REDUCE HEALTH PLAN RISK & COSTS
with proven diabetes management plan options

Providing preventive care and other coverage enables employees to proactively manage their diabetes — and other chronic diseases.

This ultimately:

- Lowers direct major medical costs and risk of catastrophic claims
- Lowers indirect costs such as reduced productivity

Providing affordable preventive coverage helps reduce health disparities in communities of color and those in lower socio-economic tiers.

Diabetes costs include:

- $3K/year per person WITH complications, but $10K without
- $26.9 billion in reduced productivity
- $3.3 billion in costs due to absenteeism
Diabetes treatment complexity and common misconceptions about the disease can create perverse incentives hidden in traditional health plan designs. These can leave employers paying for benefits that reduce employee health and productivity, and potentially expose the organization to catastrophic claims.

Offer these design features to reduce diabetes risk for employers and employees.

1. **FIRST-DOLLAR COVERAGE**
   - IRS allows chronic disease management to be treated as preventive coverage especially in high-deductible health plans. Exempt diabetes management from your plan deductibles.

2. **REBATE PASS THROUGH**
   - Average rebate on a branded drug is 48%. So employees are paying twice what it costs the plan, creating an unnecessary barrier to care. Extend plan rates to patients at the pharmacy counter, covering prescriptions just like other health care services.

3. **GENERICS & BIOSIMILARS**
   - Only 1 in 4 are covered in the year of introduction. Less than half of generics and biosimilars are placed in the generic tier by PBMs. Ensure plan participants have access to lower-cost medications.

4. **OBESITY**
   - Most plans will cover expensive and invasive bariatric surgery, but not the counseling and medications that can avoid it. Include counseling and the new, proven anti-obesity drug therapies in your plan.

**ROI is 4x each dollar spent on diabetes management.**

**PEOPLE WITH DIABETES REPORT COST-RELATED RATIONING**

**Passing rebates through yields very minimal cost increase (0.4%) for health plans.**

**Losing 5-7% of body weight can reduce probability of developing diabetes by 58%**
CONTINUITY OF CARE
Avoid annual formulary changes for employees on stable treatment regimens and grandfather existing medicines.

RAPID APPROVAL PROCESSING
Require insurers and pharmacy benefit managers to process diabetes-related approvals promptly to avoid dangerous disruptions in blood glucose management.

DIABETES CARE & EDUCATION
Cover diabetes care and education based on need rather than capping number of visits.

INSURANCE LITERACY
Provide diabetes specific health plan selection assistance to help employees choose the coverage options best suited to their needs.

TELEHEALTH
Managing diabetes 24/7 is challenging. Cover telemedicine visits as an ongoing alternative to avoid missed appointments and improve productivity.

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.

ADDITIONAL PLAN DESIGN FEATURES
to further reduce diabetes risk, improve care

Regular eye exams and treatments can prevent up to 90% of diabetes-related blindness.

Foot care programs (regular exams and education) reduce diabetes-related amputations 85%.

Treatments to control blood pressure can reduce diabetes-related kidney failure 33%.

56% of patients abandon their prescriptions at the pharmacy counter if >$250.

Capping diabetes medications at $25, plans saved 16.3% on total medical costs related to diabetes.
**TAKEAWAY STEPS**
to make the case for your organization

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**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?
- Are you tracking preventive care costs and comparing to higher cost treatments and services?
- Are relevant heart attacks, strokes, amputations coded as diabetes-related complications?

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**ANALYZE DIABETES COST DATA**

**DIRECT PLAN COSTS**

- Maintenance services – office visits, labs, etc.
- Prescription drugs – how much money, what types, metrics on persistence, adherence, timely refills, abandonment
- Devices and supplies (continuous glucose monitors, pumps)
- Hospitalizations, ER visits, other major claims.

**INDIRECT PLAN COSTS**

- Absenteeism
- Presenteeism
- Other reduced productivity (prior authorization and appeal phone calls, obtaining supplies, office visits vs telehealth)

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For more information:
Visit [www.diabetesleadership.org](http://www.diabetesleadership.org)
OR email: employers@diabetesleadership.org

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