

# Hiring a Physician Assistant or Nurse Practitioner

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## **Introduction**

In recent years, internists have been pressured to see more patients while continuing to provide the highest quality of care. Balancing these two tasks can be difficult at times, and as a result, many practices are expanding by hiring new physicians. Adding another physician to your practice can help but adding a physician assistant (PA) or nurse practitioner (NP) may be an even better solution.

A PA or NP can increase your practice's accessibility, productivity, and revenue while contributing to excellent quality and patient satisfaction. Since NP/PA salaries are typically considerably less than for a physician, the business case for hiring a PA or NP is often easier to make for the practice when compared to bringing in a physician. NPs/PAs are trained to provide a wide range of clinical care which includes the ability to conduct patient evaluations (interviews and physical evaluations), diagnose conditions (including ordering laboratory tests and interpreting results), develop and implement therapeutic plans, and provide preventive health services and counseling. These health care professionals can also handle many types of office visits, do certain procedures, support hospital and nursing home rounds, take after hours call, and contribute to care coordination/population management initiatives for the entire practice.

The remainder of this guide provides important background information and guidance for a practice contemplating the addition of a nurse practitioner and/or a physician assistant to their clinical team.

## **Adding a PA/NP or a Physician**

Practices typically consider hiring NPs or PAs when the demand for services begins to exceed the ability of the practice to schedule visits or the practice is considering a purposeful expansion such as extending clinical hours or adding new services. In these situations, especially when there is some concern about the financial impact of bringing on an additional physician, hiring a nurse practitioner or physician assistant can be a great addition to the practice team. Research shows that NPs and PAs can provide excellent clinical care for many health care conditions and that patients are typically very satisfied with the care they receive. In addition, fully productive NPs and PAs often can generate similar revenues at considerably less compensation than a physician.

	<b><u>PA</u></b>	<b><u>NP</u></b>	<b><u>Internist</u></b>
Median Compensation	\$87,649	\$80,365	\$191,198
Median Gross Charges	\$352,596	\$315,907	\$554,476
Median Collections	\$246,001	\$204,442	\$346,070
Median compensation to gross chgs ratio:	.249	.251	.352
Median compensation to collections ratio	.349	.376	.567

**Source: MGMA Physician Compensation and Production Survey  
2009 Report Based on 2008 Data**

Once you have decided to hire an NP or PA (as opposed to a physician), the choice between an NP or a PA may be dictated by the availability of qualified applicants. For others, the practice may have a specific preference. To help in deciding PA or NP, later sections of this guide describe the training and typical scope of practice for nurse practitioners and physician assistants. Also, ACP has two policy papers that go into greater depth regarding the training, relationship with physicians, and scope of practice for both [nurse practitioners](#) and physician assistants (in review as of Feb 2010).

### **Physician– NP/PA Teamwork**

Just as it would be for adding any new clinician to the practice team, it is important to have open and frank discussions with a prospective NP/PA colleague. It is especially important to discuss the intended role for the NP/PA within the practice to be sure that the expectations of both parties align with the training, skill, knowledge and comfort level of the candidate. Experienced NPs and PAs may have previously managed their own panel of patients within a practice. Some NPs may have operated independently of a physician as is allowed in some states. Physician Assistants and Nurse Practitioners may have subspecialty training and/or unique procedural skills. A good understanding of roles and responsibilities, as well as scope of practice, are critical to ensuring that your practice team and patients benefit as much as possible from adding a PA or NP.

If you decide to hire an NP or PA, educating the entire practice team about the roles and responsibilities of the new team member is critical. Further, the practice needs to develop a communication strategy for patients just as it would do for a new physician. But since some patients will be unfamiliar with NPs and PAs, the marketing and promotions effort should explain how this new clinician fits into the practice and what services he/she can provide.

A letter to your patients telling them of the new provider is one good strategy. Introducing him/her to your existing patients during a visit is another way to ease the transition into your practice – especially if the NP/PA will be seeing patients of other physicians in your practice.

### **The Hiring Process**

Once you've determined which health care professional to add to your practice, and you've determined what sort of role you want them to perform in your organization, the next step is to recruit and hire.

One strategy to find qualified candidates is to contact training programs directly. The respective professional organizations have job search resources for employers and candidates. Recruiters can also be a valuable tool in the hiring process by removing many of the administrative tasks involved in hiring a new employee.

Once you've begun your search it is important to make sure that you are evaluating your candidates to find the best fit for your practice. One of the most important aspects of this is to verify that you have qualified candidates. For this reason it is important to educate yourself about the certifications and regulations that apply both to the type of provider you wish to hire, and also to your specific state. These regulations can be found through the agencies that license PAs and NPs in each state.

Another facet of making sure that your candidate is a good fit for your practice is experience level. You may wish to hire a candidate with substantial experience already; someone who could easily step into your practice and begin work with minimal training. A recent PA or NP program graduate may require more mentoring and may not have as wide a range of skills when first hired, but as they gain experience, their scope will broaden according to the experience the practice provides. Some physicians prefer to hire new graduates and teach them their personal practice style. New graduates also tend to have lower starting salaries.

When interviewing the candidates there are a couple of different things to remember. The first is to develop a specific list of interview questions. This will enable you to discuss ahead of time with your medical and administrative staff that will be involved in the hiring process what are the most important characteristics of a candidate in your search. A standardized list will also allow you to easily compare the responses of one candidate to another. Another interview recommendation is to have key staff members, both administrative and medical, involved in the interview process. While it is important to make sure the candidate's skills match your needs, it is also important to ensure that the candidate and your staff will work well together.

When you have chosen the successful candidate the next step is to extend an offer to him/her. This can be done much as it would with a new physician, and the contracts your practice already uses for new physicians can be the basis for the contract with your new provider. It is important in the contract, in addition to the issues that would be addressed in a physician's contract, that you also address the relationship you expect the new provider to have with your staff. Also, the contract and scope of practice must comply with state practice laws and regulations for the type of non-physician provider you are hiring, such as regarding scope of practice and supervision.

### **Billing and Reimbursement**

Medicare reimbursement for services rendered by non-physician providers is determined by federal Medicare policy, but Medicare defers to state law in defining scope of practice. There are two ways that practices can bill Medicare: under the PA's or NP's own name and National Provider Identification (NPI) number, or as "incident to" services under the supervising physician's name and NPI. Normal billing under the NP's or PA's name and NPI number is reimbursed at 85% of the physician fee schedule. "Incident to" billing is reimbursed at 100% of the physician fee schedule. However, Medicare applies restrictive physician supervision and treatment requirements for "incident to" billing.

For services to qualify as "incident to" a physician's care, the following criteria apply:

- The PA or NP must be a W-2 employee or leased employee with a written contract.
- The physician must have personally treated, diagnosed, and developed the plan of care for the patient on their initial visit to the office for that particular medical problem, but the NP or PA may provide services "incident to" the physician when the patients return to the office for follow-up care for that condition.
- "Incident to" billing also requires that the service is:

- typically performed in a physician's office,
- within the scope of practice of the PA or NP, *and*
- performed when a physician is on site.

The on-site physician may be the physician who originally treated the patient or another physician in the group. The practice bills the service under the name of the physician who is physically on site even if another physician in the group performed the initial service for the Medicare patient.

Under Medicare, practices can use normal (non-“incident to”) billing under the PA's or NP's name and NPI number for W-2 employees, leased employees, or independent contractors. Services provided by independent contractor NPs or PAs cannot be billed “incident to” the physician. Also, Medicare allows PAs and NPs to provide “Welcome to Medicare” visits, but those visits must be billed under the PA's or NP's name and NPI.

Private payers typically approach billing for non-physician practitioners one of two ways. They either enroll them and have the practice bill under their own NPI and the group tax ID, or they do not enroll them and have practices bill for services under the supervising physician's name and NPI. It is important to distinguish between a payer that does not *cover* PAs and NPs from one that does not *enroll* them. Many do not *enroll*, but most *cover*.

Many private payers call the second option “incident to” billing, but they do not impose the same on-site supervision and initial visit restrictions imposed by Medicare. Most private payers defer to state law for supervision and scope of practice requirements. It is important to check with each payer to determine the specific billing requirements for services provided by a PA or NP.

## Physician Assistants

### **Education**

The typical Physician Assistant program is a two-year program that accepts applicants who already have a bachelor's degree and experience in the health care field. Typical PA programs include classes in the sciences (e.g., chemistry, biology, anatomy) and classes in pharmacology, as well as classes in clinical skills. PA programs also include clinical rotations in addition to classroom work. Rotations include internal medicine, family medicine, obstetrics and gynecology, pediatrics, general surgery, emergency medicine, and psychiatry. Physician assistant students complete on average more than 2,000 hours of supervised clinical practice prior to graduation. PAs are not required to do an internship or residency. Their practice specialty is determined by the specialty of the supervising physician(s).

Once a candidate has completed a PA education program he/she is not qualified to practice until passing the national Physician Assistant National Certifying Exam (PANCE), administered by the National Commission on Certification of Physician Assistants (NCCPA). Only those who pass the exam may use the title, “Physician Assistant-Certified,” or “PA-C.” In order to remain certified, a PA must log Continuing Medical Education and periodically sit for re-examinations. After they have passed the national certifying exam, the PA must be licensed in the state in which they wish to practice.

### **Supervisory Relationship**

The physician assistant scope of practice is defined by education and experience, state law, facility policy, and physician delegation. State laws allow physicians broad delegatory authority. This allows for flexible, customized team care. Any service the PA provides should be within their skill set, and within the skills of the supervising physician. A summary of State Laws and Regulations can be found at <http://www.aapa.org/PAlaws>.

Another important component in hiring a PA will be your supervisory relationship, which does not necessarily require that the supervising physician be physically present in the place where the services are rendered. However, the physician and the PA must be in contact. This contact is meant to ensure the safety of the patients, and to enable the PA to consult with the physician whenever they feel it is necessary. It is important to remember that the physician is ultimately responsible for the care of the patients.

### **Prescriptive Authority**

PAs have delegated prescriptive authority in all 50 states, the District of Columbia, the Commonwealth of the Northern Mariana Islands, and Guam. Nearly all of these jurisdictions allow PAs to prescribe controlled drugs. Further detail regarding PA prescriptive authority can be found on the federal Drug Enforcement Administration website at <http://www.deadiversion.usdoj.gov/drugreg/practioners/index.html> and on the AAPA web site at <http://www.aapa.org/PAprscribing>.

In order to prescribe controlled drugs, your PA must possess a DEA registration. Information about the DEA registration process can be obtained at <http://www.deadiversion.usdoj.gov/drugreg/process.htm>

### **Salary**

Salary information for PAs can be found both in MGMA's Physician Compensation and Production Survey as well as on the American Academy of Physician Assistants (AAPA) web site. The AAPA offers salary profiles to its members. They extract information from their Census Report based both on the specialty of the practice and the geographic location. Further information about this profile can be found at <http://www.aapa.org/about-pas/data-and-statistics/408-salary-profiles>. The complete census report can be viewed at <http://www.aapa.org/about-pas/data-and-statistics/aapa-census/2009-data>.

Additional PA salary and hiring information is available at: <http://www.aapa.org/for-employers>.

## Nurse Practitioners

### **Education**

A Nurse Practitioner (NP) is a registered nurse with both advanced clinical experience and an advanced degree. A registered nurse is generally recommended to have extensive clinical experience before applying to a Nurse Practitioner program. These programs either award a post-master's degree certificate or a master's degree.

Nurse practitioner practice emphasizes a holistic approach to patient care with particular attention to disease prevention, health promotion and risk reduction. NPs practice in a nursing model. NPs and PAs have similar clinical skills.

### **Supervisory Relationship**

As Registered Nurses, NPs hold independent licenses to practice nursing. Individual state practice acts generally govern the rules and regulations under which NPs practice. Because practice acts are state specific, regulations for NP practice vary considerably from state to state. Thirteen states and the District of Columbia require no formal practice relationship between NPs and physicians. Other states require either a collaborative or supervisory relationship between NPs and physicians. To find out the specific rules in your area contact your state's Board of Nursing. Contact information can be found at the American Academy of Nurse Practitioners' website, [www.aanp.org](http://www.aanp.org) or [www.acnpweb.org](http://www.acnpweb.org), under regulatory information.

Physicians should draft the guidelines for the physician-NP relationship which meet the needs of their practices.

### **Prescriptive Authority**

NPs are authorized to prescribe drugs in all 50 states; however variations exist from state-to-state. For example, in some states NPs are not authorized to prescribe controlled substances, while others require a physician's signature.

It is important to determine what your specific state regulations are. These can generally be found through your State Board of Nursing. Contact information and websites can be found at the National Council of State Boards of Nursing at [www.ncsbn.org/public/regulation/boards\\_of\\_nursing\\_board.htm](http://www.ncsbn.org/public/regulation/boards_of_nursing_board.htm)

### **Salary**

Salary information for NPs can be found both in MGMA's Physician Compensation and Production Survey as well as the annual survey conducted by NP Central Gateway at [www.nurse.net/cgi-bin/start.cgi/salary/index.html](http://www.nurse.net/cgi-bin/start.cgi/salary/index.html).

## **Additional Resources**

### **ACP Policy Papers:**

These papers go into much more detail regarding the training, roles, and scope of practice of nurse practitioners and physician assistants.

### **Nurse Practitioners in Primary Care**

[http://www.acponline.org/advocacy/where\\_we\\_stand/policy/np\\_pc.pdf](http://www.acponline.org/advocacy/where_we_stand/policy/np_pc.pdf)

### **Physician Assistants in Primary Care**

(coming soon)

### **PA Resources:**

#### **The American Academy of Physician Assistants**

[www.aapa.org](http://www.aapa.org)

950 North Washington St.  
Alexandria, VA 22314-1552  
Phone: 703-836-2272  
Fax : 703-684-1924

#### **Physician Assistant Job Link**

[http://www.healthcareers.com/site\\_templates/AAPA/index.asp?aff=AAPA&SPLD=AAPA](http://www.healthcareers.com/site_templates/AAPA/index.asp?aff=AAPA&SPLD=AAPA)

### **NP Resources:**

#### **American Academy of Nurse Practitioners**

[www.aanp.org](http://www.aanp.org)

Capitol Station, LBJ Building  
PO Box 12846  
Austin, TX 78711  
Phone : 512-442-4262  
Fax : 512-442-6469

#### **American College of Nurse Practitioners**

<http://www.acnpweb.org/i4a/pages/index.cfm?pageid=1>

1501 Wilson Boulevard, Suite 509  
Arlington, VA 22209  
Tel: 703.740.2529  
Fax: 703.740.2533NP Central

#### **NP Central**

[www.nurse.net](http://www.nurse.net)

10024 S.E. 240<sup>th</sup> St.  
Suite 102  
Kent, WA 98031  
Phone: 253-852-9042  
Fax: 253-852-7725