MANAGE PLAN RISK & DIABETES COSTS

THROUGH EFFECTIVE PLAN DESIGN

Diabetes treatment complexity and common misconceptions about the disease can create perverse incentives hidden in traditional health plan designs. Mismatched incentives can leave employers paying for benefits that reduce employee health and productivity, and potentially expose the organization to catastrophic claims. The Diabetes Leadership Council and JDRF recommend plan sponsors offer at least 1 plan with these 4 design features to reduce diabetes risk to employers and employees.

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<thead>
<tr>
<th>1</th>
<th>PRE-DEDUCTIBLE COVERAGE</th>
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<tbody>
<tr>
<td>PEOPLE WITH DIABETES REPORT COST-RELATED RATIONING</td>
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<td>The IRS allows preventive coverage for diabetes management, even in high deductible health plans</td>
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<tr>
<th>2</th>
<th>LOW, PREDICTABLE COST SHARING</th>
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<td>Chronic disease management costs are more affordable when spread out in a plan year</td>
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<th>3</th>
<th>REBATE PASS THROUGH</th>
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<td>Extend plan rates to patients at the pharmacy counter, covering prescriptions just like other health care services</td>
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<th>4</th>
<th>TECHNOLOGY &amp; TREATMENT CHOICE</th>
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<tr>
<td>Cover all FDA-approved products and devices so diabetes management plans are suited to individual patient needs and clinical complexity</td>
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FOR MORE INFORMATION:

OR EMAIL EMPLOYERS@DIABETESLEADERSHIP.ORG
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Plan design features to further reduce diabetes risk to employers and employees

- **CONTINUITY OF CARE**
  Avoid annual formulary changes for employees on stable diabetes treatment regimens

- **RAPID CLAIMS ADJUDICATION**
  Require insurers and pharmacy benefit managers to process diabetes-related claims promptly to avoid dangerous disruptions in blood glucose management

- **DIABETES CARE & EDUCATION**
  Cover diabetes care and education as needed per medical orders rather than capping the number of annual or lifetime visits

- **COPAY ASSISTANCE**
  Avoid copay accumulators and maximizers for medicines with no generic alternative to help employees afford complex treatment regimens

- **GENERIC SPREAD**
  Eliminate or minimize spread pricing on generic medicines to encourage adoption of lower cost treatment options

- **INSURANCE LITERACY**
  Provide health plan selection assistance to help employees choose and use the coverage option best suited to their needs
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THROUGH EFFECTIVE PLAN DESIGN

TAKE AWAY STEPS to reduce diabetes risk to employers and employees

EXAMINE YOUR CURRENT PLANS
- Does your organization offer at least 1 plan that offers 3+ key features?
- Do you know where your rebate dollars go?

ANALYZE DIABETES$ CO$t DATA

DIRECT PLAN COSTS
- Prescription drugs – how much $, what types, metrics on persistence/adherence/timely refills/abandonment
- Devices and supplies (glucose monitoring, pumps, etc.)
- Hospitalization or other major claims
- Maintenance services – office visits, labs, etc.

INDIRECT COSTS TO YOUR ORGANIZATION
- Absenteeism
- Presenteeism
- Reduced productivity – e.g., prior authorization and appeal phone calls, obtaining supplies, office visits vs telehealth

MODEL PLAN DESIGN OPTIONS
- Preventive coverage – for insulin, all prescriptions, all products/services
- Zero copay
- Nominal, flat copay
- Rebate pass through
- Work arounds (e.g., timing employer HSA contributions, case management)

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