformed health care system, *Nursing’s Agenda for Health Care Reform* and subsequent policy recommendations suggest strategies for making these IOM aims a reality.

Safe

- Establish financial incentives or interest-free loans for health care organizations committed to investing in an integrated clinical information system that will support patient safety initiatives and reduce risk.
- Implement regulations that ensure the health care environment is free of hazardous products that may compromise the health of patients and health care workers.
- Invest in funding for workplace violence-protection programs.
- Develop incentives for health care organizations to implement patient-care ergonomics programs and invest in safe patient handling systems and equipment.
- Create organizational environments that encourage identifying errors, evaluating the cause of those errors and taking appropriate action.

Effective

- Dedicate funding to the dissemination of information on evidence-based practice in all settings and offer financial incentives to health care organizations that implement best practices.
- Establish priority funding for research into what effects the outcomes associated with health-care interventions.



Patient-centered

- Foster consumer responsibility for personal health, self care and informed decision making.
- Assure the input of the community to be served.
- Enhance consumer access to services by delivering primary care in community-based settings.
- Provide financial incentives for health care providers who collaborate to develop chronic disease management programs.
- Require the public reporting of data about care quality in an understandable format.

Timely

Eliminate delays in receiving care by ensuring sufficient staff and space to provide timely care that meets the patient's needs.

Eliminate delays in delivering the diagnosis-specific interventions recommended in evidenced-based standards of care.

Efficient

- Establish funding for the development of efficient care-delivery models in all practice settings that do not jeopardize quality of care.
- Facilitate utilization of the most cost-effective providers and therapeutic options in the most appropriate setting.

Equitable

- Recognize that quality of care must be equal regardless of the consumer's citizenship, race, culture, gender, socioeconomic status or locality.
- Establish funding for education of healthcare providers as one component of assuring culturally competent care.
- Target funding to ensure a culturally diverse pool of healthcare providers

ANA believes that the development and implementation of health policies that reflect these aims, and are based on effectiveness and outcomes research, will ultimately save money. In fact, estimates of the total national costs of preventable medical adverse events, half of which are health care costs, range from \$17 billion to \$29 billion (IOM, 1999).



COST

In 1990, when *Nursing's Agenda for Health Care Reform* was first considered, national health expenditures were \$804 billion or 12 percent of the gross domestic product. By 2002, this figure had increased to \$1.4 trillion or 14.9 percent of the gross domestic product. We continue to spend the majority of health care dollars on expensive medical interventions, which provide neither comfort nor care.

Restricted consumer access, an overemphasis on acute care and an orientation toward treatment, at the expense of prevention and wellness, leave many pressing health care needs unmet or underserved. Too much money is spent on expensive secondary and tertiary care and not enough is spent on primary care.

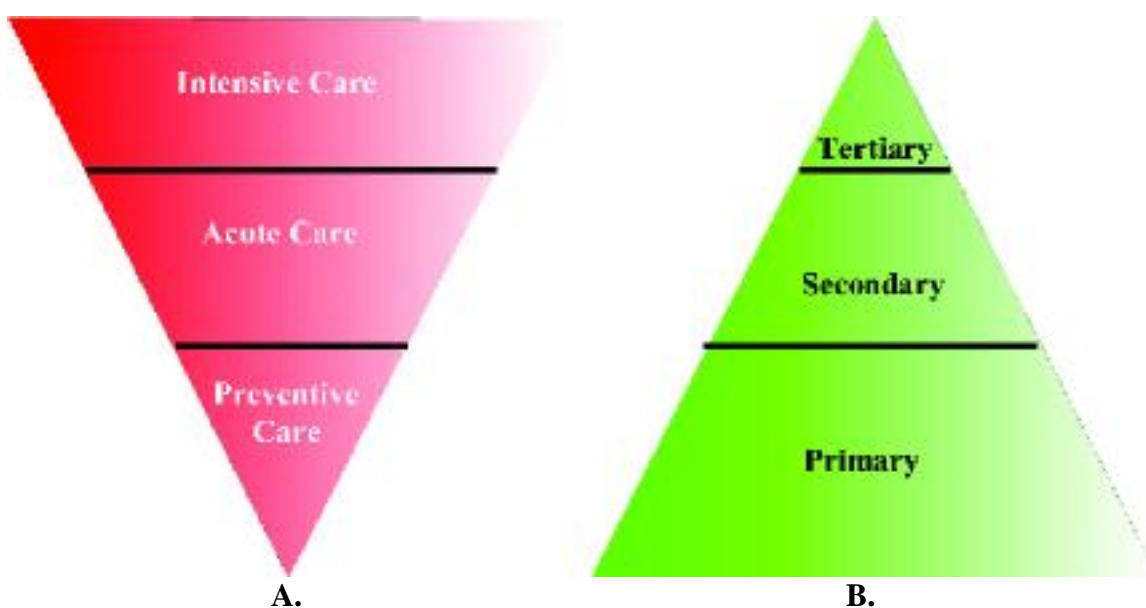


Figure 1. Pyramid of Priorities

The system must be reshaped and redirected away from the overuse of expensive, technology-driven, acute, hospital-based services in the model we now have (Figure 1-A), to one in which a balance is struck between high-tech treatment and community-based and preventive services, with emphasis on the latter (Figure 1-B). The solution is to invert the pyramid and focus more on primary care, thus ultimately requiring less costly secondary and tertiary care.

Recognizing that the cost of health care is a very complex issue, ultimately **ANA supports a single-payer mechanism as the most desirable option for financing a reformed healthcare system.** Specific to the nursing profession, there must be a shift of thinking from viewing

registered nurses and nursing services as a cost to the system to recognizing that nursing care can save money by focusing on wellness and preventing complications and adverse events.

Our nation's education system provides an interesting analogy for considering potential payment reforms for the health care system. In the United States it was decided many years ago that providing a basic education for all was important to society. Thus, a public school system was established that made education universally available through the twelfth grade. This public education system may, of course, be augmented or supplemented by private schools, technical training and college education, but the core foundation has not been altered. And a similar approach should be developed for healthcare.

In 1978, the World Health Organization (WHO) challenged every nation to provide a basic level of health care for all its citizens. The WHO proposed that this goal be accomplished through primary health care. Primary health care is community focused and provides preventative, curative and rehabilitative services by many members of the health care team with a focus on encouraging consumer self-reliance.

Everyone should have access to a standard package of essential health services. The cost of this basic health insurance package should be borne by a partnership between the government and the private sector. In addition, beneficiaries should continue to pay for a portion of their care as one means of providing a financial incentive for the economical use of health services. Deductibles and co-payments must not be barriers to care.

Public funding for this basic package could be achieved through the expansion of Medicare, based on payroll taxes and general fund revenues and an option for employers and individuals to buy into this system. Private plans, including employment-based health benefit programs and commercial health insurance, would also offer this basic package. Additional health services, beyond the basic package, could be purchased through commercial insurance. All citizens should be expected to pay premiums and co-pays for any supplemental care beyond the basic package. The cost of health care should also include money for research and development of new treatments and funding for education of health care providers.

Reform of the health care system will require fundamental changes in the structure of care and financing mechanisms. In addition, no system can be sustained without a sufficient, well-skilled workforce dedicated to providing good-quality health care services.



WORKFORCE

While not initially addressed in *Nursing's Agenda for Health Care Reform*, the cyclical shortage of registered nurses and other health care workers is a testament to the fragility and flaws in the current health care system. For health care delivery to be effective, fair and affordable there must be an adequate supply of well-educated, well-distributed, and well-utilized registered nurses. While efforts are underway to address health workforce shortages, long-term problems persist with regard to supply, education, distribution and utilization of registered nurses. Addressing registered nurse shortages will require the implementation of strategies dedicated to each of these four areas. More importantly, maintaining a stable registered nurse workforce will require the political, legislative and policy focus to implement and maintain these strategies over the long term.

Supply solutions must focus both on recruitment into the profession and retention of registered nurses in the nursing workforce. Fundamental to ensuring a sufficient supply of registered nurses is the need for local, state and federal governments, in collaboration with nursing leaders, to engage in ongoing health workforce planning that takes into account not only the demands of the industry, but also the health needs of communities. Based on workforce planning, specific efforts must include ongoing recruitment campaigns with a focus on reaching out to the diverse communities that make up the U.S. population. Recruitment efforts should also focus on reaching out to elementary students through college students promoting nursing as a career of choice.

Strategies dedicated to retaining the existing nursing workforce are absolutely critical. Efforts to dramatically improve the work environment for registered nurses are essential to sustaining the current nursing workforce; enhancing the success of recruitment programs; and more importantly, improving patient outcomes and overall satisfaction. ANA recommends full funding for financial grants established under the Nurse Reinvestment Act to encourage health care facilities to implement the Magnet concept (McClure & Hinshaw, 2002). The Magnet program recognizes a workplace that fosters nursing excellence and supports professional practice. Such a workplace culture has shown to improve patient outcomes, increase levels of patient/resident/client satisfaction, and significantly lower rates of nurse burnout (Aiken et al, 2000; Aiken, et al., 1994).

Another component of the work environment is recognizing the effect that extended work hours and resulting fatigue can have on patient safety. The IOM report (2004), *Keeping Patients Safe: Transforming the Work Environment of Nurses*, noted, “*the effects of fatigue include slowed reaction time, lapses of attention to detail, errors of omission, compromised problem solving, reduced motivation and decreased energy for successful completion of required tasks.*” One study (Rogers, Hwang, Scott, Aiken, & Dinges, 2004) on working hours of hospital staff nurses and patient safety, found that “although the occurrence of errors did not increase significantly

until shift durations exceeded 12.5 hours per day, risks began to increase when shift durations exceeded 8.5 hours.” In fact, the likelihood of making an error was three times higher when nurses worked shifts lasting 12.5 hours or more. Therefore, ANA supports legislation that seeks to limit the number of hours a nurse can be forced to work to 12 hours in a 24-hour period and 80 hours in a 14-day period. Improving the work environment ultimately rests on nurse staffing levels that are based on the development and assessment of staffing systems that will determine safe and appropriate staffing levels and skill mix that are linked to patient outcomes. Concerns about the work environment and staffing extend beyond acute care into all nursing practice arenas including, but not limited to, community health, schools, ambulatory care, home health and nursing homes.

Education solutions must focus on increasing the capacity to educate more registered nurses by expanding the pool of nursing education faculty, creating effective partnerships with interested stakeholders and maintaining permanent, well-resourced nursing education funding streams. A substantial increase in funding dedicated to assisting practicing nurses to assume faculty roles is critically needed to supplement the rapidly-retiring nurse-faculty workforce. These funding resources include targeting loan repayment programs and scholarships, and making provisions for tuition tax-credits for nurses pursuing graduate education, with a goal of teaching in a nursing program.

With the rapidly growing complexity of the health care system, the current balance of educationally-prepared registered nurses must be reversed to ensure a more highly educated workforce. Allocation of loan repayment programs and scholarship funding should target students seeking a baccalaureate or higher degree or registered nurses wanting to advance their education within nursing. States should be encouraged to re-classify all state-supported nursing education programs as “high cost” and provide additional funding per student. In addition, states should be encouraged to allocate funding to state-sponsored schools on the basis of performance standards related to graduation rates and NCLEX-RN exam pass rates – allocating additional prospective dollars to expand current effective programs.

Given the clear link between education and the practice environment, strong partnerships are necessary between schools of nursing and employers. Employers should consider establishing programs that allow for paid time off for practicing nurses pursuing formal, degree-earning education. Medicare pass-through funding should be restored to education programs and clinical agency partners where clinical agencies assume fiscal responsibility for greater than 50 percent of the nurses’ clinical education. Other tuition reimbursement programs should be offered as incentives to pursue higher education.

Distribution solutions focus on addressing “pockets” of acute nursing shortage. These “pockets” occur both in geographic regions that are traditional underserved such as rural areas and inner cities. Strategies that should be considered include providing financial incentives for nurses to

work in underserved, less desirable regions; fully funding the National Nurse Corps established under the Nurse Reinvestment Act; and supporting RN-to-BSN and RN-to-MSN education programs that bring the education to the registered nurse through distance-learning and convenient sites, such as the workplace.

Utilization solutions involve expanding the availability of services rendered by all types of health providers thus improving overall access to health services. A blue-ribbon panel of stakeholders must be convened to examine and develop strategies that address barriers within current scopes of practice and reimbursement policies that encourage the broader utilization of all types of providers. More immediately, federal Medicaid law should be amended so that all advanced practice registered nurses are recognized as primary case managers, included in Medicaid managed care plans, and be eligible for fee-for-service payments.

COMMITMENT TO ACTION

The need for fundamental reform of the U.S. health care system is more necessary today than in 1991. Bold action is called for to create a health care system that is responsive to the needs of consumers and provides equal access to safe, high-quality care for every citizen and resident in a cost-effective manner. Working together – policy makers, industry leaders, providers, and consumers – we can build an affordable health care system that meets the needs of everyone.

“The existing health care system stands as evidence of the futility of patchwork approaches to health care reform.” (ANA, 1991) Nursing’s plan for reform continues to be a viable solution to the nation’s health care crises.



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**Essential Elements of
*Nursing's Agenda for Health Care Reform***

A restructured health care system which:

- Enhances consumer access to services by delivering primary health care in community-based settings.
- Fosters consumer responsibility for personal health, self care and informed decision making in selecting health care services.
- Facilitates utilization of the most cost-effective providers and therapeutic options in the most appropriate settings.

A federally-defined standard package of essential health care services available to all citizens and residents of the United States, provided and financed through an integration of public and private plans and sources:

- A public plan, based on federal guidelines and eligibility requirements, which will provide coverage for the poor and create the opportunity for small businesses and individuals, particularly those at risk because of preexisting conditions and those potentially medically indigent, to buy into the plan.
- A private plan would offer, at a minimum, the nationally standardized package of essential services. This standard package could be enriched as a benefit of employment, or individuals could purchase additional services if they so chose. If employers do not offer private coverage, they must pay into the public plan for their employees.

A phase-in of essential services, in order to be fiscally responsible:

- Coverage of pregnant women and children is critical. This first step represents a cost-effective investment in the future health and prosperity of the nation.
- One early step will be to design services specifically to assist vulnerable populations who have had limited access to our nation's health care system. A "Healthstart Plan" is proposed to improve the health status of these individuals.



Planned change to anticipate health service needs that correlate with changing national demographics.

Steps to reduce health care costs include:

- Required usage of managed care in the public plan and encouraged in the private plan.
- Incentives for consumers and providers to utilize managed-care arrangements.
- Controlled growth of the health care system through planning and prudent resource allocation.
- Incentives for consumers and providers to be more cost-efficient in exercising health care options.
- Development of health care policies based on effectiveness and outcomes research.
- Assurance of direct access to a full range of qualified providers.
- Elimination of unnecessary bureaucratic controls and administrative procedures.

Case management will be required for those with continuing health care needs. Case management will reduce the fragmentation of the present system, promote consumers' active participation in decisions about their health, and create an advocate on their behalf.

Provisions for long-term care, which include:

- Public and private funding for services of short duration to prevent personal impoverishment.
- Public funding for extended care if consumer resources are exhausted.
- Emphasis on the consumers' responsibility to financially plan for their long-term care needs, including new personal financial alternatives and strengthened private insurance arrangements.

Insurance reforms to assure improved access to coverage, including affordable premiums, reinsurance pools for catastrophic coverage, and other steps to protect both insurers and individuals against excessive costs.

Access to services with no payment at the point of service and balance billing eliminated in both public and private plans.

Establishment of public/private sector review – operating under federal guidelines and including payers, providers, and consumers – to determine resource allocation, cost reduction approaches, allowable insurance premiums, and fair and consistent reimbursement levels for providers. This review would progress in a climate sensitive to ethical issues.

Additional resources will be required to accomplish this plan. While significant dollars can be obtained through restructuring and other strategies, responsibility for any new funds must be shared by individuals, employers and the government, and must be phased in over several years to minimize the impact.