

Integrative Therapies Pilot Project: A Holistic Approach to Chronic Pain Management in Medicaid

The Florida Medicaid Experience

A report by Health Management Associates, Inc.

Summary

Chronic pain remains the number one cost driver in Florida Medicaid. Chronic pain costs continue to soar in Medicaid and commercial populations. Addiction issues and deaths associated with prescription medication used in the treatment of chronic pain patients continue to escalate. Initial findings of Integrating Complementary and Alternative Medicine (CAM) with conventional care management approaches within the Florida Medicaid system population are extremely promising and indicate that an integrative approach of treating the “whole” person is effective for a low-income and high-utilizing Medicaid population. Recent evaluations of the Florida Medicaid experience reveal that Medicaid beneficiaries who received medically managed CAM services over a 3-year period have realized significant improvements in both physical and mental health, while decreasing Medicaid costs for the state of Florida.

Program Background

In 2002, the Florida State legislature passed language in a budget bill to enable the creation of an integrative therapies pilot program for Medicaid beneficiaries. A Medicaid waiver was obtained by Florida’s Agency for Health Care Administration to implement such a program, which would incorporate services of licensed

acupuncturists and licensed massage therapists (waiver authority was necessary since these health care services are not ‘traditional’ Medicaid services).

Florida’s Agency for Health Care Administration contracted with Alternative Medicine Integration of Florida, LLC (AMI) in May 2003 to implement the Integrative Therapies pilot project in selected Florida counties. AMI, a complementary and alternative medical management provider, was contracted to identify and test a model of healthcare delivery, which includes both conventional and complementary and alternative medicine (CAM), for Florida Medicaid Provider Access System (MediPass) beneficiaries who suffer from chronic pain conditions. MediPass is Florida’s primary care case management program for Medicaid beneficiaries, and includes both the Temporary Assistance for Needy Families (TANF) and Supplemental Security Income (SSI) eligible population. The MediPass beneficiaries who are eligible for enrollment in the Integrative Therapies pilot project are identified through claims as having chronic pain conditions, and are not enrolled with another Medicaid disease management program.

AMI began providing CAM services to eligible MediPass beneficiaries, who resided in Pinellas and Pasco counties, in April 2004. In June 2005,

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the project was expanded to include Hillsborough County. These three Florida counties comprise the area including and surrounding Tampa, Florida.

AMI provides services specifically to those MediPass beneficiaries who have been diagnosed with Chronic Fatigue Syndrome, Chronic Back Pain, Chronic Neck Pain, and/or Fibromyalgia.

AMI's holistic nurse case managers integrate the traditional medical care of enrolled MediPass beneficiaries with the complementary and alternative health care services from providers who include: acupuncturists, massage therapists, nutritionists, pharmacists, and registered nurse case managers. Enrolled MediPass beneficiaries also receive appropriate educational materials, phone calls, home visits, and access to community support groups.

Initial Findings

The AMI Integrative Therapies Pilot Project strives to obtain a better system of care for the disabled, costly and underserved Medicaid beneficiaries who suffer from chronic pain through a high quality and cost-effective integrated disease management initiative.

A number of informal and formal evaluations are conducted to monitor the value of AMI's Integrative Therapies Program in the Florida Medicaid environment. Once implementation began, AMI collected physical and mental health information utilizing an SF-12[®] Health Survey tool. Follow-up SF-12[®] surveys are done with each patient semi-annually in order to measure physical and mental health changes or

improvements. Per contractual requirements, AMI also conducts annual beneficiary surveys to monitor program satisfaction across enrolled patients. Findings from these surveys to date clearly demonstrate that the Integrative Therapies program is having a positive impact on enrolled patients. In addition, Medicaid claims have been examined on an annual basis to monitor the program's progress. These early examinations of claims indicated that pharmacy prescriptions and costs were being reduced for program participants. The State proceeded to conduct an initial formal independent program evaluation in 2006, the earliest timeframe to allow for a more thorough examination of paid Medicaid claims for patients enrolled and managed by AMI for at least a six-month time frame.

Table 1 summarizes key program findings:

Table 1: The Florida Medicaid Integrative Therapies Pilot Project: Clinical & Cost Outcomes at a Glance	
Measure	Findings
SF 12 - Mental function	16% increase, year 1 20% increase, year 2 19% increase, year 3
SF 12 - Physical function	20% increase, year 1 24% increase, year 2 15% increase, year 3
"Program treatment providers helped to reduce my levels of pain."	86% yes, year 1 94% yes, year 2 88% yes, year 3
Per Member Per Month (PMPM) Costs	9% decrease
PMPM costs in the population with usual care	15% increase
Source: Data from reports provided to the Florida Legislature by AMI of Florida	

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All initial evaluations of the pilot project revealed that low-income, high utilizing Medicaid beneficiaries can be managed successfully and at a cost savings through AMI's integrated care approach. Important distinctions between the 'year 1', 'year 2' and 'year 3' findings should also be considered:

1. The measurement timeframe is different for 'year 3'. Previous year SF-12 scores were measured annually, whereas 'year 3' scores incorporate those that had been measured at the six-month mark. This may indicate a correlation between level of overall improvement and total time spent in the Integrative Therapies Program.
2. Patient population in 'year 3' is represented by an increase in patients with higher severity levels and significant co-morbidities including Diabetes, Hypertension and COPD.

Independent program evaluation

Florida's Agency for Health Care Administration contracted with an independent evaluator to formally evaluate the Integrative Therapies Pilot Project cost effectiveness in 2006. The analysis was conducted through December 2006, and examined Medicaid claims data with dates of service spanning from July 1, 2002 through June 30, 2005, and that were paid through December 31, 2005.

Evaluators from the University of South Florida analyzed Medicaid paid claims for two groups of Medicaid beneficiaries that were eligible to receive complementary and alternative services from Integrative Therapies. The 'Eligible but not managed' group was comprised of 494

beneficiaries (11,446 case months) who were eligible to participate in the Integrative Therapies pilot project, but who did not receive any services or management during the time frame. The 'Managed' group was comprised of 185 eligible beneficiaries (4,284 case months) who did participate in the Integrative Therapies pilot project by receiving complementary and alternative services. Pre and post-enrollment experiences were analyzed for both groups of beneficiaries. Per member per month (PMPM) costs were calculated for both groups, up to 12 months prior to receipt of any intervention through the Integrative Therapies pilot project and then up to 12 months after the receipt of interventions.

Reduction in cost of care

Findings from the Final Evaluation revealed that Florida Medicaid beneficiaries who were managed by AMI realized an actual reduction of per-member-per-month (PMPM) costs of over 9 percent, while the comparable eligible but non-managed population realized an increase of PMPM cost of 15 percent.

In the post-intervention period, the 'Managed' group realized decreased PMPM costs in inpatient and physician services. Prescription costs increased for both the 'Managed' and 'Eligible, non-managed' groups; however, the increase seen in the 'Managed' group was at a lower rate than that seen in the 'Eligible, non-managed' group.

Table 2 provides the PMPM costs prior to and after the program intervention period for the eligible MediPass beneficiaries who received no management or services, and for those

beneficiaries who were managed by AMI and who did receive services.

Table 2: PMPM Costs, Pre and Post Intervention Period*		
	Pre Intervention PMPM*	Post Intervention PMPM*
Eligible, Non-Managed	\$801	\$922
Managed	\$906	\$821

**Actual claims costs incurred for medical and pharmacy services. Integrated Therapies Pilot Project: An Evaluation of Program Cost Effectiveness, December 2006.*

Actual cost experiences are provided in Table 2 above. However, when estimating overall cost savings that could be attributed to the program’s interventions, costs for the ‘Managed’ population had no intervention been available to that population should be considered. If the ‘Managed’ population had not received services from Integrative Therapies, PMPM costs for this population would have been expected to increase at a rate similar to that of a comparable group of Medicaid beneficiaries.

Prior to program implementation, a comprehensive baseline analysis was conducted by Health Management Associates, Inc., to examine cost and demographic characteristics of the Medicaid population that would be eligible to participate in the Integrative Therapies program. This baseline analysis examined Florida Medicaid claims data for 6,556 eligible beneficiaries from July 1, 2000 through December 31, 2002. PMPM costs and associated trend rates, as determined through

this baseline analysis, revealed that Medicaid beneficiaries that would have been eligible for enrollment in the Integrative Therapies Project, had Medicaid service costs which increased at approximately 12 percent annually from July 1, 2000 through December 31, 2002. The analysis also revealed that eligible recipients had higher than average total costs and increased levels of service utilization, as compared to the Florida Medicaid population in general. The historical trend rate of 12 percent, as determined through this baseline analyses, is comparable to the 15 percent increase that was realized in the ‘Eligible, non-managed’ group through the most recent independent program evaluation.

For the purpose of estimating cost savings that could be attributed to AMI’s interventions, it is assumed that PMPM costs for the ‘Managed’ group would have experienced the same rate of increase as was seen in the ‘Eligible but non-managed’ group. Program interventions, under this scenario, result in a decrease of Medicaid claims cost of \$221 PMPM for the ‘Managed’ beneficiaries. With the addition of program costs (i.e., payment for AMI services), net cost savings for ‘Managed’ beneficiaries amounts to \$115 PMPM, resulting in a 12 percent net savings to the State.

Patients express satisfaction

AMI is contractually required to gather outcomes on patient perceptions of their experience with the Integrative Therapies Program. AMI conducted a baseline survey in January of 2004 to determine beneficiary interest, knowledge, and potential acceptance of complementary and alternative medicine. Since that time, surveys have been conducted

annually to examine beneficiary satisfaction with the established Integrative Therapies Program. For the first survey year, AMI employed a two-stage survey approach, which included a telephone survey and a one-page, self-administered survey instrument which was mailed to enrollees who had been enrolled for at least three months. The surveys in subsequent years did not include the telephone survey component; response rates have remained high across all years. Analysis of survey response data was subcontracted to Timothy U. Ketterson, PH.D., of the Grain Rehabilitation Research Center in Gainesville, Florida. Findings from all surveys indicate that Integrative Therapies Program is highly valued, effective at reducing symptoms, and contributes to improvements in the quality of life of enrollees's. Table 3 summarizes key beneficiary satisfaction survey findings:

additional three years (through January 2010). Furthermore, amendments were made to the original contract between the State and AMI at that time to refine the payment methodology used to reimburse for AMI's services, and to ultimately expand AMI's base 'eligible' patient population beyond a defined group of beneficiaries assigned to specific MediPass primary care physicians. Under the new amended contract, the program may enroll and manage any MediPass beneficiary within the target counties, if that beneficiary is diagnosed with chronic pain. However, Florida's current waiver authority continues to set a program cap of five-hundred managed lives.

AMI is currently managing approximately 500 MediPass beneficiaries at any given time (due primarily to Medicaid eligibility issues, this number fluctuates on a monthly basis).

Table 3: Integrative Therapies Pilot Project: Beneficiary Satisfaction Survey

<u>Measure</u>	<u>Findings</u>
AMI staffers are friendly, courteous, and profession	100% Agree, year 1 99% Agree, year 2 97% Agree, year 3
Satisfied with care received in last 6 months	94% Yes, year 1 93% Yes, year 2 91% Yes, year 3
Satisfied with the Integrative Therapies Program	99% Yes, year 1 93% Yes, year 2 95% Yes, year 3
Will Continue in the Program during the next year	100% Yes, year 1 95% Yes, year 2 98% Yes, year 3

Source: AMI Beneficiary Satisfaction Surveys, 2006-2008

Future Outlook

The State of Florida has acknowledged the value of the Integrative Therapies Program, and is diligently working to expand the Integrative Therapies Pilot Project so that additional beneficiaries may benefit from services. The Florida Agency for Health Care Administration is currently seeking appropriate waiver authority to remove the existing Integrative Therapies program cap of 500 managed lives. With this 'cap' removed, AMI has the potential to manage and provide complementary and alternative services to approximately 2,500 Medicaid beneficiaries within the existing 3-county pilot area.

Current Program Status

In 2007, the State of Florida extended the Integrative Therapies Pilot Project for an

This unique Florida Medicaid pilot project has revealed the potential benefits of implementing

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integrative care approaches for low-income and high utilizing Medicaid populations. Additional studies, which incorporate an unbiased control group representing individuals outside of the intervention counties to control for potential selection bias, are being encouraged and will assist in the determination of cost savings that can be attributed to the program. In addition, further analyses of health outcomes, and the program impact on pain-related pharmacy utilization, are needed to support program effectiveness in these important areas. As the Integrative Therapies Program continues to serve a larger and continuous patient base, an analysis of long term program impact is warranted. It is expected that these additional analyses will provide the basis for estimates of long term savings and improved health outcomes that could be attained for a sub-set of the Medicaid population.

As the Florida Medicaid experience continues to unfold, the potential for implementing holistically oriented, patient centered, integrative approaches to managing the complicated and costly condition of chronic pain becomes an extremely viable and effective alternative solution.

Sources of Information:

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Health Management Associates, Inc. is an independent national research and consulting firm specializing in complex health care program and policy issues. Founded in 1985, in Lansing, Michigan, Health Management Associates provides leadership, experience, and technical expertise to local, state, and federal government agencies, regional and national foundations, investors, multi-state health system organizations and single site health care providers, as well as employers and other purchasers in the public and private sectors.

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