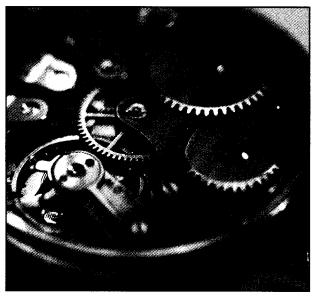**1.5 CONTACT HOURS**

The Hospital Nurse's Role in Managed Care

The cost of care is the driving force behind all decisions.

BY GLORIA GILBERT MAYER, RN, EdD, FAAN, AND NANCY P. RUSHTON, RN, BSN

THOUSANDS OF nurses are finding innovative ways to operate efficiently, effectively, and compassionately—and are finding new opportunities for career growth and advancement within a managed care environment. Managed care, which started on a wide-scale basis in Minnesota and California more than a decade ago, has now affected almost every area of the country. Mergers, acquisitions, and hospital closings have become commonplace as have staff reductions and unlicensed assistive personnel (UAP) performing tasks once done by nurses.

To operate successfully in a managed care environment, nurses must be willing to learn about the new health care environment and adapt and change their current mode of operations. Key concepts for nurses to explore include the following:

◆ Recognize that nursing in a managed care environment is fundamentally the same as under the traditional model.

◆ Understand managed care's many definitions and its impact on various entities involved in the system, particularly the hospital and ambulatory setting.

◆ Take on the responsibility for the new tasks and procedures necessary to make managed care successful.

◆ Ensure that the patient knows what the managed care system offers beyond the acute hospitalization period.

Different yet the same

Breakthrough medical treatments, new technology, and a demand for greater responsibility and respect have dramatically affected how nurses provide care. Standardized care with consistent, predictable, and cost-effective outcomes is needed.

Nurses must recognize that in a managed care environment, the cost of care has more relevance than charges and becomes the driving force behind all decisions, whether or not patient-related. This is a difficult fact to accept. At one time, hospital charges meant something. Now, however, many insurance companies pay a fixed amount (per diem) for a patient's hospital stay. These per diems are frequently not based on actual costs, but often are based on the competitive marketplace. In short, the hospital administration prices its services based on what it believes is necessary to secure the contracts with insurance companies and health care plan sponsors. Often, this approach translates into charges that may not cover current costs because they're based on cost averages for a particular diagnostic group.

To cover operating expenses, the hospital's only option

Abstract: *This article describes the staff nurse's role in managed care and can be used by nurse managers in the education process. An obstetric case study demonstrates the potential of increasing patient-care quality while reducing health care cost.*
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is to look for ways to decrease other costs such as supplies, staffing, and overhead. Where does this leave the staff nurse? Typically, it leaves the nurse in an environment that is underfunded and overstressed. Nurses must find ways not only to provide clinical care, but also to

TO DECREASE CESAREAN-SECTION RATE AND INCREASE VAGINAL-BIRTH-AFTER-CESAREAN (VBAC) RATE:
- share comparative data with physicians
- educate physicians
- develop protocols and guidelines
- perform quality-improvement studies on selected patients
- educate patients about VBAC
- develop patient-education material
- present data to appropriate medical staff committees.

eliminate waste while still producing positive patient outcomes. Yet, the central goal of nurses—to provide optimal care to patients—remains the same in a managed care environment.

Understanding the managed care system

One of the first steps toward successfully fitting into a managed care operation is understanding that system. The term "managed care" carries vastly different messages to each of the players in the system. To employers who pay for health care benefits, it's an approach to saving money. To hospital administrators and executives, it's an organized system for delivering care. For physicians, it can represent a set of rules and regulations that seeks to tell them how to provide care to patients.

To assist the organization and the patient, the nurse must have a thorough understanding of the managed care systems the hospital participates in and the specific rules that govern the patient's benefits. For example, the managed care nurse needs to understand:
- the role of the primary care physician in caring for the hospitalized patient
- the network of specialists available to the patient
- how the authorization process functions
- the patient's benefits, including ancillaries, ambulances, and nursing homes
- the patient's pharmacy benefits
- the after-hospitalization care system available to the patient
- the case management system available to the patient
- disease-state management programs
- nurse call centers that may be available to the patient
- the process of obtaining after-hours treatment when the patient is discharged.

Because each health care plan or provider group may

have a different approach to the above systems, the nurse should have a method for finding answers to these questions.

Taking on new tasks

◆ *Understand core principles.* Whether they are called PHOs—physician hospital organizations, MCOs—managed care organizations, IDS—integrated delivery systems, or one of the many other options, certain core principles in a managed care system can help nurses provide quality care to patients while making the organization successful. One essential principle is to view patients as receiving care at one of seven continuum points in any health care system:
1. primary prevention
2. ambulatory care
3. acute care
4. tertiary care
5. home health care
6. long-term care
7. hospice.[1]

Within this continuum, patients should be viewed as being part of the system from birth until death. The patient moves from one continuum point to the next, and the role of each health care professional is to identify which continuum point the patient has just come from and which con-

The term "managed care" carries vastly different messages to each of the players in the system.

tinuum point the patient should go to next. For example, a hospital patient is discharged with a plan for follow-up care in the ambulatory setting. The nurse's role is to facilitate the transfer of care to the ambulatory setting. This may involve scheduling appointment times, transferring medical record documents, and providing detailed instructions to the pa-

tient. If a patient is receiving home health nursing but truly needs to be in a nursing home or rehab facility, again, the nurse should facilitate this move. Being at the right continuum point represents both efficient and effective care for the patient.

◆ *Promote patient education.* In managed care systems, patient education is seen as a valuable process to increase quality while reducing costs. The time that the nurse spends with the patient in the hospital must include educating the patient.

The information the nurse must provide in patient education under a managed care system has a broader scope than that provided in the traditional system. Nurses have always been responsible for including the patient in the planning and implementation of the plan of care. This requires providing specific information regarding topics such as medications, tests, procedures, discharge needs, and self-care concerns. The nurse now needs to include education on issues raised by the managed care system such as the reasons why certain physician consultants were chosen and what the next continuum point for the patient will be.

Assisting in the evaluation and development of patient-education material also is critical.[2] Standardized patient education material given to hospitals by material supply companies or pharmaceutical houses may contain correct information; if the information isn't consistent with the patient's managed care plan, however, it shouldn't be given to the patient. For example, if a specific drug company develops an informational brochure about a disease and advertises its drug in that brochure but the particular drug isn't on the hospital pharmacy formulary, the brochure shouldn't be given to the patient. Attention to such details is extremely important, so the patient isn't confused and doesn't think that inferior care is being provided.

Believe in and champion the managed care system

Much of the current criticism surrounding managed care comes from a lack of understanding. For example, often patients don't understand that their medical group or individual provider isn't their insurance company but simply contracts with the insurance company. Both the patient and her family members may not understand why the patient is at a particular hospital or under the care of a certain specialist. They may have questions about why a favorite physician or perhaps family friend wasn't used, or why more specialists aren't on the case. If the provider organization uses the hospital's physicians rather than the primary care physician, this may raise more questions for the patient and family.

Staff nurses must be able to support the decisions of the system and explain the operational procedures associated with their hospital. Most important, staff nurses must believe in the inherent benefits of the system. With this knowledge of and belief in the system, nurses can better assist their patients in navigating key transition points along the continuum of care as well as explain why certain treatment decisions have been made.

This type of support and information sharing must go beyond explaining specific treatments or operational procedures in a managed care system. Nurses shouldn't forget that, at times, the so-called little things can prevent or make it difficult for patients to follow posthospitalization treatment guidelines. For example, if the patient needs a physician appointment within a week of discharge from the hospital, and if the patient finds the appointment difficult to make because of access problems, the nurse should attempt to make the appointment for the patient, call the patient-relations representative for the patient, or discuss this problem with the physician. This navigation role is vital to any effective managed care system.

> ## TO INCREASE PRENATAL CARE AND PERCENTAGE OF FULL-TERM DELIVERIES:
> ● partner with medical office staff
> ● provide staff-development sessions to medical office staff
> ● create incentives for patients to come to appointments
> ● follow up patients who have missed appointments
> ● make prenatal programs more accessible and present them at the physician's office, local schools, and churches.

A nurse's role and responsibility

A common complaint heard in many hospitals today is that administrators and bureaucrats are developing the systems and guidelines that nurses must operate under and that these individuals don't understand what it's like to be a nurse today. But developing new systems and guidelines needn't take place only at the executive level. In a managed care environment, which particularly emphasizes the team approach to caregiving, the staff nurse can develop and recommend new strategies designed to ensure that the nursing department operates more efficiently under a managed care paradigm. Grassroots participation in creating new and innovative systems in the hospital assures the success of the entire system.

Three key areas must be examined to ensure that any new practices and techniques implemented are appropriate and practical:

1. Will the approach help the nurse provide better care and ultimately improve patient outcomes?

2. Will the approach bring greater efficiency to the nursing operation?

3. Can the technique be implemented in such a way that costs are tightly managed and, if possible, lowered?

While efficiency and quality of care are key to any nursing operation, the issue of cost also must be closely examined. Any change or addition to current nursing practices should strive to reduce the cost of care, as MCOs have become increasingly frugal in the rates they pay hospitals. Although nurses understand this theory, they question how to make the goal a reality. Many nurses believe that the organization has already cut budgets to the bare minimum and that they are powerless to make any suggestions or implement any innovative programs.

There are always different and potentially better ways to perform any task, however. Currently, for example, many hospitals seek to reduce nursing expenditures by reducing the hours per patient day (HPPD) allocated to the nursing department. This approach is frequently coupled with an increase in the number of full-time equivalents in the case management department. A closer examination of this strategy may show that, in actuality, it negates any financial gain

> ## TO REDUCE INCIDENCE OF POSTPARTUM COMPLICATIONS:
> - educate physicians
> - educate nurses and medical assistants in physicians' offices
> - establish follow-up protocols
> - conduct in-home follow-up visits
> - provide incentives to patients to come to the physician's office, such as free babysitting services, transportation to the office, and a free gift.

made in the reductions to the nursing budget. This is particularly true for hospitals that primarily use their case managers as discharge planners.

So what's a better way? An alternative solution is to increase the HPPD in the nursing department and to allow nurses, who are typically more familiar with the patient and his or her needs, to complete simple discharge-planning functions. Only patients requiring complex care would be referred to a separate case management department using this strategy. This approach not only increases the quality and coordination of patient care but also can actually save money.

Reducing costs while improving quality
Veteran nurses, specifically those who have survived the downsizing of the past few years, may wonder if it's truly possible to lower costs and improve quality of care under a managed care paradigm. A first step, and one of critical importance, is to set measurable and achievable goals based on the outcomes of patient care and not on the actual process.

As an example, here is a case study, taken from an obstetrics department of a large metropolitan hospital, showing how costs were reduced and patient outcomes improved. As a first step, the department, with direct input from the nursing staff, developed a list of goals. The project's goals were to:
- reduce the cesarean-section rate from 21% to 15%
- increase the vaginal-birth-after-cesarean rate
- increase the percentage of patients receiving prenatal care
- increase the percentage of women delivering at term
- reduce the incidence of postpartum complications
- shorten the length of stay (LOS) in the hospital after delivery.

All of the team members of the obstetrics department agreed on these goals and realized that achieving them would assist the hospital, medical group, and managed care plan financially while increasing the quality of patient care. Since all entities were stakeholders in this process, the team members included ambulatory nurses. In short, this project was not only focused on the hospital staff, but also brought in the complete team of caregivers.

The first step toward reaching these goals was to collect and analyze existing data. This included:
- tracking primary and secondary cesarean-section rates for the past year
- plotting the cesarean-section rate by physicians, payers, days of the week, and time of day
- reviewing the average LOS and abstracting the medical records for prenatal care, premature births, and type and percentage of postpartum complications.

After the data were analyzed, action plans were determined. These are presented in the four inserts shown here.

It's important to note that although this project was initiated by the nursing staff, it soon received the support of physicians, administration, patients, and health care plan sponsors. This case history demonstrates how cost and quality aren't polar opposites but simply aspects of an integrated approach to enhancing patient care.

Providing the proper level of care
Obstetrics isn't the only area where care can be improved at the clinical level. To highlight this fact, one need only examine most hospital's approach to their intensive care units (ICU). It's surprising that when an ICU is filled and another bed is needed for a critical patient, most often one patient can be identified as appropriate to move out of the ICU to a lower level of care. Since the ICU is so costly, patients should be aggressively transferred to less-acute care units routinely rather than just when a bed is needed.

Preparing for hospital discharge

Not only do nurses help patients navigate through the hospital system, but they also play a critical role in showing patients how to navigate the system after hospitalization. This isn't always an easy task for the hospital nurse, as there are a multitude of managed care systems with myriad different rules and regulations. In an integrated delivery system, it's easier for staff nurses to provide the necessary counsel and education. In any case, staff nurses should attempt to un-

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TO SHORTEN LENGTH OF STAY IN HOSPITAL:

- educate in advance
- follow up on phone
- set up home visit by nurse
- provide direct access to nurse for complications or questions
- supply easy-to-read educational material
- conduct predelivery home visit to prepare mother and family.

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derstand all the major health care plans so that they can provide their patients with the information that will help the patients gain optimal benefits from their plan.

For example, if patient care in the hospital was performed by an in-house hospital physician team, but the patient's return ambulatory visit is with his or her primary care physician, this needs to be explained to the patient. If the patient has to attend a special clinic such as a diabetic or warfarin clinic, this information must also be reiterated to the patient. Also, many health care plans have their own demand management system that must be explained to the patient so that it can be used properly.

The future for nurses in a managed care environment is both promising and challenging. Nurses have worked hard to gain respect from administrators and managed care executives. With this respect, they've been able to grow beyond traditional nursing roles and develop programs and procedures that are respected for their innovation and focus on quality.

Nurses must continue to fight to ensure that patients receive appropriate care. This means that nurses will need to become even more active not only in voicing their concerns, but also in developing strategies that can be proven to work from both a cost-cutting and a quality perspective.

The challenge facing nurses is difficult. But it's possible to work within a managed care environment while striving to change it for the better. If successful in this endeavor, nurses can help to create a more efficient health care system with improved care and outcomes for patients. ▲

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ABOUT THE AUTHORS
GLORIA GILBERT MAYER is President, and NANCY P. RUSHTON is Chief Administrative Officer, both at the Institute for Healthcare Advancement in Whittier, Calif.

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