

## FINANCING NURSE PRACTITIONER SERVICES

Nurse practitioners offer a viable approach to improving access to primary health care services. However, at this time, there is no public policy in Canada supporting a strategy for funding nurse practitioner services over the long term. Such policies will have to reflect the variety of responsibilities and settings in which nurse practitioners work. They must also reflect the responsibilities and legal liabilities of the role of the nurse practitioner.

Four approaches to funding nurse practitioner services are suggested: budget/request based funding; utilization based funding; capitation/population based funding; and needs based funding. The fee-for-service model, although presented here, is not seen as a solution. The pros and cons of each are presented in the table below.

FUNDING APPROACH	DESCRIPTION	PROS	CONS
1. Budget/request based	Specifies costs of delivering services	<ul style="list-style-type: none"> <li>Built on administrative &amp; historical information</li> <li>Group services to highlight roles of nurse practitioners and other professionals</li> </ul>	<ul style="list-style-type: none"> <li>Not tied to health status of population served</li> <li>Outcomes not captured &amp; linked to a particular profession</li> </ul>
2. Utilization based	Allocates funding according to past use of particular services	<ul style="list-style-type: none"> <li>Data available</li> <li>Comparability among regions</li> </ul>	<ul style="list-style-type: none"> <li>Not linked to assessment of health needs</li> <li>Difficult to introduce new services</li> </ul>
3. Capitation/ population based	Allocates funding for health services based on population demographics	<ul style="list-style-type: none"> <li>Groups services &amp; providers</li> <li>Encourages appropriate health human resource (HHR) use</li> </ul>	<ul style="list-style-type: none"> <li>Administratively complex</li> </ul>
4. Needs-based	Allocates funding among provider agencies based on assessment of relative health status and outcomes of populations served	<ul style="list-style-type: none"> <li>Targets resources and services to maximize population health</li> </ul>	<ul style="list-style-type: none"> <li>Absence of data</li> </ul>
5. Fee for service	Direct billing to a client's health insurance plan for insured health services	<ul style="list-style-type: none"> <li>Promote focus on volume of interventions</li> </ul>	<ul style="list-style-type: none"> <li>Distract from comprehensive care focus</li> </ul>

March 2002

FS-12

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