HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 577 Medicaid Comprehensive Geriatric Fall Prevention Program
SPONSOR(S): Garcia
TIED BILLS: **IDEN./SIM. BILLS:** SB 1000

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Elder & Long-Term Care Committee	8 Y, 0 N	DePalma	Walsh
2) Health Care Appropriations Committee		Speir	Massengale
3) Health & Families Council			
4)			
5)			

SUMMARY ANALYSIS

House Bill 577 creates s. 409.91212, F.S., entitled the "Medicaid comprehensive geriatric fall prevention program," and directs the Agency for Health Care Administration (AHCA) to establish a Medicaid comprehensive geriatric fall prevention program in Broward and Miami-Dade Counties.

The bill requires AHCA to evaluate the cost-effectiveness and clinical effectiveness of the program before reporting its findings to the President of the Senate and the Speaker of the House of Representatives by January 1, 2009.

The bill provides for reimbursement on the same basis as provided for under the demonstration project contracts. Beginning in the third year of program implementation, however, services are to be reimbursed only on a capitated, risk-adjusted basis.

The bill provides legislative intent for incorporation of the program into the Medicaid program, and inclusion of the program as a requirement for certification or credentialing of health plans participating in either Florida Senior Care, per s. 409.912(5), F.S., or the Medicaid managed care pilot program, per s. 409.91211, F.S.

This bill has a recurring fiscal impact of $6.5 million ($2.7 million General Revenue).

The bill provides an effective date of July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government—The bill requires the Agency for Health Care Administration to establish a Medicaid comprehensive geriatric fall prevention program in Broward and Miami-Dade Counties.

Empower Families—Potentially, the fall prevention and education features of the bill might have the effect of enabling more Medicaid-eligible seniors to remain in community-based settings, thereby avoiding placement in various nursing and long-term care facilities, as well as decreasing reliance on more expensive Medicaid programs.

B. EFFECT OF PROPOSED CHANGES:

BACKGROUND

The Incidence and Complications of Geriatric Falls

Nationally, 12 million seniors fall each year.[1] In recent years, Florida has the second highest incidence of deaths because of geriatric falls in the United States.[2] Statewide, there were 51,079 hospital discharges for falls involving seniors 65 and older in 2004, resulting in an average hospitalization of 5.1 days, an average charge per stay of $28,018 and a total cost of $1,431,148,249.[3]

Moreover, the frequency and severity of geriatric falls is most pronounced for seniors in nursing homes and other long-term care facilities. While roughly one-third of seniors fall annually, as many as three-fourths of nursing home residents experience fall-related injuries every year.[4] A typical 100-bed nursing facility annually reports between 100-200 resident falls, while many other falls remain unreported.[5]

Deteriorating health conditions are partially responsible for increases in the frequency and severity of geriatric falls, as a senior's balance can be substantially affected by diabetes, heart disease, and poor circulation, or by medical complications affecting a senior's thyroid or nervous system.[6] The likelihood of a severe fall episode is further increased through the routine administration of medicines, and the consequences of a fall are greatly exacerbated by a senior's osteoporosis, a disease which leaves the body's bones thin and brittle, and more susceptible to easy breaks—including hip fractures.[7] Of all fall-

[1] Testimony before United States Senate Subcommittee on Aging of David W. Fleming, Acting Director of Centers for Disease Control and Prevention, June 11, 2002, available at: http://www.cdc.gov/washington/testimony/ag061102.htm.
[2] *The State of Florida Medicaid Geriatric Fall Prevention Project; Request for Proposals*, Agency for Health Care Administration, Division of Medicaid.
[3] As reported by the Agency for Health Care Administration, using diagnosis codes E880 – E888.9. These figures only represent inpatient discharges, and not emergency department visits not resulting in an inpatient stay. Moreover, total costs reported do not include rehabilatory and accompanying costs associated with a fall, and do not include other long-term consequences of fall-related injuries, such as disability, decreased productivity or reduced quality of life.
[4] *A Tool Kit to Prevent Senior Falls: Falls in Nursing Homes*, accessed January 24, 2005, National Center for Injury Preventions and Control, Department of Health and Human Services Centers for Disease Control and Prevention, available at: http://www.cdc.gov/ncipc/factsheets/nursing.htm.
[5] Ibid.
[6] *Age Page: Preventing Falls and Fractures*, accessed January 24, 2005, National Institute on Aging, available at: http://www.niapublications.org/agepages/PDFs/Preventing_Falls_and_Fractures.pdf.
[7] Ibid.

related fractures, hip fractures result in the greatest number of deaths and are responsible for the most diminished quality of life following recovery.[8]

In a 2002 request for proposals to implement a Medicaid Geriatric Fall Prevention Demonstration Project, the Agency for Health Care Administration noted that "[f]alls and their aftermath are directly correlated with the increased utilization of health care services and increased health care costs."[9] Among seniors age 75 and older, those experiencing a fall are four to five times more likely to be admitted to a long-term care facility for a period exceeding one year,[10] and hospital stays are almost two times as long for elderly patients who are hospitalized after a fall than for other elders admitted for another reason.[11] The National Center for Injury Prevention and Control has indicated that the total cost of all fall-related injuries to seniors age 65 and older to be $27.3 billion, and by 2020 this figure is estimated to reach $43.8 billion nationally.[12] In Florida, the direct medical and long-term care costs associated with fall-related injuries was approximately $1.8 billion in 2000, and the per-fall cost to seniors age 65 and older was $10,186.[13]

Florida Injury Prevention Program for Seniors (FLIPS)

The Florida Injury Prevention Program for Seniors (FLIPS) is an education and awareness initiative that focuses on preventing injuries from falls and fires. The program is an interdepartmental, collaborative partnership effort among the Department of Elder Affairs, Department of Health and the Fire Marshal's Office of the Department of Financial Services that coordinates with various universities, the Florida Student Nurses Association, hospitals, county health departments and many other local agencies and organizations.

Presently, the program actively pursues "cost-avoidance activities" by conducting training workshops throughout the state, and disseminates injury prevention information to agencies serving Florida's seniors, families, friends and caregivers through operation of its "FLIPS Clearinghouse." Additionally, although the program itself does not provide direct services to high-risk individuals, the clearinghouse provides resources for case managers, social workers, home health care nurses and other individuals who deliver care to homebound seniors. Some of the brochures published by FLIPS include:

- "What Is FLIPS?"
- "Afraid of Falling Down? Try Tai Chi"
- "Medication & Poison for Elders"
- "Can Eating Right Prevent Falls?"

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[8] *Falls and Hip Fractures Among Older Adults*, accessed January 24, 2005, National Center for Injury Preventions and Control, Department of Health and Human Services Centers for Disease Control and Prevention, available at: http://www.cdc.gov/ncipc/factsheets/falls.htm..

[9] *The State of Florida Medicaid Geriatric Fall Prevention Project; Request for Proposals*, Agency for Health Care Administration, Division of Medicaid.

[10] *Falls and Hip Fractures Among Older Adults*, National Center for Injury Preventions and Control, Department of Health and Human Services Centers for Disease Control and Prevention.

[11] *Falls in the Elderly*, American Family Physician, American Academy of Family Physicians.

[12] *A tool kit to Prevent Senior Falls: the Costs of Fall Injuries Among Older Adults*, accessed January 24, 2005, National Center for Injury Preventions and Control, Department of Health and Human Services Centers for Disease Control and Prevention, available at: http://www.cdc.gov/ncipc/factsheets/fallcost.htm. The Center includes in its calculations out-of-pocket expenses and charges paid by insurance companies for the treatment of fall-related injuries, and notes that the figures do not account for the long-term consequences of fall-related injuries, such as disability, decreased productivity or reduced quality of life.

[13] *Falls Among Older Persons and the Role of the Home: An Analysis of Cost, Incidence, and Potential Savings from Home Modification*, AARP Public Policy Institute, available at: http://assets.aarp.org/rgcenter/il/ib56_falls.pdf. The AARP notes that, in 2000, 137,954 falls *requiring visits to an emergency department* were observed among the approximately 2,755,000 million seniors age 65 and older in Florida.

Medicaid Geriatric Fall Prevention Demonstration Project in Broward and Miami-Dade Counties

Scope of the Demonstration Project

In September 2002, AHCA prepared a request for proposals to design and implement a comprehensive, multi-faceted geriatric fall prevention program to "assist community-based Medicaid beneficiaries age 65 and older that are at high risk of falling to reduce their individual risk factors to prevent falls and permit them to remain in a community-based setting."[14] AHCA further indicated that the program "should be designed to reduce the incidence, severity, and Medicaid costs associated with geriatric falls; maximize mobility; and maintain autonomy," and the successful contract bidder should have "a thorough understanding of the Medicaid population, geriatric fall risks, and risk mitigation strategies."[15]

In its request for proposals, AHCA detailed several possible program components to be provided by the contractor,[16] including, among others:

- Developing guidelines to assist AHCA and other health professionals in their assessment of an elder's fall risk.
- Providing fall preventive education to community-based elders at risk of fall.
- Creating a risk-screening assessment.
- Providing at-risk elders with fall prevention information, literature and education, and maintaining frequent follow-up contact with at-risk elders.
- Conducting home safety evaluations.
- Completing an individualized care plan for at-risk elders.
- Making referrals to health professionals when medical conditions or drug interactions are suspected by may be untreated.
- Working with various community organizations to organize fall prevention clinics.

Implementation of the Demonstration Project

At the direction of the Legislature[17] in Fiscal Year 2002-2003, AHCA competitively procured a two-year contract with The ElderCare Companies, Inc., to implement and coordinate operation of a Medicaid Geriatric Fall Prevention Project. The program was operational from February 19, 2003 through June 14, 2003 in Broward and Miami-Dade counties, but was eventually terminated when funding was not appropriated by the Legislature in Fiscal Year 2003-04. Although the program was designed to serve an average monthly caseload of up to 6,000 Medicaid-eligible participants, only 2,320 seniors were actually screened. Of those that were screened, 1,984 participants were found at high risk of falling and 1,738 received intensive services during the project's initial three months of operation.[18]

The demonstration project was reinstated in 2004 with an appropriation by the Legislature.[19] AHCA entered into a sole-source contact[20] with The ElderCare Companies, for the period September 15, 2004

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[14] *The State of Florida Medicaid Geriatric Fall Prevention Project; Request for Proposals*, Agency for Health Care Administration, Division of Medicaid.
[15] Ibid.
[16] Although recommended components were supplied by the RFP, it also noted that the contractor was "encouraged to present a model fall prevention and risk reduction program that can serve as a best practice model and reflects the latest literature on best practices/programs."
[17] In the FY 2002-03 General Appropriations Act (Chapter 2002-394, L.O.F.), state funding and federal Medicaid funding were appropriated for demonstration projects intended "to reduce geriatric falls among community-based Medicaid recipients."
[18] *Summary of Governor's FY 2004-05 Budget Recommendations*, Agency for Health Care Administration.
[19] FY 2004-05 General Appropriations Act (Chapter 2004-268, L.O.F.).
[20] This was a fixed-price contract in the amount of $4,824,000 per year to serve 6,000 Medicaid eligible elders, at an average cost of $804 per recipient per year.

though June 30, 2006, to continue the work begun under the previous contract. Services were again provided to more than 6,000 Medicaid-eligible seniors[21] broadly representative of the Medicaid population of Broward and Miami-Dade counties, and some preliminary analyses of outcomes were conducted. The services provided by the project to these elders included:

- Conducting multi-phase fall risk assessments.
- Coordinating hundreds of group fall prevention workshops at housing complexes, churches and social service agencies.
- Mailing 12 "safety-grams" per year to each participant.
- Placing 12 reassurance and research telephone calls per year to each participant.
- Holding several nutrition and exercise workshops.
- Communicating the results of risk-screening assessments to all participants through initial mailings.
- Providing to patients' physicians the following: (1) a client review, (2) case planning documents and, (3) notification of the availability of visiting fall prevention experts in Broward and Miami-Dade counties.
- Providing post-fall counseling, fear-of-fall counseling, and fall prevention workbooks in several different languages, including English, Spanish, Creole and Russian.

However, in June 2005 the appropriation necessary for continuation of the demonstration project was vetoed by the Governor, and the contract was terminated.

Results of the Demonstration Project and Potential Program Savings

The ElderCare Companies submitted results from its Medicaid geriatric fall prevention demonstration project to AHCA for review, following confirmation by vendors and subcontractors, and subject to an independent CPA audit.[22]

The ElderCare Companies reported measuring the clinical effectiveness and savings achieved by the fall prevention demonstration project though a "multi-method validation study" that equally weighted treatment and control groups. From January 2003 through June 2005, The ElderCare Companies reported the following figures versus proportionate mirror control groups:

- 54% reduction in hospitalizations due to fall-related fractures.
- 63% reduction in nursing home stays following an injurious fall.
- 60% reduction in long-term care costs, per case.
- 57% reduction in overall hospitalizations following an injurious fall.
- 21% reduction in hospitalization costs, per case.
- 35% reduction in inpatient rehabilitation costs.

EFFECT OF PROPOSED CHANGES

House Bill 577 creates s. 409.91212, F.S., entitled "Medicaid comprehensive geriatric fall prevention program," requiring AHCA to establish a Medicaid comprehensive geriatric fall prevention program in Broward and Miami-Dade counties. The program, intended to expand upon the geriatric fall prevention demonstration project developed under state contracts awarded by AHCA in fiscal year 2003-2004, shall be evidence-based, serve 8,000 Medicaid recipients age 60 and older during the first year of operation, and be in operation within 120 days of the act's effective date.

[21] 6,702 Medicaid elders were recruited for the reinstated demonstration project, while 6,564 Medicaid-eligible seniors received multi-phase fall risk assessments.

[22] *A Comprehensive Geriatric Fall Prevention Program for All of Florida Medicaid's Community-Resident Elders: Establishing a Statewide, Permanent, Single-Vendor System*, August 2005, The ElderCare Companies, Inc.

The bill requires AHCA to evaluate the cost-effectiveness and clinical effectiveness of the program in a report submitted to the President of the Senate and the Speaker of the House of Representatives by January 1, 2009. If such report indicates the program is cost-effective and clinically effective, it shall also include a plan and timetable to statewide implementation. AHCA is required to consider findings from program evaluations and site visit reports of the demonstration project while evaluating the program's cost-effectiveness and clinical effectiveness.

The bill provides for reimbursement of services on the same basis as provided for under previous demonstration project contracts. Beginning on the first day of operation in the third year of program implementation, however, services are to be reimbursed only on a capitated, risk-adjusted basis.

The bill provides legislative intent for the Medicaid comprehensive geriatric fall prevention program's incorporation into the Medicaid program, and its inclusion by AHCA as a requirement for the certification or credentialing of any health plan to participate in the integrated, fixed-payment delivery system for Medicaid recipients 60 or older (Florida Senior Care)[23] or the certification or credentialing of any health plan participating in the Medicaid managed care pilot program[24] that enrolls Medicaid recipients who are at risk for experiencing a geriatric fall.

The bill provides an effective date of July 1, 2006.

C. SECTION DIRECTORY:

Section 1. Creates s. 409.91212, F.S., entitled "Medicaid comprehensive geriatric fall prevention program"; directs the Agency for Health Care Administration to establish a Medicaid comprehensive geriatric fall prevention program in Broward and Miami-Dade Counties; indicates such program shall expand a separate demonstration project; directs the agency to evaluate and report on the cost-effectiveness and clinical effectiveness of the program by January 1, 2009; provides guidelines for reimbursement; provides legislative intent for incorporation of the program into the Medicaid program and inclusion of the program as a requirement for certification or credentialing of participants in Florida Senior Care and the Medicaid managed care pilot program.

Section 2. Provides an effective date of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   Federal financial participation in the Florida Medicaid Program for State Fiscal Year 2006-2007 is 58.77 percent; for every $1 the state spends, it earns $1.43 in federal funds.

2. Expenditures:

Non-recurring	2006-2007	2007-2008
Professional Staff		
General Revenue Fund	$1,305	$0
Administrative Trust Fund	$1,305	$0

[23] S. 409.912(5), F.S.
[24] S. 409.912111, F.S.

Recurring	2006-2007	2007-2008
Medical/Health Care Program Analyst (1 FTE)		
General Revenue Fund	$31,330	$31,330
Administrative Trust Fund	$31,330	$31,330
Geriatric Fall Services		
General Revenue Fund	$2,683,886	$2,683,886
Medical Care Trust Fund	$3,779,443	$3,779,443
Total Expenditures		
General Revenue Fund	$2,685,191	$2,683,886
Medical Care Trust Fund	$3,779,443	$3,779,443
Administrative Trust Fund	$32,635	$31,330

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

House Bill 577 apparently requires AHCA to contract with one or more private entities to re-establish a Medicaid comprehensive geriatric fall prevention program in Broward and Miami-Dade counties, in a manner consistent with previous geriatric fall prevention demonstration projects developed under state contracts awarded by AHCA in Fiscal Year 2003-2004.

D. FISCAL COMMENTS:

The greatest potential fiscal impact on AHCA is the bill's requirement to include comprehensive geriatric fall-prevention services as a statutorily-mandated Medicaid program making it available statewide to all Medicaid recipients. Potentially, hundreds of thousands of Floridians could be eligible for these services at a cost of $200 to $300 million per year (based on an estimate of the number of persons who are community-dwelling, Medicaid eligible, 60 years and older: 340,000 individuals at a cost of $800 per person per year.)

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

   This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

   None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

AHCA raises several points of concern in their analysis of House Bill 577. First, the agency notes that it is unclear whether the bill requires AHCA to competitively procure the Medicaid comprehensive geriatric fall prevention program, or whether the agency is simply required to award a sole-source contract to the previous contractor. The agency notes that, if it is to competitively procure this program, it may prove difficult to have the program fully operational within the 120 days mandated by the legislation.

Moreover, AHCA reports being unclear of the need for altering the reimbursement schedule, beginning in the program's third year of operation, to a "capitated, risk-adjusted" calculation. The agency notes it is unsure "what services the contractor would be at risk for, as the only service provided is geriatric fall prevention." Similarly, the Department of Elderly Affairs (DOEA) notes that the reimbursement schedule provided in the bill, which currently states reimbursement shall "be on the same basis as provided for under the demonstration project contracts described in subsection (1)," would be clarified through inclusion of the exact reimbursement rates contained in the previous demonstration project contracts.

AHCA reports the bill does not provide sufficient information to determine the scope of work required to conduct the required evaluation of the program's cost-effectiveness and clinical effectiveness, the number of years such evaluation should encompass, or the number of subjects to be evaluated.

AHCA also notes that, pursuant to the terms of the Medicaid Managed Care Pilot Program, as authorized by s. 409.91211, F.S., managed care plans may offer customized benefit packages to enrolled recipients and such packages must include those mandatory and optional services set forth in s. 409.905, F.S., and s. 409.906, F.S. There is nothing in s. 409.91211, F.S. that requires providers participating in the Medicaid Managed Care Pilot Program to offer geriatric fall prevention services. However, AHCA points out, House Bill 577 requires that the geriatric fall prevention program be available to recipients enrolled in health plans operated under s. 409.91211, F.S. Accordingly, AHCA believes that s. 409.91211, as well as the 1115 Waiver approved by the Centers for Medicare and Medicaid Services (CMS) authorized by the Managed Care Pilot Program, would need to be amended to include geriatric fall prevention services.

Additionally, the legislation requires that the geriatric fall prevention program be available to recipients enrolled in health plans operated under s. 409.912(5), F.S. (Florida Senior Care). At present, AHCA points out, geriatric fall prevention services are not included in the list of mandatory or optional services available through such integrated, fixed-payment delivery system for Medicaid recipients age 60 and older. Moreover, DOEA points out that AHCA and DOEA are not required in s. 409.912(5), F.S. to certify and credential health plans, as referenced in the bill, but rather are charged to "use a competitive procurement process to select entities to operate the integrated program."[25] DOEA recommends that this language would be more appropriate in the context of s. 409.912(5), F.S., if it created the requirement that the geriatric falls prevention program be a necessary component of the selection criteria for providers in the integrated, fixed-payment delivery system.

[25] S. 409.912(5)(b), F.S., noting that "[e]ntities eligible to submit bids include managed care organizations licensed under chapter 641, including entities eligible to participate in the nursing home diversion program, other qualified providers as defined in s. 430.703(7), F.S., community care for the elderly lead agencies, and other state-certified community service networks that meet comparable standards as defined by the agency, in consultation with the Department of Elderly Affairs and the Office of Insurance Regulation, to be financially solvent and able to take on financial risk for managed care."

Finally, s. 1902(a)(23) of the Social Security Act[26] provides that an individual may receive Medicaid services from any qualified provider willing to furnish such services. However, AHCA notes that the language of the bill is unclear as to whether recipients may freely choose a provider from which to receive certain geriatric fall prevention services. The bill only references an expansion of previously-awarded demonstration project contracts, and does not specify whether the geriatric fall prevention program may be provided through sources other than those with whom the agency previously contracted. At present, the Managed Care Pilot Program authorized by CMS permits the state to waive the requirements of s. 1902(a)(23) under certain circumstances. However, those circumstances do not currently include the provision of geriatric fall prevention services. Accordingly, AHCA reports it may need to seek additional waiver authority to implement a Medicaid comprehensive geriatric fall prevention program.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

[26] 42 U.S.C.A. § 1396a.