Federal legislative and regulatory impact on funding of nurse anesthesia education

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Publication of the monographs from the National Commission on Nurse Anesthesia Education began with the February 1991 issue of the AANA Journal. The main topics for these monographs include the History of Nurse Anesthesia Education, Accreditation, Certification, Current and Future Perspectives on the Educational Framework, Costs/Funding, the Nursing Shortage, CRNA Manpower Study, and Other Issues. The Executive Summary and Recommendations of the Report of the National Commission on Nurse Anesthesia Education were published in the October 1990 issue of the AANA Journal.

The history of the impact of federal legislation and regulations on funding for nurse anesthesia education is traced from 1965 to the present. Current funding restraints and a decline in nursing education programs suggest that it may be time to explore innovative ways of educating nurse anesthetists.

In 1965, Medicare was passed into law, which provided the incentive for creating the Nurse Training Act (Title VIII of the Public Health Service Act) designed to (1) increase the supply of nurses, (2) provide for the development of schools of nursing and (3) improve the practice of nursing. The first two objectives have been accomplished.

During the '70s, enrollments in nursing schools doubled, and the number of baccalaureate and associate degree schools grew by leaps and bounds. However, by the early 1980s, hospitals continued to report a widespread acute shortage of registered nurses (RNs).

As both the shortage and the number of nurses continued to grow, officials of the Department of Health, Education and Welfare (now the Department of Health and Human Services) claimed that nurses were simply not practicing nursing and tried, quite logically, to eliminate authorization and funding for the Nurse Training Act. As both the shortage and the number of nurses continued to grow, officials of the Department of Health, Education and Welfare (now the Department of Health and Human Services) claimed that nurses were simply not practicing nursing and tried, quite logically, to eliminate authorization and funding for the Nurse Training Act.

During the '70s, Presidents Nixon, Ford and Carter vetoed the act. From their perspective, the act had not been effective in alleviating the nursing shortage. But officials had overlooked the rise in workforce participation of nurses from 55% in 1960 to over 70% in 1971. Workforce participation eventually reached 78.7% in 1986. The nursing shortage problem was clearly not one of low workforce participation.

Despite the Nixon-Ford-Carter veto attempts, the Nurse Training Act continued to survive through strong Congressional intervention at the request of the nursing community.

During the late 1970s most, if not all, nurse anesthesia education programs were hospital based. These educational programs did not require tuition and paid a stipend to the nurse anesthetist student during his or her enrollment in the program.

Unlike other nursing education programs, nurse anesthetist students were required to attend the program full time for a 2-year period (24-month program). At the very most, two week-long breaks were given during the year. Because of fiscal constraints, hospitals began cutting back on stipends for students.

Simultaneously, there was a push within the nursing community to move all nursing programs, including nurse anesthesia educational programs, into formal educational or academic settings. This move placed additional financial burdens on the nurse anesthetist student, because tuition payments were not required, and there continued to be no form of support from stipends.

The Nurse Training Act targeted most of its money at nursing schools in an academic environment that supported baccalaureate and master’s degree students. At this time, unlike other nursing degree programs, nurse anesthetist education programs were likely to be based in academic departments other than nursing—such as allied health, pharmacology or physiology. As a result, nurse anesthetist degree programs were not eligible to receive any federal funds from the Nurse Training Act. This
funding bias was advocated by the organized nursing community and continues to exist in legislative language. Another attitude that contributed to the funding problem was non-recognition of specialty nursing groups by organized nursing, with some insisting that nurse anesthetists were not nurses.

Also in the 70s, the Department of Health, Education and Welfare issued a regulation pertaining to the Nursing Student Loan Program. This regulation required nurse anesthetist students to pay back any loans received under the program, while all other nursing students received loan forgiveness under certain conditions.

The department’s rationale for the nurse anesthetist payback requirement was that nurse anesthetists potentially made more money once they graduated than any other nursing specialty and could, therefore, afford to pay back their loans. This created a disincentive for nurse anesthetist students to apply for the loan program and further limited the availability of financial aid to a nurse anesthetist student.

Cumulatively, these factors created a need for federal financial aid for nurse anesthesia students and funds for nurse anesthetist educational programs. In 1978 and 1979, AANA asked Congress for an authorization to resolve this situation. Surprisingly, this effort was met with resistance from the nursing committee.

Much of the opposition focused on funding nurse anesthetist educational programs that were not housed in schools of nursing. The political environment at the time favored providing federal financial aid to students rather than institutions. As a result of these factors, lobbying efforts were redirected toward obtaining financial aid for nurse anesthetist students in the form of stipends.

The nurse anesthetist traineeship program

On September 29, 1979, after nearly two years of lobbying efforts, the Nurse Training Act Amendments of 1979 were enacted into law (Public Law 96-76). This law included a special provision for nurse anesthetist educational programs—Section 831 of the Public Health Service Act for training RNs as nurse anesthetists. The law read as follows:

"Sec. 831.(a)(1) The Secretary may make grants to the public or private non-profit institutions to cover the costs of traineeships for the training in programs which meet such requirements as the Secretary shall by regulation prescribe and which are accredited by an entity or entities designated by the Commissioner of Education, of licensed, registered nurses to be nurse anesthetists." (The Commissioner of Education was designated Secretary of Education when the Office of Education became the Department of Education.)

"(2) Payments to institutions under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.
(b) For the purpose of making grants under subsection (a), there are authorized to be appropriated $2,000,000 for the fiscal year ending September 30, 1980."

In the committee report accompanying the bill (H.R. 3633) that became law, the committee stated the following regarding nurse anesthetists:

"Anesthesia services in the United States are provided primarily by two categories of health professions, the approximately 13,800 anesthesiologists and 13,500 certified registered nurse anesthetists. The largest percentage of anesthesia services is provided by nurse anesthetists (48.5 percent), followed by anesthesiologists (38.3 percent) and other health personnel (13.2 percent). The performance of nurse anesthetists and the quality of the services they render are attested to by their widespread use in university medical centers, community hospitals, and Federal facilities such as hospitals of the Veterans Administration and the Armed Forces. More importantly, nurse anesthetists provide more than 65 percent of the anesthesia services provided in hospitals of less than 100 beds, particularly those located in rural and medically underserved areas.

"The committee anticipates a growing demand for the services provided by nurse anesthetists. Virtually all nurse anesthetists find employment immediately upon graduation and, increasingly, students enrolled in training programs are receiving employment commitments more than a year prior to graduation.

"Nurse anesthetists also represent a cost-effective mechanism for providing anesthesia services. The vast majority of nurse anesthetists are salaried employees of hospitals earning an average annual salary of $19,000; by contrast, the average annual income of the hospital-based anesthesiologist, who is compensated on a fee for service basis, exceeds $75,000.

"Unlike a traditional education program, the typical nurse anesthesia training program extends for 24 consecutive months of full-time classroom and clinical studies. Because of the intensity of the course of study and the required rotation in the clinical phase of study, some programs prohibit students from seeking part-time employment, and others actively discourage it.

"In the Committee's view, providing financial support to individuals pursuing training to become nurse anesthetists will help to increase the supply of these valuable members of the health care team, improve the quality of anesthesia services being provided in the United States, and may ultimately serve to reduce the costs of providing such services."

While the authorization passed, the timing was out of synch with the appropriations cycle. The appropriations for fiscal year 1980 had already been determined by Congress, and there was no opportunity during this fiscal year to obtain the funding necessary for the newly authorized program.

In 1980 and 1981, President Ronald Reagan came into office and initiated efforts to reduce all federal spending, except for the defense. Under the Reagan administra-
tion's direction, Congress made its first attempt to reduce federal spending through a vehicle that became known as the Omnibus Budget Reconciliation Act of 1981—(OBRA) (Public Law 97-35).

This law dramatically reduced the authorized spending for all domestic programs, including those under the Nurse Training Act. It did not extend authorization for the nurse anesthetist traineeship program. The rationale at the time was that Congress was reducing the spending authority for programs that had already been in existence, and since the nurse anesthetist traineeship program was a new program that had yet to be funded, it was easy to drop its extension.

During calendar year 1982, efforts were made in both the House and Senate to obtain an authorization for the nurse anesthetist education program. The Senate, through its version of the Biomedical Research, Training and Medical Library Assistance Amendments of 1982 (S. 2311), included a provision authorizing the nurse anesthetist traineeship program. The committee report accompanying this bill included the following:

"The Committee has approved authorization of nurse anesthetist traineeships, formerly authorized under Section 831 of the Public Health Service Act. Nationwide, nurse anesthetists administer approximately 50 percent of all anesthesia, and particularly rural and small hospitals of fewer than 100 beds benefit from their services. The funds authorized will help ameliorate the current supply shortage of these health professionals, estimated to exceed 5,000 by manpower studies."

Similarly, in 1982 the House included a provision in a bill, H.R. 6355, that would have authorized $400,000 in fiscal year 1983 and $800,000 in fiscal year 1984 for the nurse anesthetist education programs. The House Report accompanying this bill included the following:

"Amends Section 831(b) of the Public Health Service Act to extend the authorization of appropriations for the training of nurse anesthetists—$400,000 is authorized for fiscal year 1983 and $800,000 for fiscal year 1989. Nationwide, nurse anesthetists administer 50 percent of all anesthesia care. In rural and small hospitals of fewer than 100 beds nurse anesthetists administer two-thirds of all anesthesia care. These funds will help ease the current serious supply shortage of at least 5,000 to 8,000 anesthetists, as evidenced by a number of manpower studies as well as the sharp decrease in the number of training programs which have fallen from 225 to 145 in the past few years."

Despite these attempts, both S. 2311 and H.R. 6355 died in this session of Congress.

Finally, in 1983, through the Orphan Drug Act, an authorization for the nurse anesthetist traineeship program was approved by Congress and signed into law on January 4, 1983. The authorization approved, as in prior proposals, $400,000 for fiscal year 1983 and $800,000 for fiscal year 1984. Once again, the authorization and appropriations cycles were out of synch, and it wasn't until fiscal year 1984 that the nurse anesthetist program received funding in the amount of $396,000.

In 1985, Congress again reauthorized the Nurse Training Act, this time calling it the Nurse Education Amendments of 1985. This law (Public Law 99-92) was enacted on August 16, 1985. It authorized $800,000 per year for each of the fiscal years 1986 through 1988 for the nurse anesthetist traineeship program. In fiscal year 1985, the program received $792,000; in fiscal year 1986, $759,000; in fiscal year 1987, $739,000; in fiscal year 1988, $768,000 and in fiscal year 1989, $784,000.

In each of the fiscal years 1985-1988, either the House or Senate appropriations committees had recommended funding the program at the full authorization level of $800,000. However, overall concerns about the looming federal deficit caused across-the-board cuts in federal domestic programs that reduced their funding levels. (See Table I for authorization and appropriation.)

Nurse education amendments of 1988

When it came time to reauthorize the nurse education amendments in 1988, several factors came into play. First and foremost was the severe nursing shortage. In addition to the shortage, many concerns were expressed, including (1) low pay in the nursing profession; (2) decreased enrollments in nursing schools across the country; (3) tuition increases and (4) the many competing career opportunities for women and men in general.

The nursing community at large was advocating doubling the authorization for nursing education (from about $50 million per year to over $100 million per year). In addition, a priority was placed on funding undergraduate programs and those that would target minorities. Many educators believed that increased federal funding would attract more students into nursing and that it would help to diversify nursing, for example, by attracting more minority students into the field, since only 3% to 6% of the total nursing population is composed of minorities.

The second factor driving decisions about the authorization levels was the ever-looming federal deficit and attempts by both the administration and the Congress to restrain federal spending. With respect to nurse anesthetist traineeships and education programs, it was noted with much concern that the number of nurse anesthetist students and educational programs had declined dramatically over the past several years. However, the number of applications for nurse anesthesia student slots did not decrease.

Nurse anesthetist traineeship program

In 1976, there were 1,094 graduates, and in 1986 there were 722. In 1987, the number declined again to 620. Compounding this trend, in fiscal year 1987 only 471 nurses were able to receive traineeship funding from the program. The average cost per year for a student to attend...
a nurse anesthesia program was about $13,000 to $19,750 at a state institution and $18,000 to $34,200 at a private institution. (These figures included tuition, books, supplies and cost of living expenses.)

During the 1988 lobbying efforts to reauthorize the nurse anesthesia provision, the AANA was also seeking expansion of program eligibility from one year to two years. This expansion was sought because of the heavy financial burden that was placed on nurse anesthetist students. The AANA authorization requests were as follows:

<table>
<thead>
<tr>
<th>Nurse anesthetist traineeship</th>
<th>FY '89</th>
<th>FY '90</th>
<th>FY '91</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1.2M</td>
<td>$2.7M</td>
<td>$3M</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Number of students served</th>
<th>FY '89</th>
<th>FY '90</th>
<th>FY '91</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(740)</td>
<td>(900)</td>
<td>(900)</td>
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### Nurse anesthetist faculty program

Under prior law, not more than 20% of the nurse anesthetist traineeship program money could be used to provide financial assistance to support CRNA faculty to enable them to obtain an advanced degree relevant to their teaching functions.

Because traineeship funding was at a level of about $800,000 per year, the division of nursing and the AANA mutually decided not to spend any of the traineeship money for the purpose of faculty development but to utilize the funds to produce more nurse anesthetists. In 1988, there were 98 nurse anesthesia programs in the country. Ideally, all the directors of these programs should hold doctoral degrees; in 1988, only 8 of the 98 directors held such a degree.

It was also noted that the faculty of any higher educational program should hold, at a minimum, a master's degree when teaching students for an equivalent degree. In 1988, there were 900 nurse anesthetists without a master's degree who were serving as faculty of higher educational programs. Time and financial constraints prohibited their obtaining the advanced degree.

Tuition for graduate education averaged about $10,000 per year at a public institution and about $30,000 per year at a private institution. Completion of a master's degree usually requires two years, and a doctoral degree usually requires four to five years to complete.

To allow at least 5% of the nurse anesthetist faculty to go back to school to obtain the necessary advanced credentials, the AANA sought an authorization level in addition to the traineeship program as follows:

<table>
<thead>
<tr>
<th>Nurse anesthetist faculty development</th>
<th>FY '89</th>
<th>FY '90</th>
<th>FY '91</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1M</td>
<td>$2M</td>
<td>$2M</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of individuals affected</th>
<th>FY '89</th>
<th>FY '90</th>
<th>FY '91</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50</td>
<td>100</td>
<td>100</td>
</tr>
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</table>

An alternative proposal expanded the scope of Section 830 of the Public Health Service Act, which covers traineeships for advanced education of professional nurses, to include nurse anesthetists. Instead of acting on either of these suggestions, Congress decided to extend the existing law on this matter, which reads as follows:

"(2)(b) The Secretary may make grants to public or private nonprofit institutions to cover the cost of projects to improve existing programs for the education of nurse anesthetists which are accredited by an entity or entities designated by the Secretary of Education. Such grants shall include grants to such institutions for the purpose of providing financial assistance and support to certified registered nurse anesthetists who are faculty members of accredited programs to enable such nurse anesthetists to obtain advanced education relevant to their functions.

"(2)(c) ...Not more than 20 percent of the amount appropriated under this section for any fiscal year shall be obligated for grants under..."

### Nurse anesthetist educational programs

In addition to the nurse anesthetist traineeship program, AANA's biggest concern was the lack of sufficient numbers of educational programs to train and educate the students. The number of nurse anesthesia schools had declined significantly since 1976, when there were 194 programs in the country, to a total of 98 in 1988. The primary factors causing these programs to close were (1) costs of opening and operating a program; (2) the potential cost incurred by moving an educational program from a certification program to a graduate program; (3) the future effect of the prospective payment system on the hospital's fiscal stability; (4) the potential for graduate medical education pass-through monies under Medicare legislation to decline and (5) efforts by the medical community to discourage coexisting anesthesiology residency programs and nurse educational programs within academic health centers.

The request to Congressional authorizing committees was for creation of a new program for nurse anesthesia similar to Section 822 (1)(A) for the nurse practitioners and nurse midwives. This way, grants could be given to entities to plan, develop and operate new programs or expand such programs. The number of new nurse anesthesia programs needed at a master's level was, in the AANA's estimation, about 15 programs over the next three years. This would have helped meet the need to produce an adequate supply of nurse anesthetists.

The average nurse anesthetist program includes only seven or eight students. The small class size is dictated by inadequate clinical facilities, teachers and limits on operating room time. At least 800 hours of actual administration of anesthesia to at least 450 patients is required for a nurse anesthesia student to qualify to take the nurse anesthesia certification examination. The average
student administers 600 anesthetics to patients within 1,000 hours of clinical experience.

Estimates showed that startup costs for a new nurse anesthetist program were about $200,000 to $265,000 for the first two years of operation. Two years would allow a school to be fully operational and obtain accreditation status. The average budget to operate a typical nurse anesthesia program without a stipend was about $175,000 to $200,000 per year. AANA requested from Congress an authorization that would have allowed the opening of 15 programs over the fiscal years 1989 to 1991 as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Authorization</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY '89</td>
<td>$1,25M</td>
<td>$1,150,000</td>
</tr>
<tr>
<td>FY '90</td>
<td>$2.5M</td>
<td>$1,150,000</td>
</tr>
<tr>
<td>FY '91</td>
<td>$2.5M</td>
<td>$1,150,000</td>
</tr>
</tbody>
</table>

As in any lobbying effort, compromises were made both with the nursing community at large and with the Congressional committees. The result of these efforts was seen in the enactment of Public Law 100-607, the Nursing Shortage Reduction and Education Extension Act of 1988. Provisions for the nurse anesthetist traineeship and educational program were written into the new law as follows:

"(1) The Secretary may make grants to public or private nonprofit institutions to cover the costs of traineeships for licensed registered nurses to become nurse anesthetists and to cover the costs of projects to develop and operate programs for the education of nurse anesthetists. In order to be eligible for such a grant, the program of an institution must be accredited by an entity or entities designated by the Secretary of Education and must meet such requirements as the Secretary shall by regulation prescribe.

Payments for traineeships shall be limited to such amounts as the Secretary determines to be necessary to cover the costs of tuition and fees and a stipend and allowances (including travel and subsistence expenses) for trainees.

For the purpose of making grants under this section, there is authorized to be appropriated $1.8 million for each of the fiscal years 1989 through 1991."

For fiscal year 1990, the appropriation for these programs is $1,150,000.

Currently, the Department of Health and Human Services is drafting regulations to govern the new provisions for nurse anesthetists. It was expected that this regulation would be published early this spring and monies awarded during this current fiscal year.

Summary

As in previous years, AANA will present testimony before both the House and Senate Appropriations Subcommittee on Labor, Health and Human Services and Education requesting fiscal year 1991 funding for the nurse anesthetist programs at the fully authorized level of $1.8 million.

However, the budget deficit is still a primary concern of the Congress, and efforts to reduce the deficit continue to impact either directly or indirectly on the funding of nurse anesthetist programs, as all federal programs compete for a piece of the pie. It is expected that this competition will continue and is likely to stiffen. As a result, lobbying efforts will be strengthened to get the maximum funding levels. For example, grass-roots CRNAs must contact their legislators on this matter, especially those program directors and students who have schools in districts of members of Congress who sit on the Appropriations Committee and subcommittees that have jurisdiction over this program.

For the moment, it appears that federal funding will continue to be restrained and probably on the decline for nurse education programs. At a minimum, funding will decline in terms of real dollars. With this in mind, it may be time to examine innovative means to educate nurse anesthetists. The nurse anesthesia program requirements are among the most rigorous of all nursing programs. Requiring a student to attend for a 2-year period without any opportunity to earn or seek other sources of income is problematic. Perhaps the need for this approach could be reevaluated.

Certainly, Congress and the executive branch are interested in meeting the needs of specific population groups in medically underserved areas and in encouraging better minority representation. Developing models or innovative programs in areas of shortages might provide an opportunity for more federal funding of nurse educational programs and offer some flexibility in obtaining other clinical sites, a factor that seems to have caused a major obstacle to opening new programs.

Another difficulty in presenting the AANA's requests to Congress came in verifying the manpower needs of both nurse anesthetists and anesthesiologists. This matter may be resolved with the forthcoming Nurse Anesthetist Manpower Study that was mandated by Congress in the fiscal year 1988 Labor Health and Human Services Appropriations Bill. The committee directed the division of...
nursing and the National Center for Nursing Research to do the study, which was finalized and published in February 1990. The favorable results of this study should help in obtaining more funds for the traineeship and education programs.

Other solutions to obtaining more educational funds for nurse anesthetists might be pursued through other programs, such as those in the Department of Defense, the Veterans Administration and the Indian Health Service. Over the past several years, efforts in these areas have been pursued, and some success has been met.

Without a doubt, nurse anesthesia education is vulnerable. The dramatic decline in both nurse anesthetist graduates and nurse anesthetist programs is problematic. The problem will be exacerbated if the manpower study shows an even greater need for nurse anesthetists than are currently being produced.

The need to develop and open new programs to educate nurse anesthetists is critical. Given the bias of organized nursing, it may be well for AANA to meet and formally negotiate a plan with both the AACN and NLN that will meet its goal of opening new educational programs. If neither of these groups is able to assist in this endeavor, another option might be for both AACN and NLN to wholeheartedly support AANA’s effort to develop programs in academic departments other than schools of nursing.

Because of the limited financial resources for nurse anesthetists and concern about faculty development, the AANA should think of taking action, perhaps in the form of a resolution, which would mandate the credentials of faculty within a reasonable period of time.

Another area that needs to be closely examined is Medicare’s graduate education program.