

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 1060 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: OCTOBER 31, 2022

### SUMMARY

- Synopsis:** Establishes "Comprehensive Geriatric Fall Prevention Pilot Program" in DHS; appropriates \$11.7 million.
- Type of Impact:** Three-year State expenditure increase.
- Agencies Affected:** Department of Human Services.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost Increase</b>	Up to \$11.7 million	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) concludes that costs incurred by the Department of Human Services will increase by as much as \$11.7 million in the first year following the bill's effective date, in order for the department to establish an evidence-based fall prevention pilot program for certain Medicaid beneficiaries aged 60 years and older. The State cost increases for the subsequent two years of the pilot program are indeterminate.
- Based on a review of cost-effectiveness studies of evidence-based fall prevention programs for senior citizens, the OLS concludes that the pilot program may reduce future annual State Medicaid expenditures by an indeterminate amount.

### BILL DESCRIPTION

This bill establishes a three-year Comprehensive Geriatric Fall Prevention Pilot Program in the Department of Human Services and appropriates \$11.7 million for this purpose.

The bill directs the department to contract with a qualified organization to administer the pilot fall prevention program to eligible Medicaid beneficiaries aged 60 years and older, their families and caregivers, and healthcare care professionals. The bill also directs the department to review the impact of falls on State Medicaid program costs and the potential for reducing those costs by implementing proven fall prevention services. The department is to evaluate the cost-effectiveness

of the pilot program and, within three years after the effective date of the bill, report any findings to the Legislature, and make a recommendation regarding Statewide implementation of a geriatric fall prevention program.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that State costs will increase by as much as \$11.7 million in the first year following the effective date of the bill, in order for the department to establish, and contract with a qualified third party entity to administer an evidence-based fall prevention pilot program for certain Medicaid beneficiaries aged 60 years and older. The State cost increases for the subsequent two years of the pilot program are indeterminate.

The OLS assumes that the department can utilize existing staff and fiscal resources to assess the cost-effectiveness of the pilot program and to review the adequacy of the State Medicaid program's reimbursement guidelines on coverage of fall prevention services for senior citizens, resulting in no additional State cost increases from these provisions of the bill.

Based on a review of cost-effectiveness studies of evidence-based fall prevention programs, the OLS concludes that the pilot program may reduce future annual State Medicaid expenditures by an indeterminate amount. Studies conducted on evidence-based fall prevention programs adopted on a statewide basis in Pennsylvania and North Carolina show a reduction in emergency department visits and hospitalizations among senior citizens who participated in the intervention. The study conducted on the Pennsylvania program, additionally, showed modest reductions in the average cost for emergency department visits and hospitalizations per program participant.

*Section: Human Services*

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).