

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Health and Human Services Appropriations Committee

BILL: CS/SB 1000

INTRODUCER: Health and Human Services Appropriations Committee and Senator Peaden

SUBJECT: Medicaid/Fall-Prevention Program

DATE: April 18, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Garner	Wilson	HE	Favorable
2.	Dull	Peters	HA	Fav/CS
3.				
4.				
5.				
6.				

I. Summary:

The bill establishes a comprehensive geriatric fall-prevention program for Medicaid recipients in Miami-Dade County. The program may serve up to 7,000 Medicaid recipients during the first year of operation and must be operational within 120 days of the effective date of this act.

The bill requires the Agency for Health Care Administration (AHCA) to evaluate the cost effectiveness and clinical effectiveness of the program and report the findings to the Legislature by January 1, 2009. If the evaluation demonstrates effectiveness, AHCA must develop a plan and timeline for statewide expansion of the program.

The bill provides \$2,320,987 in recurring General Revenue funds and \$3,307,013 in funds from the Medical Care Trust Fund to implement the provisions of the act.

This bill creates an undesignated section of law.

II. Present Situation:

Medicaid Geriatric Fall-Prevention Projects

Florida's Medicaid program had a geriatric fall-prevention demonstration program on two different occasions over the last few years. Each time, the program was authorized in proviso language in the General Appropriations Act (GAA), but would later cease operation as continuing funding was not appropriated. Specifically, in the FY 2002-03 GAA (2002-394, L.O.F.), funds were appropriated for demonstration projects "to reduce geriatric falls among community-based Medicaid recipients."

This first demonstration project was operational from March 19, 2003 through June 14, 2003, when the contract was terminated due to lack of continuation funding. The program was intended to have an average monthly caseload of up to 6,000 participants, although only 2,320 participants were actually screened. Of those that were screened, 1,984 participants were found at high risk of falling and 1,738 participants received intensive services during the project's three months of operation. The program, if it had been implemented for the full fiscal year, was expected to have had net savings of over \$1 million.

In FY 2003-04, there was no appropriation for the project. In FY 2004-05, proviso language was included in the GAA that appropriated funds for the geriatric fall-prevention program (2004-268, L.O.F.), which was implemented in July 2004. The program was similar to the first project and was administered by the same company in Miami-Dade and Broward Counties. The programs provided the following services:

- **A Fall Risk Screening** which included occupational therapy tests for gait, balance and range of motion measures, ability to perform daily living activities, health history and pharmacy-related analysis, and other assessments to determine degree of fall risk.
- **A Comprehensive Assessment** presented to elders who were at significant risk for a fall, which included a recommended action plan to reduce the risk of falling and a detailed explanation of their risk factors.
- **Consultation** with the recipient's primary care physician, family and other professional or vocational caregiver, upon recipient's approval, to discuss risk-reduction strategies.
- **A Home Safety Assessment** for those deemed at high risk to determine home environments that increase risk and offer simple and low-cost risk reduction strategies.
- **A Care Plan** that included individualized services and strategies including environmental modifications, health-related interventions, assistive devices, and behavioral and educational programs.

The programs also provided education and support services including:

- **A Face-to-Face** visit each month to provide support and information. Telephone contacts were also to be made with program participants.
- **Educational Materials** for participants, family members and caregivers to provide continued education on risk behaviors, reduction strategies, and to offer support.
- **Information and Referrals** to other health professionals as needed, as well as referrals to other supportive and rehabilitative services.
- **A Call Center** staffed with trained professionals to provide information about falls, receive reports of falls and provide referrals.

The FY 2005-06 GAA (2005-70, L.O.F.) contained continuing base funding and funds for expansion of the geriatric fall-prevention program. However, these appropriations were subject to the Governor's line-item veto (which he exercised) and the program was discontinued for a second time due to a lack of continuation funding.

Program Savings

The only state estimate of cost savings in the program come from the Summary of Governor's FY 2004-05 Budget Recommendations. In this document, AHCA projected that implementation of the program would produce \$1,048,900 in general Medicaid cost savings and an additional \$5,872,900 in savings from nursing home cost avoidance. This represented a gross savings of \$6,921,800, and net savings of \$2,097,800.

The Medicaid geriatric fall-prevention program provider evaluated the programs after the Governor's projection to examine cost and clinical effectiveness.¹ In order to assess the cost savings to Florida Medicaid which were achieved between March 2003 and February 2005, ElderCare compared the healthcare utilization and costs observed in their screened and serviced Medicaid elder population (n=5,516) to the care and cost data for a control group of 5,516 other Medicaid elders. The control group was selected in a way such that their care and cost statistics were identical to the totals and averages in the entire population of Medicaid elders in Miami-Dade and Broward Counties. Based on this comparison, ElderCare determined the following:

- On long-term care, the Medicaid elders treated by ElderCare were 76 percent less likely to require nursing home care or other long-term care stays and had 51 percent lower cost per elder. These two factors resulted in an observed gross savings of \$10,962,342 to Florida Medicaid.
- Medicaid elders served by ElderCare (n=5,516) had an 88 percent lower hospitalization rate than the control group--resulting in total savings to Florida Medicaid of another \$2,585,854.
- Concerning outpatient services, the ElderCare group had a 24 percent lower utilization rate than did the control group--resulting in savings of \$4,689,832.
- With reference to pharmaceutical use and costs, the Medicaid elders in the experimental group had a 21 percent lower utilization rate and a 30 percent lower cost-per-case than did the control group, yielding savings to Florida Medicaid of \$8,750,094.
- Combining long-term care, hospitalization, outpatient, and pharmacy services, the ElderCare program achieved a total gross savings to the Florida Medicaid program of \$26,988,122. Subtracting ElderCare's fees of \$5,628,000 for this same time period yields a net savings if \$21,360,122.

III. Effect of Proposed Changes:

Section 1. Requires AHCA to establish a comprehensive geriatric fall-prevention program. The program must be evidence-based and expand the programs previously implemented under state contracts awarded in 2002. The bill requires the program to serve 7,000 Medicaid recipients during the first year of operation and requires the program to be operational within 120 days of the act's effective date. The bill requires AHCA to evaluate the cost-effectiveness and clinical effectiveness of the program and report the findings to the Legislature by January 1, 2009.

¹ *An Interim Report on the Outcomes of ElderCare's Geriatric Fall-Prevention Program for Florida's AHCA After 24 Months of Program Activity.* The ElderCare Companies, Inc. March 2005.

The bill requires services provided during the first two years of the program to be reimbursed using the same system that was allowed under the previous program contracts, however, AHCA is required to change the reimbursement system to a capitated, risk-adjusted payment system by the first day of the third year of operation.

Section 2. Provides \$2,320,987 in recurring General Revenue funds and \$3,307,013 in funds from the Medical Care Trust Fund to implement the provisions in the act.

Section 3. Provides an effective date of upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Art. VII, s 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Art. I, s. 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Art. III, Subsection 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

A summary of the fiscal impact of the bill is as follows:

Agency for Health Care Administration	FY 2006-07	FY 2007-08
Number of recipients as specified in the bill.	7,000	7,000
Cost Per Person Per Year (<i>Based on previous contracts, M0337 and M0509</i>).	\$804	\$804
Total	\$5,628,000	\$5,628,000
<i>General Revenue</i>	<i>\$2,320,987</i>	<i>\$2,320,987</i>
<i>Medical Care Trust Fund</i>	<i>\$3,307,013</i>	<i>\$3,307,013</i>

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

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