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**GEORGE MASON UNIVERSITY**

**Testing a Funding Allocation Methodology  
For Title VIII Programs: Phase II**

**Fourth Expert Panel Meeting**

**June 6, 2002  
Arlington, Virginia**

**Minutes**

**Thursday, June 6, 2002**

**Presiding:** **PJ Maddox**, EdD, RN, Principal Investigator, GMU Center for Health Policy, Research & Ethics; and **Mary Wakefield**, PhD, RN, Co-Principal Investigator, University of North Dakota, Center for Rural Health.

**Meeting Participants:** Division of Nursing (DoN) staff: **Denise Geolot**, PhD, RN, director, Division of Nursing; and **Carole Gassert**, PhD, RN, DoN project officer. The George Mason University Research Team included the project manager **Eileen O'Grady**, PhD, NP; Demographer **Marty Atherton**, PhD; and research analyst **Victoria Doyon**.

Expert Panel members: **Eula Aiken**, PhD, RN, executive director, Southern Regional Education Board Council on Collegiate Education for Nursing; **Linda Burnes Bolton**, DrPH, RN, vice president and chief nursing officer, Cedars Sinai Medical Center, Los Angeles; **Shirley Chater**, PhD, RN, adjunct professor, Institute for Health and Aging, School of Nursing, University of California, San Francisco; **Mary Foley**, MS, RN, president, American Nurses Association; **Arthur Levin**, MPH, director, Center for Medical Consumers; **Edward Salsberg**, MPA, executive director, Center for Health Workforce Studies, School of Public Health, University at Albany, SUNY; and **John Supplitt**, MPA, MBA, director, Section for Small and Rural Hospitals, American Hospital Association. Although not present at the meeting, **Charlene Hanson**, EdD, RN, family nurse practitioner and professor emerita, Georgia Southern University, participated in the panel discussions by Telecon. A list of all Expert Panel members and their affiliations is available on the Center's Web site at <http://chpre.gmu.edu> (click on Funding Allocation Project).

**Review of Meeting Agenda and Expected Outcomes**

Following the Expert Panel's approval of the minutes of Meeting 3, Dr. Wakefield reviewed the agenda and procedures for the fourth and final meeting and outlined the expected outcomes for the meeting. Panelists were asked to consider:

- Consensus and recommendation on Title VIII goals, assumptions and targets;
- Consensus and recommendations on funding allocation decisions for Parts B, C, and D, and for subparts within Part B, advanced education nurses;
- Consensus on whether the funding allocation methodology developed and tested over the course of the meetings should be recommended for use instead of the current method. If the panelists conclude that it is a better method, then they will recommend how this methodology and findings should be implemented over time; and

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- Additional recommendations related to nursing workforce planning or to DoN that should be included as an addendum to the final report to Congress..

In addition, Dr. Wakefield emphasized that all written public comments received since the last meeting (in their entirety) were provided to the Expert Panel in advance of this meeting.

## OVERVIEW OF PHASE II PROJECT AND TECHNICAL APPROACH

In her PowerPoint presentation (available on the project Web site), Dr. Maddox gave a brief summary of Phase I of the Funding Allocation Project, which recommended a qualitative methodology that accounted for the intent of Title VIII programs, Parts B, C, and D, and considered the health care needs of the population and nursing workforce needs. She then reviewed the approach followed in Phase II to test the proposed methodology. “The qualitative aspects of the process,” she said, “involved engaging an expert panel, representing the U.S. health system broadly,” in a decision-making process that used the best available data to inform the panel’s expert judgment. Using a six-step process to test the methodology, the panel was charged with developing “credible impact measures” with “outcomes attributable to Title VIII program impact” and with making decisions that are “comprehensive” and “national” in scope and that are “longitudinal,” interpreting “the national impact of changing the supply, composition and characteristics of the RN workforce.”

Dr. Maddox outlined the six steps in the process recommended in Phase I and noted what the Expert Panel has done in Phase II, or will do at this meeting, to fulfill the requirements of each step:

1. **Identify the major assumptions that define the context of allocation decisions** – The panel has developed a list of 14 assumptions and will, at the fourth meeting, finalize the list.
2. **Specify goals or target objectives and determine priorities among competing targets** – The panel has drafted a list of goals and target objectives and will make a final decision at this meeting.
3. **Specify the relevant constraints on the allocation process**, including the effect of limitations of DoN funding on workforce development as well as issues relating to gaps in the data available – The panel identified constraints at the first meeting.
4. **Derive “solutions” to the specified decision problem** – The decision problem for the panel is deciding what percentage of Title VIII funds should be allocated to advanced, diversity and basic programs (Parts B, C, and D). Specifically, the panel was asked to consider the use of quantitative solutions, using numeric solutions with objectives and constraints, based on informed collective judgment. The panelists have discussed this issue at previous meetings and will make a final decision at this meeting, as well as discussing the rationale behind their recommendations.
5. **Conduct a sensitivity analysis** (Discover how solutions would change if assumptions differed or were wrong). A summary of data analyses that support this and other purposes was presented during the third meeting.
6. **Develop transition rules to minimize disruption** – If the panel’s final decision is to recommend adoption of the methodology, the panel will then recommend implementation principles and schedule implementation as determined during this meeting.

After the panel has made its final decisions at this meeting, the results and recommendations will go into the report to Congress, concluding the project

Dr. Maddox then summarized the decisions made by the panel at the three previous meetings, as well as the expectations for the fourth meeting:

### At Meeting 1, the Expert Panel:

- Discussed and modified the analytic framework and reviewed and revised 10 draft “environmental” or “contextual” factors;
- Discussed current Title VIII goals (Parts B, C, and D) and identified preliminary goals, given population and health care system needs;
- Identified sources of existing data to help define contextual factors;
- Identified data gaps; and

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- Began to discuss planning assumptions.

## At Meeting 2, the Expert Panel:

- Reviewed public comments received;
- Began to review a long array of best available data provided by GMU and data to inform the 10 contextual factors;
- Finalized the project’s analytic framework and the 10 contextual factors, with variables and data for inclusion, including variables proposed in the legislation;
- Drafted initial planning assumptions; and
- Developed a first draft of Title VIII program goals and priorities.

## At Meeting 3, the Expert Panel:

- Reviewed public comments received;
- Reviewed data analyses conducted to support the sensitivity analysis and facilitate panel decision making;
- Finalized and weighted the 14 planning assumptions;
- Reviewed results of the funding allocations yielded in three rounds of ballots, using the “estimate/discuss/estimate” approach;
- Began to discuss allocations among Part B subparts; and
- Began to discuss the impact and merits of adopting the proposed allocation methodology, with “observations about what is going well, and what makes sense, and what is more difficult in the process.”

## At Meeting 4, the Expert Panel will:

- Review public comments received;
- Finalize contextual factors, planning assumptions, and Title VIII program goals;
- Finalize Title VIII program allocations (Parts B, C, and D, and subparts under B);
- Discuss impact/merits of adopting the proposed methodology;
- Make a final decision on whether the methodology should be adopted;
- Determine the recommended course of action to implement the proposed funding allocation method (if recommended);
- Develop transition rules to minimize disruption (if recommended);
- Review the draft report and discuss the overall content and findings for the report to Congress; and
- Finalize recommendations.

**Consensus Approach** – Before the panel began its discussions and started to make its final decisions, Dr. Wakefield stressed that the panel’s recommendations would be achieved by “consensus” or “through a process of general agreement” around key decision points.

## **FINAL DECISION ON PLANNING ASSUMPTIONS**

After adopting the 10 contextual factors in final form, the panel approved as written the draft list of 14 planning assumptions that had been agreed to at the third meeting (see the minutes for Meeting 3, available on the project Web site).

## **FINAL DECISIONS ON TITLE VIII GOALS AND PROGRAM TARGETS**

Panel members reviewed the draft goals for Title VIII, Parts B, C, and D, which had been revised at their last meeting (see the minutes for Meeting 3). Individual panelists suggested modifications in the wording of several proposed goal and target statements. After discussing and accepting the proposed changes, the panel adopted by consensus the revised list of goals and targets. The final goals and targets – reflecting the panel’s consensus decisions – for each of Title VIII’s three parts are shown in Tables 1, 2, and 3 below.

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## Discussion

Following are highlights of the points raised and discussed by panel members on the goals and targets for each of the three parts, including the panel's decisions on these points.

### Part B: Advanced Education Nurses

- **Matching AEN supply with demand** – Mr. Supplitt proposed that the goal statements calling for an increase in the supply of AENs be modified to read “match the supply with the demand” rather than just increasing the supply, which implies a shortage, he said. Dr. Bolton added that demand should be defined regionally – to the extent data are available – to reflect different needs in different parts of the country. The panel agreed to these changes, and the goal statements were revised accordingly.
- **Faculty development** – Ms. Foley said that although the panel clearly has recognized faculty development as a priority, that message does not come across in the goal statements, as public comments have pointed out. She recommended the addition of an explicit goal statement about the need to develop an adequate supply of nursing faculty and a definition of nursing workforce to specifically include faculty. Mr. Supplitt expressed concern that such a statement might single out one category of advanced education nurses over another – something the panel had decided to avoid doing. Ms. Foley clarified that the term *faculty* includes faculty for all categories of advanced education nurses and also includes basic nursing faculty. Mr. Salsberg stressed that it is important as a public policy to target funds “to where the need is greatest,” whether it is faculty or some specific nurse specialty. Dr. Aiken added that DoN and the advisory committee should have the flexibility to target program funds in response to “existing trends and specific needs.” But without those nurse educators, “we are not going to be able to meet the demand,” she said. In the end, the panel accepted Mr. Levin’s suggestion to resolve the issue by defining workforce to include both practice and education; the final version of Table 1 added a footnote stating that Advanced Education includes faculty.

### Part D: Basic Nursing Education and Practice

- **Matching supply with demand** – To be consistent with Part B, the panel agreed to modify the first goal to read: “match the supply of basic registered nurses with the demand (regionally defined).” The panel also agreed to Dr. Bolton’s suggestion to revise the target under goal relating to the distribution of basic nurses in underserved areas so as to match supply with demand.
- **Increasing clinical competency** – Much of the discussion on Part D related to the issue of clinical competency. Mr. Salsberg opened the discussion by asking whether DoN funds can be used to help move an associate degree nurse through a baccalaureate degree. DoN’s Dr. Geolot said the basic nursing program contains a provision to expand baccalaureate enrollment, which would include ADNs. Dr. Chater cautioned against specifically mentioning ADNs in the goal language as long as DoN has the flexibility to interpret that provision broadly. Mr. Supplitt said that “each classification of nurses serves a role” and each has “a clinical competency in that role.” An increase in clinical competency doesn’t necessarily mean an increase in the number of baccalaureate graduates, he said. Mr. Levin suggested that by matching the supply with demand, as the revised goal states, DoN could facilitate the supply and distribution of all types of nurses as the need arises. Mr. Salsberg further explained his reasons for bringing up this topic: “It is important that we provide educational opportunities for the majority, and the majority of new nurses in America enter at the associate degree level, and it is very important that we provide opportunities for them to obtain BSNs.” He emphasized that he did not mean in any way to imply that ADNs lack clinical competency. “I just think that we will have a stronger nursing workforce if we support continuing professional education at all levels,” he concluded. Ms. Foley emphasized that the clinical competency issue belongs in the goal relating to underserved and rural areas: there is a strong argument to support nurses in achieving higher levels of education “so they can serve in these communities that require those additional preparations.” The panel decided that current provisions in Part D are broad enough to support the objective of promoting educational advancement of basic nurses, with the DoN advisory process setting priorities for its programs as needed. To reflect the panel’s thinking, the goal target was

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revised to read: “Increase the number of participants in funded clinical education/career ladder programs.”

- **Diversity goals** – At Mr. Levin’s suggestion, the panel decided to change goals and targets in all three parts that seek to improve diversity to read: “mirror the population served.”

## **Part C: Nursing Workforce Diversity**

- **Cultural competency** – With the goal of increasing the cultural competency of basic nurses, the panel revised the goal targets to read: “Increase the number of students and nurses who participate in funded cultural competency programs.” Some panelists raised concern about limiting the target to DoN-funded programs – all programs should be culturally competent, said Drs. Bolton and Chater. Although a worthy goal, said DoN’s Dr. Geolot, the reality is that the Division can only look at the programs it funds.

## **RECOMMENDATIONS ON FUNDING ALLOCATIONS**

Before the Expert Panel made a final decision on the adoption of the proposed funding allocation methodology, it reached consensus on the allocation of Title VIII funds among the three parts and the sub allocations within Part B, Advanced Education Nurses.

### **Allocation of Funds Among Parts B, C, and D**

The panel reviewed the allocation of funds it had recommended at the last meeting (see minutes for Meeting 3):

	<b>Advanced (Part B)</b>	<b>Diversity (Part C)</b>	<b>Basic (Part D)</b>
Proposed Funding Allocation	31.5%	31.5%	37%
FY 2001 Allocations	77% \$59 million	6% \$4.7 million	17% \$12.8 million
Percent Change	-46%	+25%	+20%

Dr. Hanson, stressed her “absolute support” for a multicultural workforce, but recommended that funds to promote diversity be split between Parts B and D, eliminating Part C. Noting that that we would be better able to sustain diversity in curriculum, diversity is brought into basic and AEN programs overall. With the funds separated out, she explained, “it is very short term, and we get very low returns for that”. Mr. Supplitt argued that past attempts to increase diversity haven’t worked, but “driving diversity beneath the surface” won’t produce any better outcomes. Agreeing that the current AEN and basic programs have not been successful in increasing diversity, Drs. Bolton and Aiken suggested that the next expert panel should have much more data to support a move to concentrate diversity initiatives just within Parts B and D. Mr. Salsberg commented that while diversity initiatives should be funded throughout Title VIII programs, “there is a place ... particularly now, for some very focused efforts around diversity.”

The panel then made a **consensus decision to adopt the allocations** proposed earlier and shown in the table above. Panel members offered further comments to justify the decision. The overall view of the panel was that past efforts on diversity are not acceptable, but the proposed model recommended by the panel is just a transition – “this represents our first best effort, but by no means our last,” Mr. Supplitt said. Summing up the panel’s thinking, Dr. Bolton said, “We want to move forward towards just having basic education and advanced education,” with diversity throughout the programs. Given the data and resources available at this time, the panel’s allocation recommendation “is the most appropriate [way] to help get us there,” she said. There is also general agreement, Mr. Supplitt concluded, that “more resources, both human and financial,” need to be directed to all Title VIII programs.

### **Allocation of Funds Among Part B Subparts**

The panel’s discussion of allocations of funds among the four subparts of Part B, Advanced Education Nurses, began with a proposal by Ms. Foley to divide the funds into two sub allocations. Under the current

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system, AEN funds are distributed among four separate categories (see the table below for specific allocations of FY 2001 funds):

1. Nurse practitioner and nurse midwifery programs
2. Nurse anesthetist programs
3. Other advanced nurse education programs, including:
  - a. Clinical nurse specialists
  - b. Nurse educators
  - c. Nurse administrators
  - d. Public health nurses
  - e. Other specialties as determined by the Secretary
4. Traineeships for advanced education nursing
  - a. All or part of tuition, books, fees, and living expenses paid for
  - b. Not more than 10 percent of traineeships for doctoral students

### Current Sub allocations of Part B Funds

Title VIII Part B	Total Part B	NP/CNM	CRNA	Other	Traineeships
FY 2001 Allocations	\$59 million (77% of total Title VIII \$)	\$21 million (28% of total Part B \$)	\$3 million (4 % of total Part B \$)	\$15 million (20% of total Part B \$)	\$18.6 million (25% of total Part B \$)

#### **Recommendation for Two-Part Sub allocations**

The panel had preliminary discussions at its last meeting regarding allocating Part B funds among different AEN specialties. This allocation decision is particularly difficult, Ms. Foley noted because we are working with an even more limited amount of money and trying to make some good decisions with even weaker information is difficult. Under her proposal, DoN and its advisory council would determine how to allocate the money. The Division and its advisory council have the ability “to make the right decisions with the information available to them at the time and to be responsive to the trends and shifts” in the health care system, she said. Other panel members expressed their support for the idea. Mr. Levin, for example, said DoN should have the flexibility to make decisions based on the “absolutely explosive changes in the organization and financing of health care systems.” Several panelists also supported Ms. Foley’s suggestion that the existing National Advisory Council on Nurse Education and Practice (NACNEP) be the body to advise DoN on sub allocation decisions. Mr. Salsberg emphasized that whether DoN decides alone or with the advice of outside experts, the allocations would presumably “be based on data and data analysis and expertise in the field” – “more than what we [the panel members] have in trying to make that decision.” The Division and the council “would be in a better position than we are in right now” to focus on the relative need for different kinds of advanced education nurses, he said. After Dr. Geolot briefly described how the Division currently allocates funds among proposed programs and projects, Dr. Maddox called for a decision, and the panel agreed to the proposed two-category allocation for Part B.

#### **Recommendation for Range of Percentage Allocations**

The next issue before the panel was to recommend how the Part B funds should be allocated between the two categories – AEN programs and projects as one and the other, traineeships. Many panelists expressed discomfort at recommending a particular percentage for one or the other, saying they lacked the data and expertise to make such a decision. One suggestion offered was to split the funds 50-50 between the two parts. Another was to maintain the share of funds currently allotted – about two-thirds for AEN programs and projects and one-third for traineeships. Dr. Chater urged allocating a larger share (half instead of the existing one-third) for traineeship funds, which go to institutions, which then provide traineeships to individual graduate students. Other panelists favored more support for traineeships. For example, Dr. Aiken said, “the more money we can provide to assist [individuals in continuing their education], then we will certainly ensure an increased workforce.” On the other hand, Dr. Hanson, who preferred keeping the current percentages, was concerned about the impact of more traineeships on faculty – “if we raise the

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number of graduate students, we need more faculty, and I am not sure that if the overall money [for Part B] is lower that the programs will be able to accommodate this increased student load.”

To avoid the dilemma of recommending a specific percentage, Mr. Levin proposed having a range of percentage allocations, with a floor and ceiling for each category. Based on the panel’s comments, Dr. Maddox suggested the panel consider a range for the funding to be allocated to AEN programs. Based on the panel’s discussion that range would be 50-70 percent for AEN programs and projects and 30-50 percent for traineeships, giving DoN discretion to make the final decisions based on need. Panel members expressed support for this suggestion as a reasonable strategy, but with the addition of a statement affirming the importance of traineeships. Mr. Salsberg recommended that the panel urge DoN to provide more money for traineeships if new, additional funds become available; Mr. Levin seconded that recommendation and other panel members expressed support. Dr. Chater, however, again stressed the need for a higher minimum level for traineeships. Mr. Salsberg pointed out that with the 46 percent cut the panel has recommended in overall Part B funding, support for traineeships would drop from \$18.6 million to \$9-\$10 million, given current funding levels. Dr. Hanson commented that if more money from a vastly smaller allocation goes to traineeships, funds for faculty would be decimated.

Finally, the panelists reached **consensus on the allocation of Part B funds**. The panel agreed that the allocation will be between two parts – AEN programs/projects and traineeships – and that the range of allocation will be 50-70 percent of available Part B funds for AEN programs and practice and 30-50 percent for traineeships and that both parts will receive a total of 31.5 percent of overall Title VIII funds (see the table below). To that the panel added a statement recognizing the importance of traineeships and supporting an increased percentage for traineeships if additional funds become available. Finally, the panel recommended that DoN, with the advice of NACNEP, determine the final allocation percentages for each part, consistent with the goals and assumptions adopted by the panel.

### **Recommended Range of Allocations within Part B (AEN) (Percentage Share of Total Part B)**

<b>Total Part B -- Recommended By Panel</b>	<b>All AEN Programs &amp; Practice -- NP/CNM, CRNA, &amp; Other</b>	<b>Traineeships</b>
31.5% of total Title VIII funds	50-70% of total Part B funds	30-50% of total Part B funds

### **RECOMMENDATION TO ADOPT NEW FUNDING ALLOCATION METHODOLOGY**

Having agreed to planning assumptions, goals and targets, and percentage allocations for Parts B, C, and D, the Expert Panel turned its attention to the overall funding allocation methodology recommended in Phase I and the critical question of whether to recommend its adoption to Congress.

Dr. Bolton opened the discussion expressing her support for the proposed methodology as a better alternative than what is used now. If the panel fails to adopt the methodology, she said, “we will be left with the results that we have right now in terms of the outcomes of funding, the distribution of nurses, the makeup of the nursing workforce, and some of the existing shortages.” Mr. Supplitt agreed, stating that the new methodology “is better than the previous process and that the status quo is not acceptable.” He said the process must continue, with the essential element of qualitative judgment but also with better data. Dr. Aiken also supported the methodology and the process the panel used, emphasizing the important role of expert judgment.

Ms. Foley supported the methodology “as an interim step” but urged improvements in the process. In particular, she recommended that the process be “empowered” within DoN’s existing advisory council (NACNEP) and that steps be taken to change the council’s composition or improve its data collection

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capability if such changes are considered necessary in making allocation decisions. Dr. Bolton added that another key component in the process is an outside group such as GMU to provide technical support. Together, the three elements – DoN staff, the advisory committee, and the technical team – produce “a robust process” and “make the use of expert opinion much more valid,” she said. Mr. Levin concurred with the other panelists’ comments, adding that future efforts should include an evaluation process “so that we learn from this experience and pass on that knowledge.”

Dr. Hanson supported previous statements and stressed the importance of strengthening the relationship between DoN and its advisory group, NACNEP. While agreeing that the new methodology is better, Mr. Salsberg said the panel was constrained in its work “by the statute and the charge...and data gaps.” There are “some conceptual flaws” with “the basic framework for support for nursing education” – “putting several different issues under the umbrella of Title VIII and then suggesting that there is a single formula to distribute the funds,” he said.

**The panel agreed by consensus to recommend the funding allocation methodology to Congress as a better approach than the one used now for allocating funds.**

## RECOMMENDATIONS FOR IMPROVING ALLOCATION DEVELOPMENT PROCESS

Dr. Wakefield then asked the panelists to recommend improvements in the allocation development process for future advisory groups, in addition to any recommendations they may have offered during the previous discussion. Following are highlights of their suggestions:

- **Broader input from public** -- Dr. Hanson said that the project Web site could have been used more to make more nurses around the country aware of the panel’s work and provide feedback, although she stressed that “every effort was made.” In response, Dr. Wakefield explained that information about the project was announced by press release at the outset and related information was distributed to about 80 different nursing and health care-related organizations. GMU “pushed” the Web site as a vehicle for relaying information and receiving public input, she said, adding that the site has received over 2,000 hits since the project began. To take advantage of the “multiplier effect of the Web,” Mr. Levin suggested that the nursing organizations could post project-generated information on their own Web sites, with a link back to the project’s site. He also proposed holding regional meetings “as a way of getting different input from different areas” and “enlarging the network.” Dr. Bolton added that in the future the project should solicit the views of the stakeholder organizations, synthesize their comments and present them to the advisory panel before the next process of deliberations begins, a point also made later by Dr. Chater.
- **Evaluation of funding allocations** – Following up on Mr. Levin’s earlier suggestion, Mr. Salsberg said outside “evaluation of the effectiveness of the different funding streams and strategies” would be helpful. Dr. Bolton added that a future expert panel should review as part of its advisory process any studies on the effectiveness of existing programs in “achieving desired goals.” And Mr. Levin stressed that it is important to go beyond evaluating how well the system is working within budgeted resources “to build a case that you can’t run our health care system” and achieve the goals and objectives and match supply with demand using the inadequate resources now provided by the budget.
- **Data** – A number of panelists talked about the importance of having data to inform the panel’s expert judgment. Dr. Chater commended the GMU technical team for providing the data requested by the panel. Mr. Supplitt added that GMU’s ability to provide the data “was phenomenal and helped us to make better decisions.” In addition, he noted the excellent, numerous and varied techniques used by the GMU team to promote panel discussion. One piece of data that would have been helpful, Mr. Levin said, is “what’s going on at the state level”; to correct that deficiency, Dr. Hanson suggested tapping into the areas of state government Web sites that deal with nurse funding. In response to a question from Dr. Hanson about GMU’s perspective on the process, Dr. Maddox said that ideally it would be better if the data needed for consideration by the panel were immediately available at the outset of the project (e.g., the most current NSSRN data).

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- **Expert panel composition** – Dr. Chater recommended including in any future expert panel an individual health care consumer, someone who is not a health care professional or associated with a professional organization and who has received nursing or health care services. Such a representative “introduces a very different perspective” on the data and issues being considered. Mr. Salsberg also suggested that an advisory panel should include a representative of organizations that employ nurses, such as nursing homes and home health agencies.
- **Legislative mandate** – Continuing his earlier comments on the legislative framework for Title VIII, Mr. Salsberg said the statute needs to have “clear statements” about program goals and how they relate to the program’s separate components. “There are differences between programs designed to increase the total supply of nurses, programs to foster better geographical distribution, programs designed to improve skills, and then programs designed to increase efficiency,” he said. “And it’s very hard to lump them in together, which in some ways the charge from Congress did.” Mr. Levin added that future expert panels might help Congress by presenting “a more realistic setting of the components” to be considered in developing a funding formula. All those components in the statutory language “boil down to meeting the health needs of the public,” said Dr. Bolton, but there is a gap between “defining those needs and linking them to specific educational programs” that support educating health care providers to meet those needs.
- **Federal role** – One important area the panel didn’t spend much time on, said Mr. Salsberg, is the role of the federal government in workforce development. The government already does a lot “to inform the public and the education community about what the needs are” in the workforce in general. DoN and HRSA could do more to identify workforce development needs and best practices for the public and educational institutions, an effort that might extend well beyond Title VIII into other agencies, he suggested.

Dr. Wakefield said the GMU staff will incorporate the recommendations of the panel in the final report to Congress. Dr. Maddox reiterated that the panel’s thoughts supporting their observations and recommendations would also be reflected in the report.

## TRANSITION PRINCIPLES AND TIMELINE FOR IMPLEMENTATION

### Transition to New Funding Allocations

The panel’s next task was to decide on general parameters for implementation of the new funding allocation methodology, including a proposed schedule, to minimize disruption to programs currently funded by DoN and to students enrolled in those programs. The panelists quickly agreed to a recommendation that current and continuing projects funded under the existing methodology would complete their funding cycles; no project grant already underway would be rescinded. While most AEN programs and projects operate on a 3-year cycle, traineeship programs are funded on an annual basis.

Mr. Supplitt proposed to phase in the new formula over a 3-year period for funds that remain at the FY 2002 level and to allocate immediately “any marginal increase” over the current level according to the recommended methodology. Dr. Bolton expressed strong concern that a 3-year phase-in would delay addressing the shortage of basic nurses and the diversity issues; she, along with Dr. Aiken, recommended instead a 2-year transition. To convey a sense of urgency, some panelists recommended that the transition begin in FY 2003, recognizing that it can’t be accomplished that quickly. DoN’s Dr. Geolot explained that implementation in FY 2003 would be difficult since the Division won’t announce the next funding cycle until later in the summer and then must wait for Congress to appropriate the money. But, if adopted by Congress, “we will do everything possible to try to implement it in 2003,” she said. Dr. Chater said the panel was talking about four basic principles for the transition: that current funding commitments should be honored; that the timing and amount of next year’s appropriations by Congress are unknown, and that the total funding available could be even less than the FY 2002 level; that DoN should have maximum flexibility in implementing the allocations; and that the new methodology should be in place as soon as possible.

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After considerable discussion, the panel **reached consensus on a gradual transition** to the new funding allocation to minimize disruption to programs. The panel recommended that

- The new funding allocation should take effect by FY 2003, or as soon thereafter as possible;
- Current or continuing grants should complete their funding cycles under the existing methodology and should not lose any funding as a result of new allocation priorities;
- The new funding allocation should be applied as continuing grants end, with the phase-in to be completed by 2005; and
- All new grant applications should be subject to the new funding allocation.

## Transition to Next Funding Allocation Process

As recommended in Phase I, the panel was asked to recommend a timeline and procedures for reviewing the funding allocation methodology in the future. On the question of frequency, the panel members agreed that the process should take place every four years, starting in 2005. The panelists also agreed that rather than convening another outside advisory group such as the current Expert Panel, DoN should use its existing advisory body, NACNEP, to determine future funding allocations. To avoid some of the data lag problems experienced during this project, Mr. Levin recommended that all relevant data and data analyses be available to the advisory body by its first meeting. In response, Ms. Foley suggested that an important reason for using NACNEP is that it already meets on a regular basis to review trends and demographics and other data relating to the nursing profession. Another question raised during the discussion related to the composition of NACNEP. Reading from the statutory language creating the national advisory council, Geolot said the group includes: nursing students; members of the general public; practicing professional nurses; leading authorities in the fields of nursing, higher secondary education and associate degree nursing schools; representatives of AEN groups, such as nurse practitioners, nurse midwives and nurse anesthetists; and representatives of hospitals and other institutions or organizations providing nursing services.

Following is the timeline recommended by the panel:

- DoN should reconsider the Title VIII funding allocations every 4 years;
- DoN should retain an outside contractor to provide the infrastructure for the funding allocation in the summer of 2004;
- DoN's existing advisory council NACNEP should conduct a qualitative funding allocation process, beginning in 2005, and should meet as often as needed to complete the process; and
- DoN should submit a report and recommendations to Congress the following fiscal year.

## **OTHER RECOMMENDATIONS**

In addition to their recommendations on the proposed funding allocation methodology, panel members made other recommendations throughout the decision-making process for improving the capacity of Title VIII to carry out its mission of "assuring an adequate supply and distribution of qualified nursing personnel to meet the needs of the nation." At the previous meeting GMU's Dr. O'Grady presented a list of "other recommendations" that had been culled from the panel's earlier discussions (see the minutes for Meeting 3). The GMU team then revised that list based on the panelists' comments and consolidated it into two broad recommendations, which were presented to the panel for further discussion and final approval: (1) Increase total federal funding for nursing workforce development; and (2) Increase targeted research activities and demonstrations related to the nursing workforce.

With little debate, the panel agreed on the first recommendation. There was more discussion on the second recommendation on the need for more data on the nursing workforce, with panel members suggesting specific types of data and research needed. After deciding against adding a third recommendation to clarify the statutory mandate, which had been proposed by Mr. Salsberg, the panel agreed to the two broad recommendations, including subsets of specific recommendations:

- **Recommendation 1: Increase total federal funding for nursing workforce development.**

# DRAFT

- o Current nursing education options need to be more flexible and condensed to attract new recruits.
- o Funding must be increased in the area of technology to address these issues:
  - Patient safety
  - Technology diffusion
  - Distance education
- **Recommendation 2: Increase targeted research activities and demonstrations related to the nursing workforce.**
  - o Expand and increase the specificity of the National Sample Survey of Registered Nurses.
    - Conduct every 3 years to cycle with most grants.
    - Oversample groups of RNs that are underrepresented.
    - Collect more refined data to link funding to specific types of nursing and practice settings.
  - o Establish a nursing workforce planning mechanism.
    - Develop a methodology to measure nursing shortage areas.
    - Establish a national advanced practice nurse database.
    - Develop a set of national indicators to monitor national nursing workforce supply and demand.
    - Assess the effectiveness of Title VIII programs.
  - o Nursing care delivery models using patient outcomes should be tested.

## TIMELINE FOR FINAL REPORT TO CONGRESS

Dr. O’Grady reviewed the schedule for producing the final project report. After editing by GMU, panel members will receive the draft report by the end of June. The panel will have about a week to review and comment on the draft and then after GMU incorporates the panel’s edits, the final draft report will be submitted to DoN in mid-July.

Mr. Supplitt, Dr. Bolton and Dr. Hanson then offered their thanks and appreciation to DoN and GMU for their work on this project.

## PUBLIC COMMENTS

The following members of the audience gave brief comments:

### **Rose Gonzalez, Director of Government Affairs, American Nurses Association**

Key point:

- o “I applaud the work of the Expert Panel and George Mason and I trust the Division of Nursing and the Advisory Council in making good sound decisions for funding for nursing education and practice.”

### **Eric Scharf, Executive Director, American College of Nurse Practitioners**

Key points:

- o The panel and GMU are to be commended for their work.
- o It is important to look at mechanisms for increasing funding for health care workforce training, as suggested by the panel.

### **Kitty Werner, National Organization of Nurse Practitioner Faculties**

Key points:

- o Thanks to the panel and GMU for “an outstanding job.”
- o The faculty shortage will continue to be “a very significant issue.
- o Will the public comments be included in the final report to Congress? [Dr. Maddox replied that all public comments will be a part of the report and have been submitted to the panel.]

## DRAFT

- o Workforce planning, as cited in the panel’s additional recommendation, is “a key issue and certainly is very important for advanced practice nursing.”

### **Lorraine Jordan, American Association of Nurse Anesthetists**

#### Key points:

- o To everyone in nursing, “we all need to do a better job at trying to ascertain future funding for all of nursing across the board.”
- o “There’s no question that the new methodology suggested will have a dramatic impact on our program....” The association is “going to look at new opportunities” for “funding in maybe a different manner.”
- o “I thank you for your time, energy and effort because I know it’s not easy.”

### **Mary Louise Fleming, San Francisco Public Health Department**

#### Key points:

- o “Knowledge is power,” and the more “our constituents and beneficiaries” know about this work, the better.
- o On the issue of traineeships, “it’s not only a matter of recruitment but also a matter of retention.” Traineeships provide nurses with opportunities to go back to work and advance their careers – “these are our faculty of the future, these are our mentors that will be there for our new workforce.”

## **MEETING ADJOURNMENT**

On behalf of GMU’s Center for Health Policy, Research, and Ethics, Dr’s. O’Grady and Maddox thanked the Expert Panel, research analyst Victoria Doyen, and the Division of Nursing’s Drs. Geolot and Gassert for all their work, and Dr. Geolot thanked GMU and the panel. Dr. Wakefield adjourned the meeting.

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