

Fiscal Implications of HR 7618

Stopping Addiction and Falls for the Elderly (SAFE) Act

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INTRODUCTION

Falls in the elderly population are associated with many negative outcomes, including increased emergency room visits, increased hospitalization, and use of opioids and other pain management medicines in recovery. According to the Centers for Disease Control and Prevention (CDC), Americans aged 65 and above will experience a total of 52 million falls annually by 2030. The CDC further documents that falls are the leading cause of injury and injury-related death among older Americans and that the health care costs resulting from fall-related injuries totaled \$50 billion in 2015.¹

The public health literature describes many approaches to reduce falls in the elderly population, including exercise, home modifications, and physical therapy. HR 7618, the SAFE Act, incorporates risk assessments and prevention services for falls into Medicare's annual wellness benefit, providing coverage for an annual visit to a physical or occupational therapist for a falls risk assessment and fall prevention services. This coverage is limited only to those patients who have fallen in the previous year.

KEY FINDINGS

- We estimate that 340,000 to 420,000 beneficiaries will access this new benefit each year.
- We estimate that the federal government will spend \$362M on these additional visits over the next ten years of the scoring window.
- If CBO assumes offsetting savings from fall reduction, we estimate these savings will be \$524M.
- **We estimate the net savings from HR 7618 to be \$162M over ten years.**

METHODOLOGY

We began by estimating the total population who would access the new benefit created by HR 7618. We assumed that only those 45% of Medicare beneficiaries already accessing their annual well visit would potentially utilize the new benefit. We next assumed that only 25% of these beneficiaries would have a history of falls in the prior year to be eligible for the new benefit. We then assumed that only 5% of these beneficiaries would make a visit to the physical or occupational therapist to receive the falls risk assessment and fall prevention services, since only 5% of Medicare beneficiaries access PT and OT services directly rather than during a hospital or skilled nursing stay. We thus estimated that between 340,000 and 420,000 Medicare fee-for-service beneficiaries would access this benefit through Medicare Part B each year.

We estimated the cost of these services by taking a combination of procedure codes 97161 (PT Evaluation), 97165 (OT Evaluation), 97110 (Therapeutic Exercise), and 97535 (Self-Care/Home Management Training). If all one visit code and both service codes were billed each time a beneficiary visited, this would return a cost of approximately \$144 on a national level. We applied this as a one year cost, reduced for the resulting effect on Medicare premiums. We then grew these costs by tracking them to the published CBO Medicare Baseline from June 2024. This results in an estimated \$362M in increased federal spending over the scoring window.

¹ <https://www.cdc.gov/falls/data-research/index.html>

We next considered potential offsetting savings. We do not know whether CBO would consider the potential savings that would result from better falls prevention in the Medicare population. The literature documents²³ the benefits of exercise and other interventions in reducing healthcare spending due to falls. In addition, evidence from Medicare Advantage suggests that plans find real-world benefits from spending on falls reduction activities.⁴ A prior study by HMA/Moran showed that Medicare beneficiaries who received physical therapy after a fall were 50% less likely to visit the emergency room or be hospitalized for a follow-up injury in the six months following the fall. That study estimated the potential net savings from therapy-based falls intervention at \$614-\$919 in savings per patient per year. Taking the midpoint of that range and assuming that only half of patients receiving the new falls assessment have any offsetting savings, we estimate that total savings to the Medicare program from falls interventions by PTs would be \$524M over ten years.

CONCLUSION

We estimate that HR 7618 will provide a falls assessment benefit to approximately 400,000 Medicare beneficiaries annually. We estimate that this will cost the federal government \$362M annually. We believe there is sufficient evidence to support offsetting savings in the amount of \$524M over ten years, resulting in a net savings of \$162M over ten years. We caution that CBO is traditionally reluctant to assume offsetting savings and may reach a different conclusion. We note that our total estimated savings represents 0.2% of estimated total spending on falls in the Medicare population, which we believe matches the targeted nature of HR 7618.

² [Preventing Falls Through Patient and Family Engagement to Create Customized Prevention Plans | PSNet \(ahrq.gov\)](#)

³ [The Impact of Falls on Older Adults \(ncoa.org\)](#)

⁴ Vilma Carande-Kulis, Judy A. Stevens, Curtis S. Florence, Bonita L. Beattie, Ileana Arias, *A cost-benefit analysis of three older adult fall prevention interventions*, Journal of Safety Research, Volume 52, 2015.

⁵ <https://www.uspreventiveservicestaskforce.org/uspstf/recommendation/falls-prevention-community-dwelling-older-adults-interventions>. Accessed August 2024