

Commonsense State Solutions to Improve Diabetes Care & Costs

Oklahoma Senate Retirement & Insurance Committee
Diabetes Standards of Care Interim Study
September 15, 2020

Stewart Perry - Chair NDVLC & Vice Chair DPAC
George Huntley - CEO, NDVLC & DPAC



Introductions



George Huntley

Stewart Perry



Children with Diabetes[®]

www.childrenwithdiabetes.com



Introductions

National Diabetes Volunteer Leadership Council

NDVLC

- 501(c)(3) patient advocacy organization committed to securing effective, affordable health care and a discrimination-free environment for every person affected by diabetes
- Comprised of former leaders of national diabetes organizations

Diabetes Patient Advocacy Coalition

DPAC

- 501(c)(4) alliance advancing public policy initiatives to improve the health of people with diabetes
- DPAC seeks to ensure the safety and quality of medications, devices, and services, and access to care for all 34 million Americans with diabetes

Our objectives

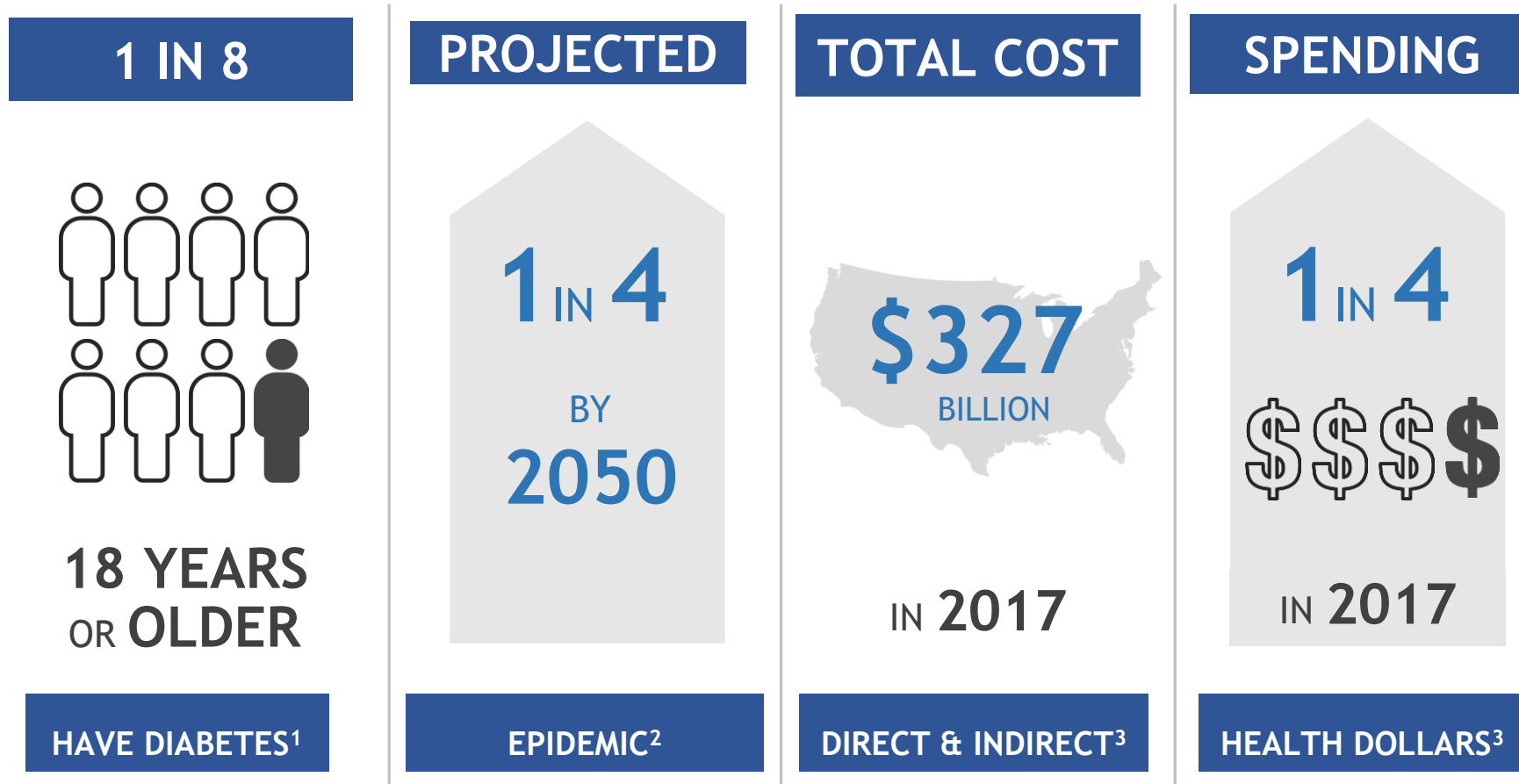


Diabetes basics

Targeted state solutions

Resources available today

Large and growing diabetes impact



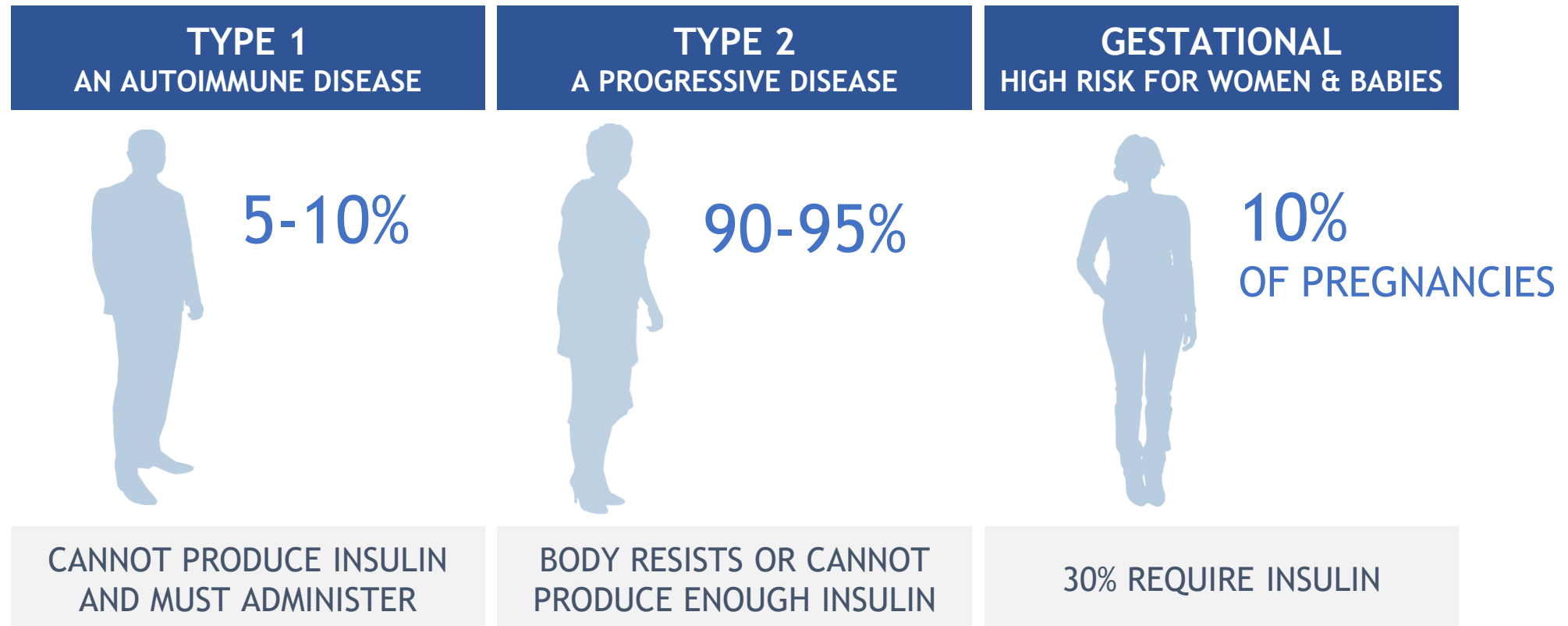
1. Centers for Disease Control and Prevention. <https://www.cdc.gov/diabetes/pdfs/data/statistics/national-diabetes-statistics-report.pdf>.

2. Centers for Disease Control and Prevention. <https://doi.org/10.1186/1478-7954-8-29>.

3. American Diabetes Association. <https://doi.org/10.2337/dci18-0007>.

Diabetes is genetic & on the rise

DIABETES DISPROPORTIONATELY IMPACTS COMMUNITIES OF COLOR AND LOW-INCOME POPULATIONS

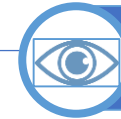
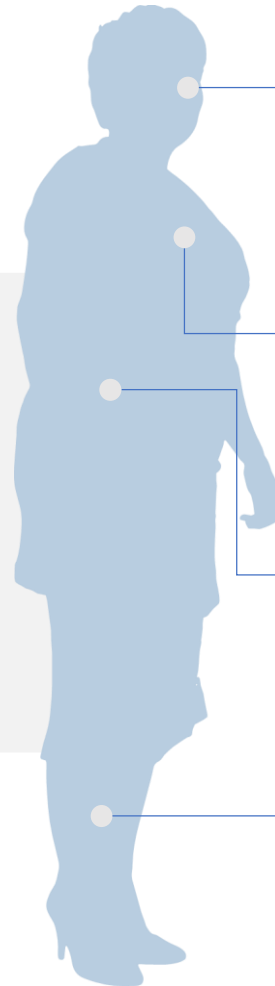


1 IN 3 PEOPLE WITH DIABETES NEED INSULIN DAILY

Diabetes self-management is essential

2.3x higher average
annual medical costs
for a person with diabetes

**Inadequate access
to diabetes care**
affects **many parts of the
body** and is associated with
serious complications



Diabetic Retinopathy

Approximately **1 in 3** aged 40
years or older¹



Heart Disease

2 to 4 times more likely to die²



Kidney Failure

44% of new cases¹



Lower-limb amputation

60% of non-traumatic amputations¹

1. American Diabetes Association. <https://doi.org/10.2337/dci18-0007>

2. Centers for Disease Control and Prevention. <https://www.cdc.gov/diabetes/pdfs/data/2014-report-estimates-of-diabetes-and-its-burden-in-the-united-states.pdf>.

3. American Heart Association. http://www.heart.org/HEARTORG/Conditions/More/Diabetes/WhyDiabetesMatters/Cardiovascular-Disease-Diabetes_UCM_313865_Article.jsp/#.W1un89JKhPa.

Diabetes impact in communities of color

BLACK AMERICANS

60% more likely to have diabetes

Twice as likely to die from diabetes

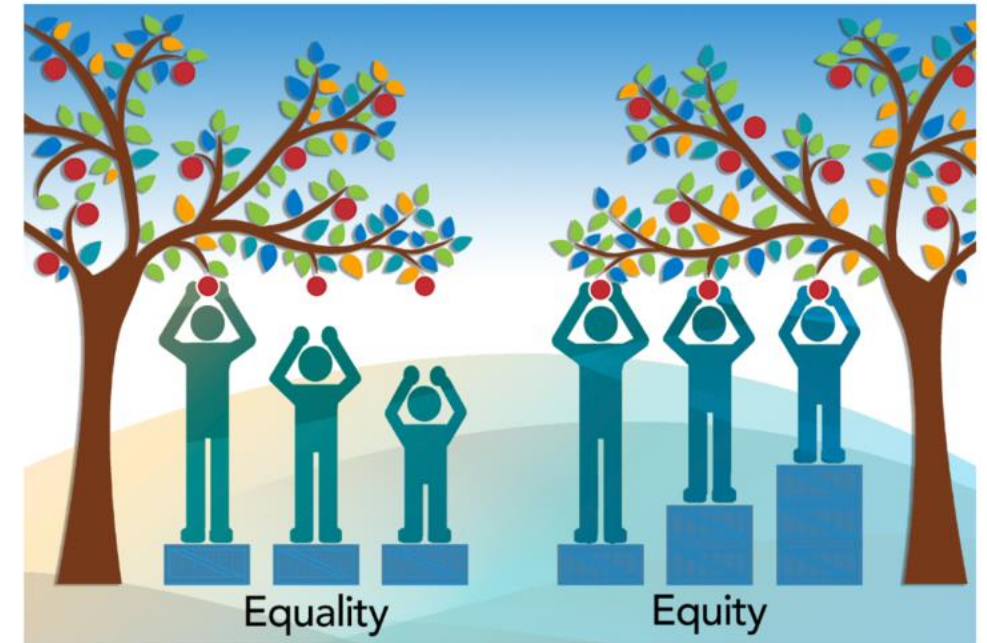
BLACK PWD

50% more likely to have an amputation

3x more likely to be hospitalized

3.5x more likely to have end stage renal disease

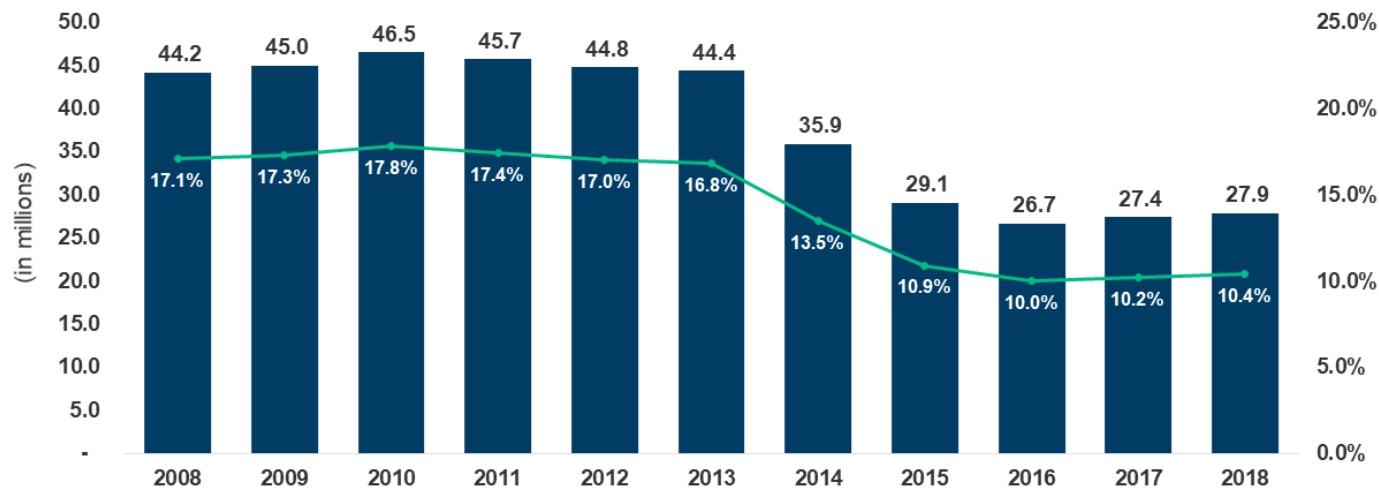
Less likely to receive flu shots, foot exams, eye exams, A1c tests



Diabetes + Pandemic = Crisis

Figure 1

Number of Uninsured and Uninsured Rate among the Nonelderly Population, 2008-2018



NOTE: Includes nonelderly individuals ages 0 to 64.

SOURCE: KFF analysis of 2008-2018 American Community Survey, 1-Year Estimates.



5.4 MILLION American workers lost their health insurance between February and May 2020

45 MILLION American workers filed for unemployment since the pandemic began

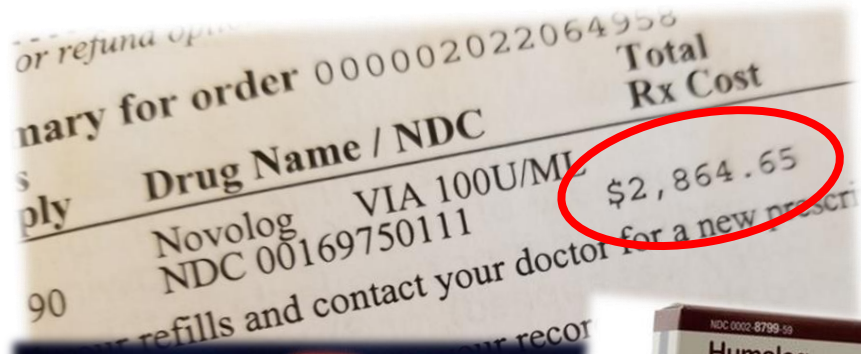
10.5% of Americans have diabetes

PWD are more likely to have severe illness as a result of COVID-19

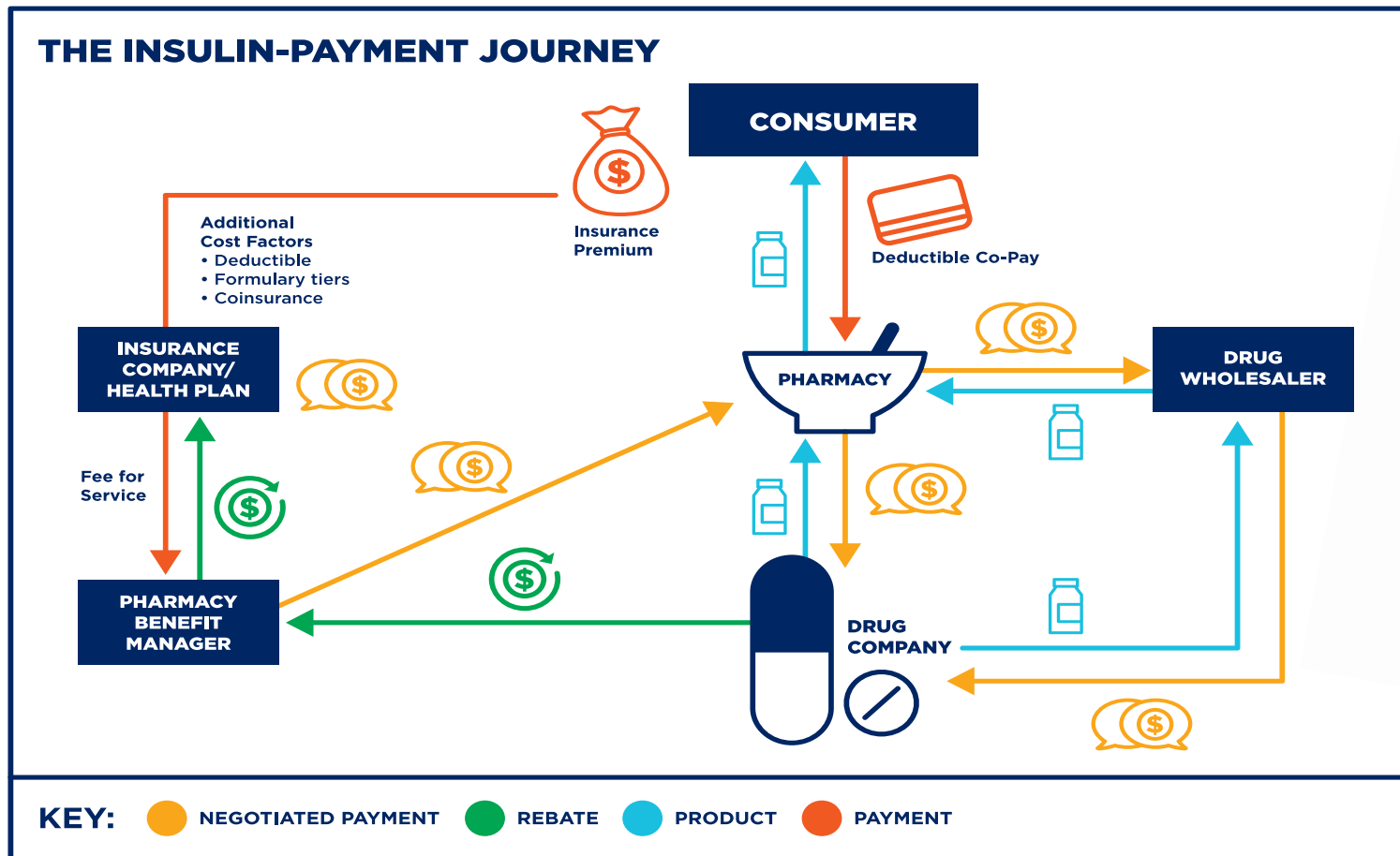
SOURCES: Kaiser Family Foundation, Families USA, American Diabetes Association

Diabetes is unaffordable without insurance

\$17,000 average annual medical costs
for people with diabetes

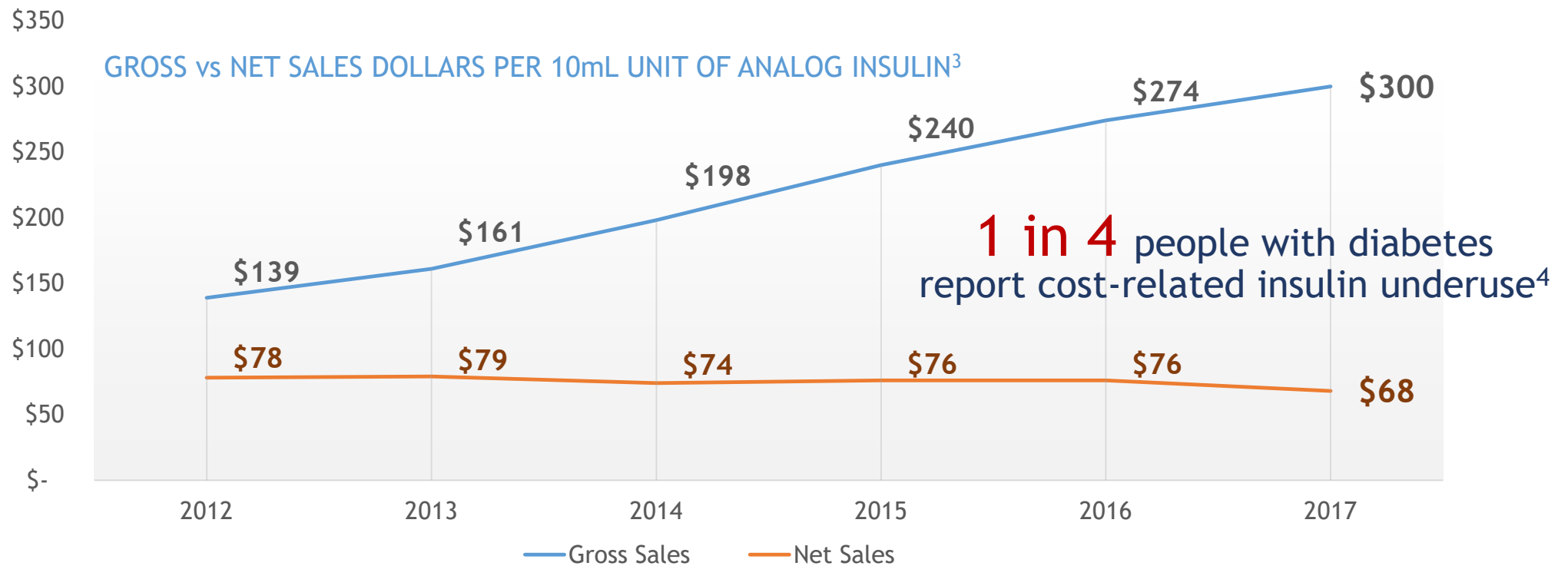


It's not a conspiracy ... it's a mess



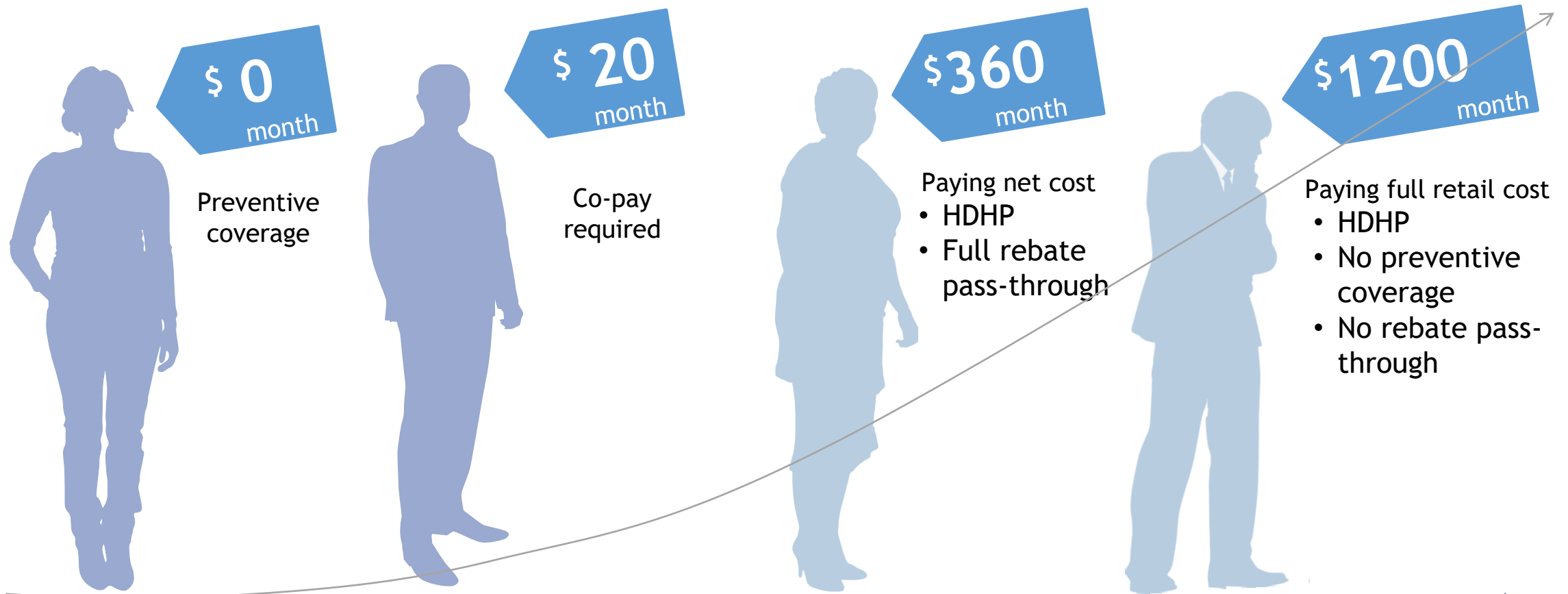
Too many patients exposed to list vs net price

INSULIN REBATES CAN TOP 60%¹ - 2x AVERAGE FOR ALL Rx²



1. Bloomberg <https://www.bloombergquint.com/onweb/2016/09/29/novo-nordisk-job-cuts-diabetes-drug-price-war-casualties>.
2. IQVIA Institute. Medicine Use and Spending in the U.S.: A review of 2018 and Outlook to 2023. May 2019. <https://www.iqvia.com/institute/reports/medicine-use-and-spending-in-the-us-a-review-of-2018-and-outlook-to-2023>
3. Lilly USA, LLC. Response letter to Sens. Collins and Shaheen, Chairs of the Senate Diabetes Caucus, May 4, 2018. Figures represent Humalog gross and net sales dollars per unit. Lilly reported five years of data, but the American Diabetes Association found gross and net prices started to diverge around 2007.
4. Herkert D, Vijayakumar P, Luo J, et al. Cost-Related Insulin Underuse Among Patients With Diabetes. *JAMA Intern Med*. 2019;179(1):112-114. doi:10.1001/jamainternmed.2018.5008

Short term costs, long term complications



Commonsense state legislative solutions

Eliminate consumer exposure to drug list prices in state-regulated health plans

Cover chronic disease management as preventive (pre-deductible)

Cap cost-sharing for insulin and supplies per prescription (\$25) and/or per month (\$100)

Ban co-pay accumulators and maximizers

Actively manage state contractors to eliminate reverse insurance and improve transparency

Transition to fee-based insurance and PBM contracts in Medicaid managed care and state employee health plans

Improve access to essential tools for diabetes self-management

Pass Kevin's Law to allow emergency dispensing of a 30-day supply of insulin

Create a Diabetes Action Plan

Enact Safe at School legislation

Adequately cover CGMs, pumps, diabetes education and other tools in Medicaid

HDHPs CAN COVER CHRONIC DISEASE CARE PRE-DEDUCTIBLE

IRS GUIDELINES ISSUED JULY 17, 2019, EXPAND THE DEFINITION OF PREVENTIVE CARE

FIRST DOLLAR COVERAGE FOR DIABETES MANAGEMENT CAN INCLUDE:



Insulin and other glucose lowering agents



Glucometer



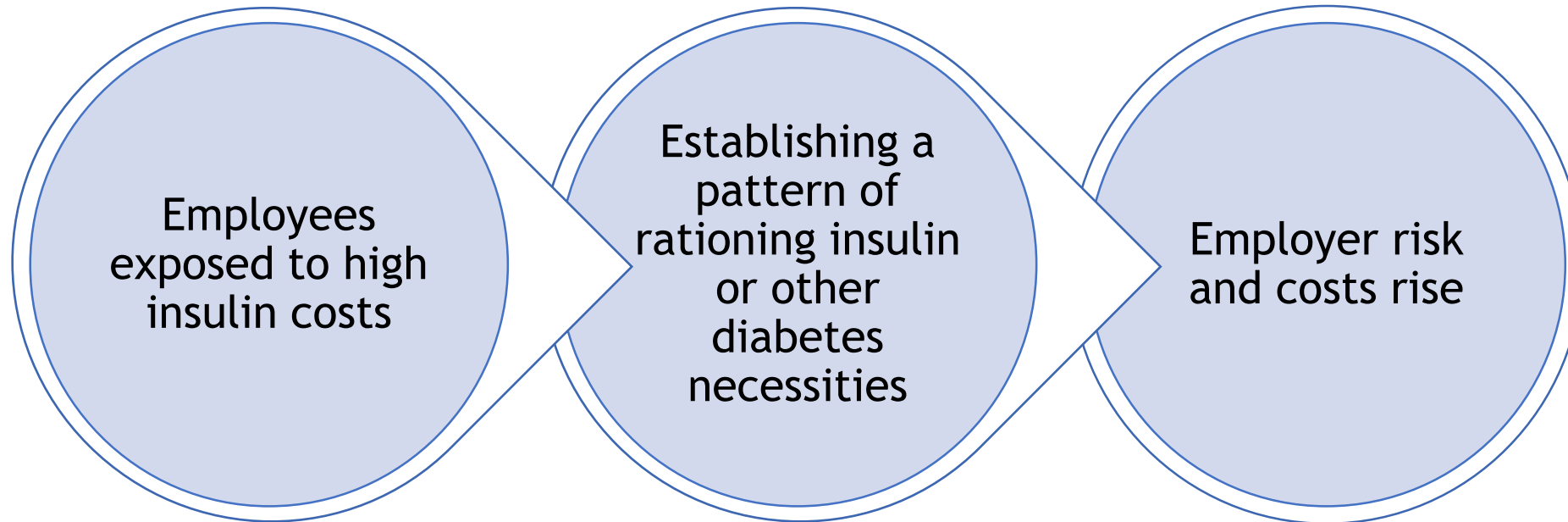
A1c testing



Retinopathy screening

HIGH INSULIN COST EXPOSURE RAISES RISK

COST **SHIFTING** NOT **SAVING**



- Insulin not covered as preventive
- High list price exposure
 - HDHPs
 - Co-insurance vs. co-pays
 - No point-of-sale rebate pass-through

- Poorer short-term health
- Worse long-term outcomes from diabetes and complications

- **Incurring claim costs prematurely** when employees hit their high deductible earlier in the year
- **Paying higher claims** for unmanaged diabetes

Cover care, avoid complications

Kentucky

- Kentucky Employee Health Plan Diabetes Value Benefit
- No deductible and reduced cost sharing for maintenance medicines and supplies
- Some supplies and DME are free
- “Newly optimal adherent members” went from 19 in 2015 to 1719 in 2017

Minnesota

- State Employees Advantage Value for Diabetes
- Auto enrollment
- No deductible and no/low cost sharing for maintenance medicines and supplies, office visits, labs, education
- Addresses co-occurring conditions like high blood pressure, cholesterol, depression, etc. as well as diabetes

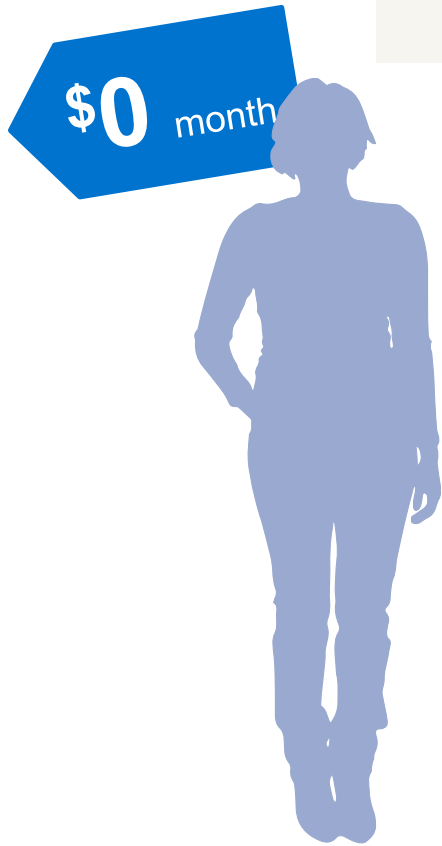
Ohio

- Diabetes Management Program
- Free diabetes supplies, medication and DME

Insulin and supply cost caps

- States are enacting \$25, \$35 or \$100 capped cost sharing
- What we've learned
 - ✓ **Clear legislative language and intent**
 - Insulin only or insulin + supplies?
 - Per prescription or aggregate per month
 - ✓ **Communicate - repeatedly**
 - Specialty training for exchange navigators
 - Raise awareness on state websites, social media, etc.
 - ✓ **Combined with first dollar (pre-deductible) coverage, cost caps make individual plans more affordable for young PWD**
 - ✓ *Insulin cost sharing caps DO NOT raise premiums*

BETTER DIABETES COVERAGE = BETTER VALUE



PREVENTIVE COVERAGE

\$244

LOWER
EMPLOYEE
DIABETES
DRUG COSTS

ANNUAL PLAN SAVINGS

\$2,202

LOWER HEALTH
COSTS PER
MEMBER WITH
DIABETES GOING
FROM NON-
ADHERENT TO
ADHERENT
STATUS

WIN-WIN

\$31

ANNUAL NET
REDUCTION IN
OVERALL
PHARMACY
COSTS PER
MEMBER

*“Our analysis clearly shows such a solution **will not raise, and may even help lower,** overall costs for payors without the perceived trade-off with deductibles and premiums”*

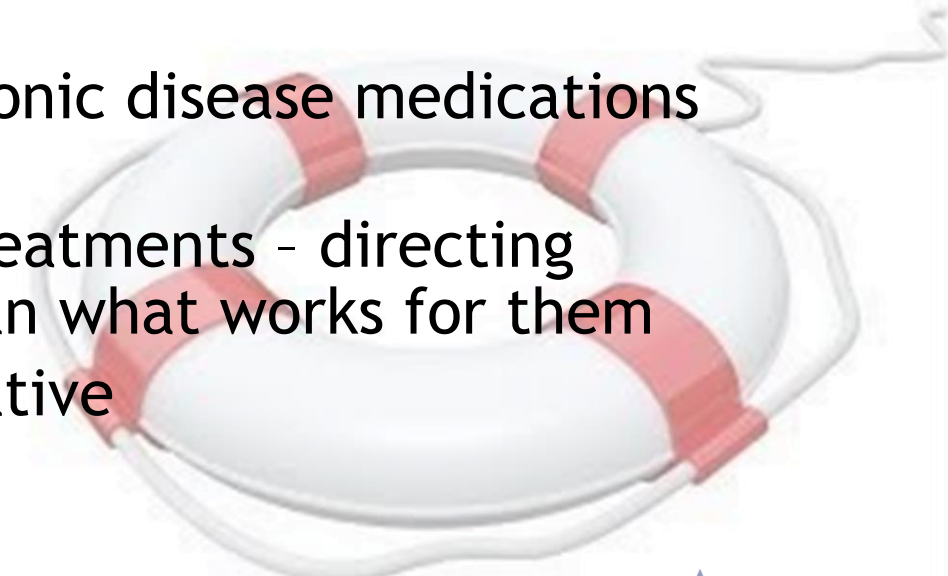
- CVS Health

1. Brennan T, Chaguturu S, Knecht D. A prescription for better diabetes management: RxZERO plan design eliminates member out-of-pocket costs. CVS Health. January 2020.

Co-pay Accumulators / Maximizers

Health plans make it harder for PWD to access the products they need AND meet high deductibles

- Cost sharing assistance (e.g., discount cards, co-pay cards, buy-downs) **DOES NOT** count toward an insured's deductible or out-of-pocket max
 - Health plan gets the deductible twice
 - Patients with high out-of-pocket costs for chronic disease medications are the most frequent card users
 - Limits consumer access to the full range of treatments - directing them toward what the plan prefers rather than what works for them
 - May apply to products with no generic alternative
-
- *Why does an insurance company care WHO pays the bill?*
 - *Why should a consumer pay MORE for what they need?*



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Actively manage state contractors

Eliminate reverse insurance and spread pricing by managing insurers and PBMs as vendors

Connecticut

Estimated 10% cost reduction (~\$30M)

- Rebate pass through
- Eliminates spread pricing
- Frequent data feeds disclosing net cost (post-rebate), subject to audit
- Emphasizes therapeutic value, not highest rebate
- Embedded EMR tools so prescribers can see medication costs

New Jersey

Estimated \$2.5B savings over 5 years

- PBMs compete based on policy terms set by the state
- 25% pharmacy cost reduction just 9 months into the first term year
- 1.1% reduction in premiums after a history of double-digit increases

Ohio

Audit revealed the state paid \$224.8M in spread pricing in a single year

- PBM collected \$208M or 31% in spread pricing on generics -- 4x what was reported

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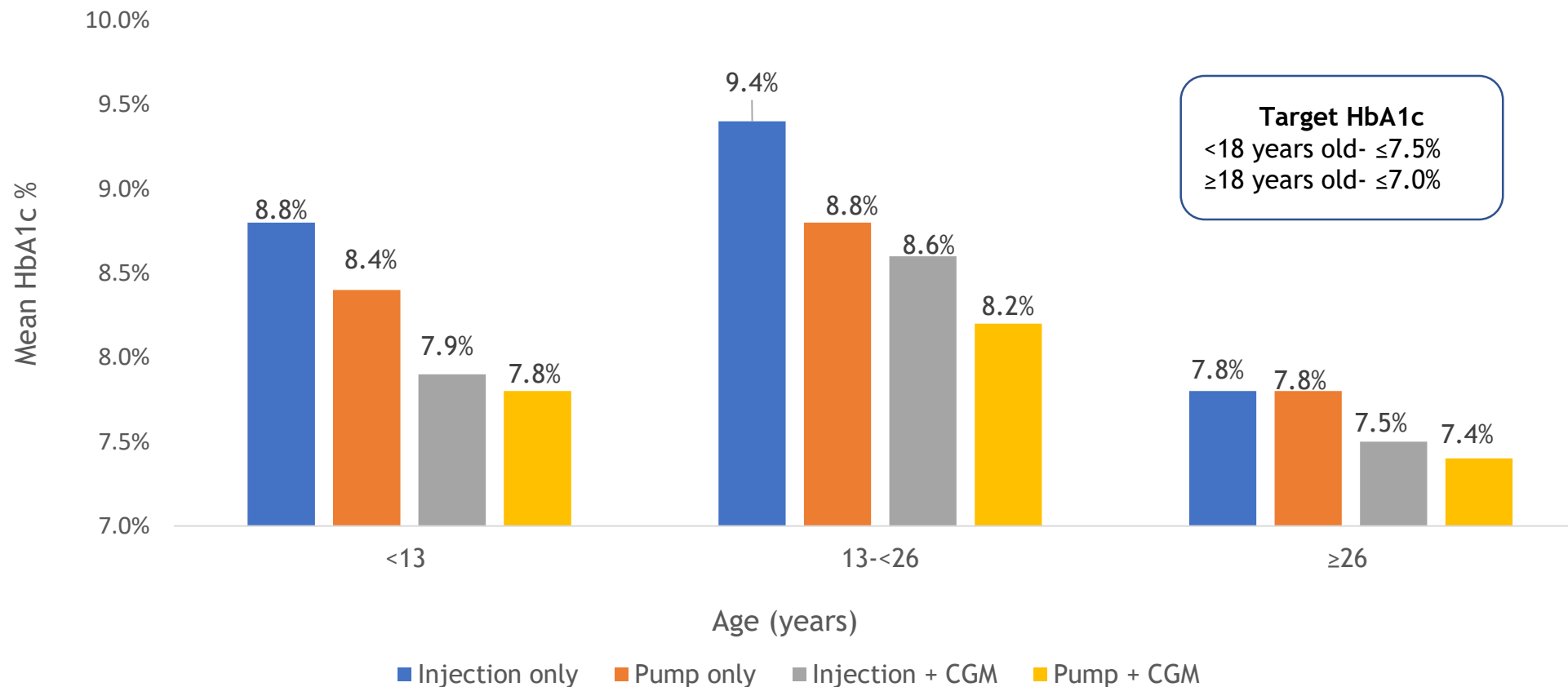
✓ Oklahoma passed Kevin's Law to allow emergency dispensing of a 30-day supply of insulin

✓ Oklahoma enacted a Diabetes Action Plan

✓ Oklahoma enacted Safe at School legislation

Adequately cover CGMs, pumps, diabetes education and other tools in Medicaid

T1D TECHNOLOGY IMPROVES GLYCEMIC OUTCOMES REGARDLESS OF INSULIN DELIVERY METHOD



T1D Exchange registry data on file through July 2016 N=20,868 (>70 sites in USA) <https://t1dexchange.org/>.
Data from the T1D Exchange are not representative and are likely better than the national picture.

DIABETES DEVICES ARE NOT “ONE-SIZE-FITS-ALL”

FINDING THE RIGHT DEVICE DEPENDS ON AN INDIVIDUAL’S NEEDS

Continuous Glucose Monitors



Dexcom G6



Medtronic Guardian Connect



Abbott Freestyle Libre



Eversense Implantable CGM

Insulin Pumps



Tandem T:slim X2



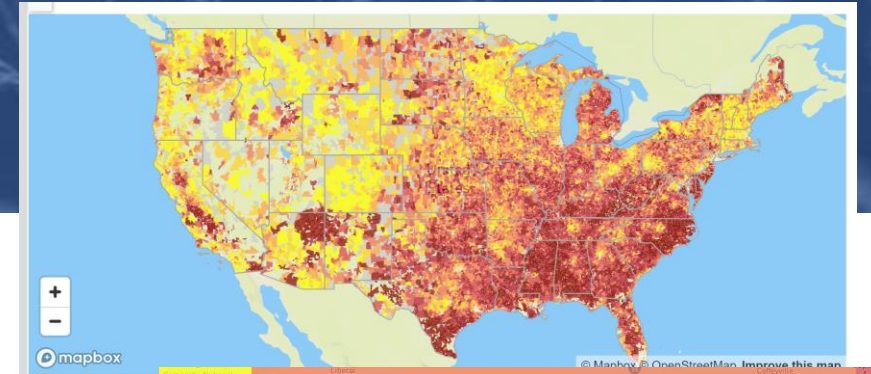
Insulet Omnipod



Medtronic Minimed 670G

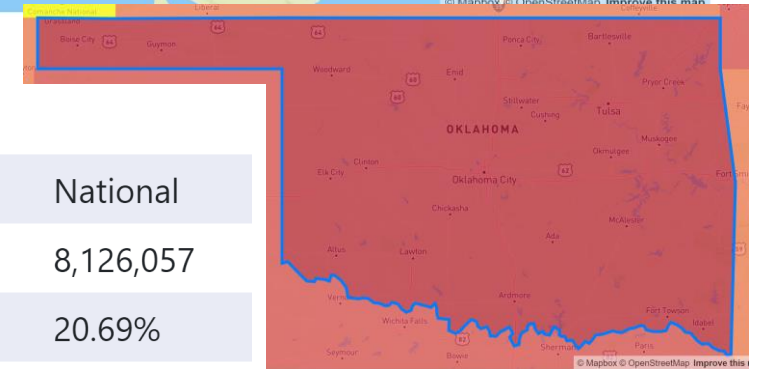
Diabetes in your district

- National Minority Quality Forum Diabetes Index
- See how diabetes impacts constituents on Medicare
 - How many
 - How much \$
 - Complications and comorbidities



Prevalence at State level

State	Oklahoma	National
# of beneficiaries in geo	133,376	8,126,057
Prevalence	22.48%	20.69%



2017 Medicare Fee for Service

Diabetes prevalence

FFS beneficiaries with diabetes

Diabetes as a % of costs

Diabetes \$ cost

CD 1

19.32%

18,454

37%

\$294M

CD 3

22.34%

29,553

39%

\$463M

**Contact DPAC or NDVLC
for a district-level snapshot**

What else?

- Continuity of Care & Coverage
 - Annual eligibility determinations for Medicaid & Medicaid expansion
 - Medicaid buy-in for working adults with diabetes
- Expand care settings
 - Statewide standing orders

Legislator resources available today

No one should have to ration lifesaving medicines like insulin
HELP IS AVAILABLE

NDVLC & DPAC tools

- ndvlc.org/reduce
- Reducing insulin costs one-pager
- Constituent newsletter template
- Constituent call script

Manufacturer assistance programs

- ndvlc.org/reduce (insulin only)
- medicineassistancetool.org (all prescription medicines)

District safety nets

- Know the [340B providers](#) in your district
- Confirm they pass prescription discounts to patients

Questions & district diabetes data

NDVLC

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DPAC

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THANK YOU!



Additional background / Q & A

Affordable coverage for all

RISING PREMIUMS

\$20576

FAMILY

\$7188

SINGLE

54%

INCREASE
2009 - 2019

MEDICAL DEBT

66.5%

BANKRUPTCIES TIED
TO MEDICAL ISSUES

530,000

FAMILIES FILE FOR
BANKRUPTCY EACH
YEAR DUE TO MEDICAL
ISSUES AND BILLS

CRUSHING COSTS

1 IN 4

ADULTS REPORT
PROBLEMS PAYING
MEDICAL BILLS

30%

DON'T TAKE
MEDICINES AS
PRESCRIBED DUE
TO COST

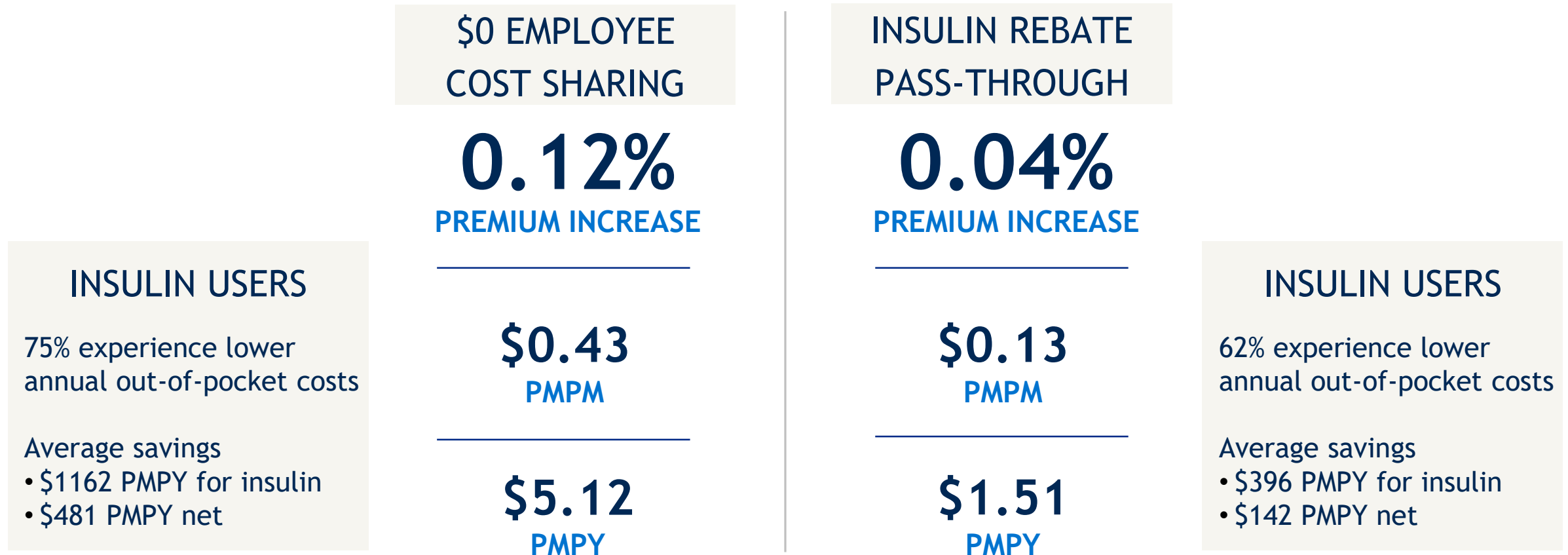
SURPRISE BILLS



1 IN 6

HOSPITAL STAYS HAVE
AT LEAST 1 OUT-OF-
NETWORK CHARGE

IMPROVED INSULIN COVERAGE WON'T DRIVE UP PREMIUMS



Figures based on 2016 medical and prescription claims data from HDHPs that did not already have \$0 insulin cost sharing. Insulin users represented 1.1% of the study cohort. Figures assume 50% insulin rebate, 85% Medical Loss Ratio and do not include any overall health cost reductions from insulin adherence improvement.

1. Milliman. Mitigating out-of-pocket costs for insulin users. May 30, 2019. <http://assets.milliman.com/ektron/mitigating-costs-insulin-users.pdf>. Accessed November 14, 2019.

VALUE FOR EMPLOYEES AND EMPLOYERS

SHARING REBATES IMPROVES DIABETES OUTCOMES AND SAVES MONEY

REDUCED HEALTH SPENDING MORE THAN OFFSETS INCREASED DRUG SPENDING¹

SAVINGS WITH 100% REBATE SHARING	MEDICAL AND NET DRUG SAVINGS (2018 \$)		
	TOTAL SAVINGS	PATIENT SAVINGS	HEALTH PLAN SAVINGS
Annual per person savings	\$884	\$791	\$93
Average annual savings for full population	\$4.1 billion	\$3.7 billion	\$435 million

1. Partnership to Fight Chronic Disease. Sharing rebates on diabetes medicines could save patients \$3.7 billion a year.
<https://www.fightchronicdisease.org/sites/default/files/PFCD-Diabetes%20Rebates-USA-Final%20%281%29.pdf>. Accessed November 10, 2019.

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100% REBATE SHARING LOWERS OVERALL HEALTH COSTS	HEALTH PLAN SAVINGS (2018 \$US)
	CHANGE IN ANNUAL SPENDING
Medical service savings	\$3.79 billion
Added spending on diabetes medicines	\$3.35 billion
TOTAL SAVINGS	\$435 million

NONADHERENCE HAS AN ECONOMIC IMPACT

LOW ADHERENCE



699,000

MORE **ER VISITS**

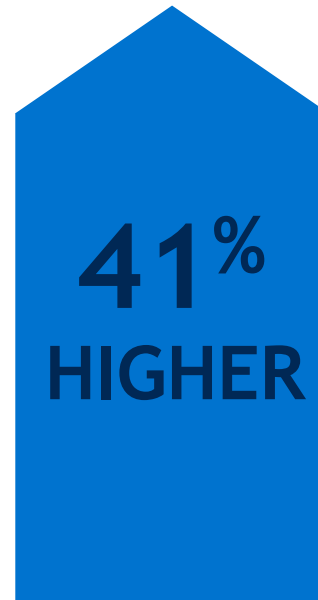


341,000

MORE **HOSPITALIZATIONS**

\$5 BILLION ANNUALLY¹

NONADHERENCE



INPATIENT COST^{2*}

DEDUCTIBLE PHASE

Up to 2.5x

MORE LIKELY TO
**DISCONTINUE
FILLING
PRESCRIPTIONS**

PAYING FULL PRICE³

* Study included oral antidiabetics and insulin.

1. Jha AK et al. *Health Aff (Millwood)*. 2012;31:1836-1846.

2. Egede LE et al. *Diabetes Care*. 2012;35:2533-2539.

3. IQVIA Institute for Human Data Science. <https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/medicines-use-and-spending-in-the-us.pdf>.

ADHERENCE REDUCES COSTS*

ANNUALLY*

EACH
10%
INCREASE

ADHERENCE TO INSULIN

WAS ASSOCIATED WITH
AN APPROXIMATE
9% TO 29%
DECREASE

ANNUAL HEALTHCARE COST

*Study included oral antidiabetics and insulin. Separate stratified analyses found that increased adherence was associated with lower costs, independent of type of antidiabetic medication. The study was a self-reported longitudinal cohort study.

1. Balkrishnan R et al. *Clin Ther.* 2003;25:2958-2971.

Help is available (and programs are better than ever) For Uninsured AND Underinsured

- ✓ \$35-\$99 for a month's supply of insulin
- ✓ Immediate/emergency supply vouchers
- ✓ Lower list price analog insulin
- ✓ Co-pay cards or buy-down

Call or go to the
websites for details!

LILLY	NOVO	SANOFI
Lilly Diabetes Solution Center insulinaffordability.com (833) 808-1234 M-F 9am - 8pm ET	NovoCare novocare.com (844) NOVO4ME (844) 668-6463 M-F 8:30am - 6pm ET	Insulins Valyou Savings Program insulinsvalyou.com (833) 813-0190 M-F 8am - 8pm ET