

# NBCH action brief

FEBRUARY 2012

## Diabetes: Costs and Opportunities

Diabetes is epidemic. Over eight percent of the U.S. workforce suffers from this disease, and a quarter of them aren't even aware that they have this condition. The number of diabetes patients is rapidly rising considering that 79 million adults over 20 years of age have pre-diabetes.<sup>1</sup> This Action Brief outlines the scope and costs of diabetes as well as how health plans are addressing the issue based on data from eValue8™—a resource used by purchasers to track health plan performance. This brief also offers actions employers can take to improve the health of their population with diabetes and pre-diabetes to control associated costs.

### WHAT'S THE ISSUE?

**EMPLOYERS SPEND ON AVERAGE \$4,413 MORE FOR EMPLOYEES WITH DIABETES AS COMPARED TO EMPLOYEES WITHOUT.<sup>2</sup>**

#### COSTS OF DIABETES

- ▶ Diabetes is the leading cause of blindness, kidney failure, and lower-limb amputations; is a major cause of heart disease and stroke; and is the 7th leading cause of death.<sup>3</sup>
- ▶ Medical expenses for people with diabetes are more than two times higher than for those who do not have the condition.<sup>4</sup>
- ▶ Over 30% of the costs associated with employees who have diabetes are attributable to medically related work absences and disability.<sup>5</sup>
- ▶ In 2007, estimated diabetes expenses in the U.S. were \$174 billion annually in direct medical and indirect costs.<sup>6</sup>

#### PROPER THERAPY & TREATMENT

A diabetes treatment team can help ensure that the patient takes critical steps to prevent the onset of complications.

- ▶ **GLUCOSE CONTROL**—Each percentage point decrease in A1c (average blood sugar) test results reduces the risk of eye, kidney, and nerve diseases by 40%.
- ▶ **BLOOD PRESSURE CONTROL**—Controlling blood pressure reduces heart disease or stroke by 33–50%.
- ▶ **BLOOD LIPIDS CONTROL**—LDL cholesterol (“the bad cholesterol”) control can reduce cardiovascular complications by 20–50%.
- ▶ **EYES, FEET, AND KIDNEYS CARE**—Detecting and treating eye disease with laser therapy can reduce the development of severe vision loss by 50–60%; foot care programs can decrease amputation rates by 45–85%; and detecting and treating kidney disease by lowering blood pressure can slow the decline in kidney function by 30–70%.<sup>7</sup>

### MEASURING UP

**eValue8 RESULTS FROM 2011 SHOW HOW PLANS ARE LEVERAGING THEIR DATA, RESOURCES, AND PAYMENTS TO HELP PREVENT DIABETES AND CLOSE GAPS IN QUALITY OF DIABETES CARE.**

- ▶ Diabetes disease management programs are an important resource to assist patients in coordinating complex care. Some plans don't offer these programs as standard (8%). Employers should be aware of this and write the option into their health plan contracts.
- ▶ Forgetting tests or treatments is a major problem. While the majority of plans (96%) offer educational diabetes care information, 10% of plans do not offer member-specific reminders for due or overdue clinical/diagnostic maintenance services.
- ▶ Medication adherence is vital to controlling diabetes, yet 13% of responding plans do not provide member-specific reminders for medication events, (e.g., level of use, failure to refill). Only 84% of plans alert physicians and only about half (55%) notify the telephonic coach. Moreover, less than half of the plans (only 40%) send information electronically to a personal health record (PHR) which triggers a member alert.
- ▶ Physician support in managing diabetes provides consistent care and evidence-based treatment. 19% of plans do not provide information to physicians around guidelines and health plan program offerings, and the majority of plans do NOT provide continuing medical education (CME) credit for diabetes education (87.5%) or incentives to screen (84%).
- ▶ Value-based insurance design (VBID) incentivizes members to use high value services by lowering the out-of-pocket cost. 12.5% of plans do not support any type of benefit design or rewards for engaging members with diabetes, and over half of the plans do not waive/adjust out-of-pocket payments for diabetes tests, treatments, or prescriptions in order to boost rates of prevention and treatment and lower complication rates.

## WHAT CAUSES DIABETES?

Those with type 1 diabetes produce little or no insulin, which helps convert blood sugar (glucose) into fuel for the body. People with type 2 diabetes are insulin resistant, meaning that their bodies don't store glucose as energy, which leads to hyperglycemia—a high level of blood sugar.<sup>8</sup> While there is no way to prevent type 1 diabetes, type 2 diabetes can often be prevented through a healthy diet and weight, an active lifestyle, and medication.

## Health Plan Highlight

UnitedHealthcare's Diabetes Health Plan program identifies diabetic and pre-diabetic adults through claim and biometric screening and provides enhanced benefit coverage for prescriptions and specific health services, provides diabetes specific health coaching and education to support optimal health behaviors among diabetics. In exchange for continued eligibility, the plan requires compliance with specific preventive screenings, disease management and evidence-based standards of care for diabetes and pre-diabetes.

## TAKE ACTION

### ACTION ITEM #1: Get educated and understand the impact

The Agency for Healthcare Research and Quality (AHRQ) has created an [evidence-based tool](#) that employers can use to estimate how much diabetes costs and the potential savings that could result from better management of diabetes. Based on an employer's industry, location, and firm size, the calculator estimates the number of people with diabetes; annual diabetes-related medical costs; annual diabetes-related productivity costs; and potential savings associated with better management of diabetes.

### ACTION ITEM #2: Talk to your health plan

Plans are making great strides on the diabetes front, but don't make assumptions about your plan. Engage your plan as a partner, leverage their resources, and set expectations:

- ▶ Provide incentives for beneficiaries to maintain and improve their health by establishing a plan with a lower cost premium share and lower out of pocket costs for tests, treatments, and prescriptions in exchange for adhering to guidelines (taking tests and medication as indicated, controlling weight, etc.)
- ▶ Leverage the plan's knowledge about gaps in care by insisting that they use that information to alert beneficiaries and the doctors that treat them.
- ▶ Set expectations and goals for the support services that the plan already has, including their ability to locate and interact with beneficiaries who can benefit from coaching or self-management tools. Plans should be constantly improving these services through adoption and testing of strategies like social media communication that improve the uptake and effectiveness of these programs.
- ▶ Support providers by establishing plan expectations and contractual terms that motivate the plan to 1) connect or embed their support services within physician practices (where they are far more effective) and 2) reward providers financially for delivering better outcomes.

### ACTION ITEM #3: Support and engage your workforce

- ▶ Utilize tools such as [Diabetes At Work](#), a free, online resource specifically designed to address the management of diabetes in the workplace. With a multitude of downloadable resources, lesson plans, and fact sheets on various topics around diabetes, employers have a low-cost way to get the facts and ensure that their employees are best managing their condition.
- ▶ Steer employees to diabetes self-care resources such as the National Diabetes Education Program's [Diabetes HealthSense](#), a site with age- and language-specific diabetes and pre-diabetes resources.
- ▶ Observe Diabetes Awareness Month each November, and highlight resources such as those found on the [Stop Diabetes](#) website.
- ▶ Encourage employees to seek care from high-performing providers such as those identified by [NCQA's Diabetes Recognition Program](#).
- ▶ Foster a healthy work environment by providing nutritious food and drink options in cafeterias and vending machines; by offering space, time, and discounts for fitness; and by organizing support groups for employees with diabetes and pre-diabetes.

### ACTION ITEM #4: Join your local business health care coalition

The coalition movement is a proven vehicle for meaningful change at the local level. Coalitions leverage the voice and power of their employer purchaser members by serving as community leaders working to advance change. Coalitions can support your efforts to educate and support your employee population with diabetes as well as provide you with the necessary tools to challenge your plans and providers to improve the quality of diabetes care in your community.

## ENDNOTES

- 1 Centers for Disease Control and Prevention. National Diabetes Fact Sheet, 2011. Atlanta, GA: U.S. Department of Health and Human Services, CDC, 2011.
- 2 Ramsey, S., et al. "Productivity and Medical Costs of Diabetes in a Large Employer Population." *Diabetes Care*. 25:1. January 2002.
- 3 CDC. National Diabetes Fact Sheet, 2011.
- 4 Ibid.

- 5 Ramsey, S., et al. "Productivity and Medical Costs of Diabetes in a Large Employer Population." *Diabetes Care*. 25:1. January 2002.
- 6 CDC. National Diabetes Fact Sheet, 2011.
- 7 Ibid.
- 8 "Diabetes." PubMed Health. Web. 13 October 2011. <http://www.ncbi.nlm.nih.gov/pubmedhealth/PMH0002194/>