April 8, 2011

Donald Berwick, MD, MPP
Administrator
Center for Medicare and Medicaid Services
U.S. Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Administrator Berwick:

Among the many provisions created through the *Patient Protection and Affordable Act* [Public Law 111-148] that will help improve healthcare access, cost, and quality is the Graduate Nurse Education (GNE) demonstration program (Sec. 5509). This provision, which supports the education of Advanced Practice Registered Nurses (APRNs) creates a pipeline of qualified providers to ensure Medicare patients and others receive the primary and specialty care they need. Reimbursing the costs of clinical education for growth in APRN programs will effectively stimulate the production of additional APRNs needed to care for the disabled and aging population under Medicare along with those receiving expanded coverage under healthcare reforms.

The GNE demonstration program helps to meet the "Triple Aim" you have set forth for Centers for Medicare and Medicaid (CMS). By increasing the APRN workforce, individuals will have access to better care, communities will have access to better population health, and per-capita costs will be reduced. The GNE program, if implemented correctly, will add to the successful efforts of making APRNs a vital partner in the healthcare system.

As a coalition of organizations dedicated to the successful implementation of this program, we write to provide our recommendations as the CMS work to actualize this important program.

Recommendations

1. **Quality Clinical Training Experience and Selection Criteria**

By partnering hospitals/hospital systems with one or more schools of nursing and other community-based clinical sites, the GNE demonstration creates the potential for APRN students to receive a quality training experience. However, there are definite factors based on the current partnership practices of hospitals and schools of nursing that will yield success. Therefore, as CMS prepares reimbursement guidelines, we have provided these factors in Table 1 (Appendix A) for consideration.

2. Proposed Allowable Costs and Reimbursement Methodology.

The law stipulates the use of Section 1861(v) of the Social Security Act to determine reasonable costs. This provision, which could tie reasonable costs to those of the existing Nursing and Allied Health pass-through funding, would run directly counter to the intent of this GNE demonstration. Hospitals do not typically run APRN training programs and if a nursing school or community-based training site is not owned by a hospital, clinical training costs incurred in those settings would not be covered. Specifically, it is crucial to the successful implementation of the demonstration that language from subsection 413.85 ("Cost of approved nursing and allied health education activities") -- which cites *"Approved educational activities means formally organized or planned programs of study of the type that: (1) Are operated by providers as specified"*-- be waived.

In addition, these regulations would apply the "percentage of Medicare days" multiplier to payments, which would reduce by half or more (since most hospitals have half or fewer of their inpatient days attributable to Medicare patients) the actual reimbursements for GNE costs, thus substantially reducing incentives for schools to grow their APRN programs -- the main goal of the demonstration.

In concert with waiving this provision, we recommend that the Secretary determine reasonable costs that appropriately reflect current APRN training. The legislative language of the demonstration program directly states the hospital will "reimburse costs that are attributable to providing advanced practice registered nurses with qualified training" and further mentions that no payment will be received unless the hospital has a written agreement that articulates "the obligation of the eligible hospital to reimburse such eligible partners applicable (in a timely manner) for the costs of such qualified training attributable to partner." Given the law stipulates an agreement with at least one school of nursing and speaks directly to costs incurred by the school, it is critical to understand that the "qualified training" of APRNs often occurs within the academic institution and therefore the institution incurs direct clinical training costs.

A list of allowable costs related to clinical training within the hospital, school, and community clinical sites has been provided in Table 2 (Appendix A) that would be relevant to modern APRN clinical education. Additionally, we strongly recommend that CMS utilize a "cost per student" proxy for reasonable costs in the demonstration program. We believe that a cost per student equation will be much less cumbersome and complicated than the current methodology used to reimburse hospitals for the cost of clinical nursing education and will ease administration of the demonstration for CMS and for program participants.

In summary, we envision a GNE demonstration program that partners a hospital (preferably a hospital system) with multiple schools of nursing and community-based clinical sites, across the country, and these partnerships allow for the reimbursement of reasonable costs for a full range of APRN clinical education expenses. We firmly believe that the GNE demonstration program represents a substantial and meaningful investment by the federal government in producing more high quality APRNs in APRN clinical

education by the federal government, which in turn will benefit the Medicare population and other patients in need of cost-effective, high quality care. Graduate-level nursing programs across the country are interested in working with other programs and their hospital partners to help build a sufficient future cadre of APRNs to deliver care and positively influence healthcare reform and look forward to the opportunity to apply for the GNE demonstration program. Should you have any questions, or would like to discuss these recommendations further, see the list of organizational representatives below.

Sincerely,

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Appendix A

Table 1

Quality Clinical Training Experience and Selection Criteria for Partnerships

Elements of a Quality Clinical Training Experience	Criteria For GNE Selection
▪ Strong inter-professional development ▪ Breadth and depth of case mix ▪ Diversity of patients and providers ▪ Acute and chronic procedures ▪ Direct clinical experiences ▪ Dedicated preceptors ▪ Sufficient numbers and types of faculty ▪ Active faculty practice ▪ Broad scope of practice/ full scope of practice ▪ High Medicare population ▪ Access to and utilization of electronic health records ▪ Meets requirements for clinical practice/ certification exam ▪ Learning modules include topics on quality and safety ▪ Includes population focus	▪ Multi-school, multi-site, multi-system partnership ▪ Evidence of commitment to partnership between school(s), hospital, and clinical sites (law says they have to have agreement, but may be hard to demonstrate in application) ▪ Ability of partnership to increase APRN educational capacity (schools/ system/ sites) ▪ Design of partnerships to achieve net increase ▪ Scale is important, related to regional needs ▪ Ability to begin admitting students/ timeline ▪ Schools accredited by DOE recognized nursing accrediting bodies (as stipulated in the law) ▪ Ability to attract new faculty and leverage faculty resources ▪ Geographically diverse: rural and urban

Table 2
Proposed Allowable Cost

Hospital/ Health System	School's Clinical Education Preparation	Community Clinical Sites
▪ Administrative costs ▪ Separate line item on cost report ▪ Cost per student preferred ▪ Incremental cost per student- pay for change in number of students	▪ Administrative costs ▪ Faculty salaries (classroom/clinical) ▪ Physical plant (e.g. class space, equipment, & supplies) ▪ Standardized patients and simulation equipment r/t clinical practice preparation ▪ Clinical site coordination (administrator) Student services administration r/t clinical practice preparation ▪ Recruitment of new students ▪ Technology costs (e.g. library remote fees, simulation upgrades, & software costs) ▪ Distance technology (e.g. software, computers, web-based resources, clinical scheduling technology, administrative staff/technical support staff)	▪ Administrative costs ▪ Additional clinical staff to offset revenue loss ▪ Clinical staff cost ▪ Classroom space ▪ Conference space ▪ Physical plant (exam rooms) ▪ Additional administrative staff to support clinical personnel ▪ Internet resources ▪ Health information technology