



**Presentation to the House Public Health Committee
Medicaid Obesity Prevention Pilot Update
S.B. 870, 81st Legislative Session**

Charles E. Bell, M.D.
Deputy Executive Commissioner for Health Services
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Impact of Obesity on Medicaid

- **Based on National Health and Nutrition Examination (NHANES) survey data, over 500,000 Medicaid recipients under age 21 are either overweight or obese.***
- **These 500,000 recipients represent about 26 percent of the Medicaid population under age 21.**
 - 12 percent of recipients ages 2-5 are obese
 - 34 percent of recipients ages 6-20 are overweight or obese

* This is national data and not Texas specific.

Impact of Obesity on Medicaid

- **A recent study found that African American and Hispanic children are at greater risk for obesity than White children based on a dozen risk factors, including family income, mothers smoking during pregnancy, and eating and sleeping habits during infancy and early childhood.**
- **Of the Texas Medicaid population under age 21, 62 percent are Hispanic and 16 percent are African American.**

Medicaid Costs for Obesity

- **Health care services for overweight and obese children cost more than health care for normal weight children.**
 - Most of the cost differential is due to increased lab tests
 - Study considered outpatient costs only
 - Obese children cost 20-25 percent more
 - Overweight children cost 5-10 percent more
- **Based on the above data, overweight and obese children *may* cost Texas Medicaid an additional \$250 million all funds per year because of the health problems associated with their weight.**

Diabetes Costs for Medicaid

- Obesity has been linked to the development of other healthcare conditions such as diabetes.
- In 2007, 12,600 recipients under age 21 received services for diabetes through Medicaid at a cost of \$18.6 million, or about \$1500 per child.

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Pilot Goals & Strategies

Senate Bill 870 directed HHSC and DSHS to jointly implement a 24-month obesity prevention pilot for Medicaid children.

- **Legislative Direction**

- Decrease the rate of obesity in Medicaid children
- Improve nutritional choices
- Increase physical activity
- Decrease long-term costs to Medicaid

- **Measurable Goals and Strategies**

- HHSC & DSHS must identify measurable goals and specific strategies for achieving the pilot goals
 - The agencies are working to finalize these goals and the parameters and framework for the pilot program
- Specific strategies may be evidence-based to the extent available

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Site Selection & Delivery Model

- **Pilot Site**
 - Travis Service Area
 - Includes Bastrop, Burnet, Caldwell, Hays, Lee, Travis and Williamson counties
- **Delivery Model**
 - Medicaid STAR HMOs
 - Pilot benefits & services to be provided through a multi-disciplinary approach, including: physician, dietitian, behavioral health and physical therapy components.

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Target Population & Pilot Participation

- **Target Population**

- Medicaid children ages 6 – 11
- Enrolled in a STAR HMO in the Travis Service Area
- Overweight, obese or severely obese (based on BMI for age group)
- Pre-puberty

- **Pilot Participation**

- Participation is voluntary
- Parents will be asked to sign a consent form related to their child's participation in the pilot
- Child enrolled for 6-month active enrollment period
- 6-month post treatment follow-up assessment, including an incentive for the child (\$25 value)

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Benefits & Services

- **Initial assessment and baseline labs**
- **Monthly** (or more frequent) **multi-disciplinary visits, including:**
 - Physician assessment
 - Dietitian
 - Behavioral Health Counseling
 - Physical Therapy
- **Allowance for enhanced community-based services, such as:**
 - Weight management programs; e.g., Weight Watchers
 - Physical activity program; e.g., YMCA, Girls & Boys Clubs
 - Nutrition class and healthy cooking classes
 - Screen time software and controls
 - Transportation vouchers

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Funding

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- **\$1.15 million GR** appropriated for the FY 2010-2011 biennium.
 - Funding is split between evenly between FY 2010 and FY 2011.
 - Funding for FY2010 must be obligated (through executed contract amendment) no later than August 31, 2010.
 - Almost all of the funding for the pilot will be spent on benefits and services for participating enrollees
 - A small portion of the funding will be spent on care coordination and HMO administration for the pilot
 - HHSC and DSHS will absorb the cost of managing and evaluating the pilot in-house

Pilot Evaluation and Reporting

- **Pilot Evaluation**

- The pilot evaluation will be established to include collection and analysis of appropriate data to demonstrate, to the extent possible, the level of success in meeting the specified pilot goals and provide recommendations on continued pilot operation and possible statewide expansion.

- **Reporting**

- Reports on ongoing results of the pilot are due annually (on November 1st) during operations.
- A final report is due within 3 months of the end of the pilot to include results and recommendations regarding: 1) continued operation of the pilot and 2) possible statewide expansion.

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Implementation Activities

- HHSC and DSHS staff are currently working to finalize the pilot design and evaluation methodology.
- Staff will be meeting with potential contractors and negotiating contract amendments over the next few months.
- Pilot funds for FY2010 must be distributed before the end of the fiscal year.
- The pilot is expected to be operational between August and November 2010.