

Understanding Diabetes and Chronic Disease Risk Management: Effective Health Plan Strategies for Employers

Presented in cooperation with the Indiana Department of Health

November 16th, 2023, | 10:00 a.m. to 11:00 a.m. EST



About Us



501(c)(3)
Organization



Subsidiary of the
Indiana Chamber of
Commerce



Workplace and
Community Well-
Being



Member
Organization

Overview

- **Diabetes Data Education:** How diabetes impacts overall health plan risk and costs;
- **Medicines and Technologies:** Help individuals manage the disease, greatly reduce complications and prevent Type 2 diabetes, ultimately saving health plan dollars; and
- **Key Health Plan Design:** features and concrete steps your organization can take to manage plan risk, reduce costs and improve care.



George J. Huntley

COO and CFO Theoris Group, CEO Diabetes
Leadership Council



Understanding Diabetes and Chronic Disease Risk Management

Effective Health Plan Strategies for
Employers

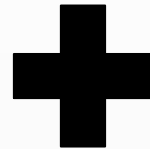
November 16, 2023

George Huntley

CEO, Diabetes Leadership Council



POLICY ADVOCACY IN ACTION



POLICY ADVOCACY

Patient-centered policy
expertise for lawmakers,
employers & advocates
501(c)(3)

GRASSROOTS ADVOCACY

Turn knowledge into
action through advocacy
501(c)(4)

AGENDA

DIABETES BASICS

COST OF DIABETES

LET'S TALK ABOUT OBESITY

MARKETPLACE DYNAMICS
INFLUENCING CARE & COSTS

PLAN DESIGN OPTIONS

Q & A



DIABETES BASICS

WHAT IT IS

40% OF AMERICANS

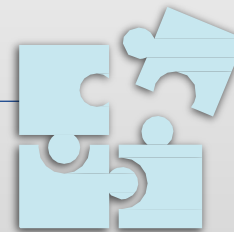
- 37 million, diabetes
- 96 million, prediabetes



Affects how the body converts food into energy



Recognized disability under federal ADA & IDEA laws

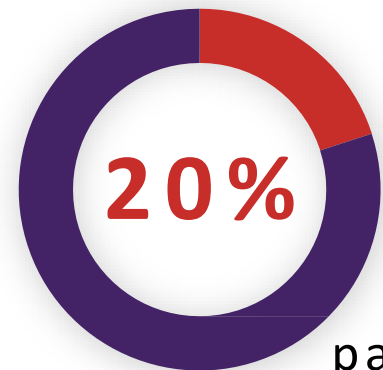
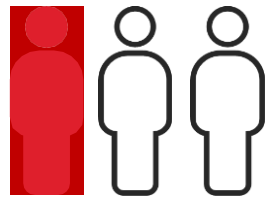


No cure (yet) but innovation is reshaping the diabetes management & prevention landscape

INSULIN IS THE KEY

Insulin acts like a “**KEY**” to let blood sugar into the cells to use for energy

1 in 3 adults with diabetes require insulin daily



...of U.S. insulin prescriptions cost patients **more than \$35**

5-10% TYPE 1

Autoimmune disease
Can't produce insulin

90-95% TYPE 2

Metabolic
Insulin deficient or resistant

CHRONIC & PROGRESSIVE



Diabetic Retinopathy

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



Heart Disease/Stroke

2 to 4 times more likely to die²



Kidney Failure

44% of new cases¹



Lower-limb amputation

60% of non-traumatic amputations¹

*No cure, but individualized diabetes management plans can **PREVENT OR DELAY** serious complications that cost the plan much more*

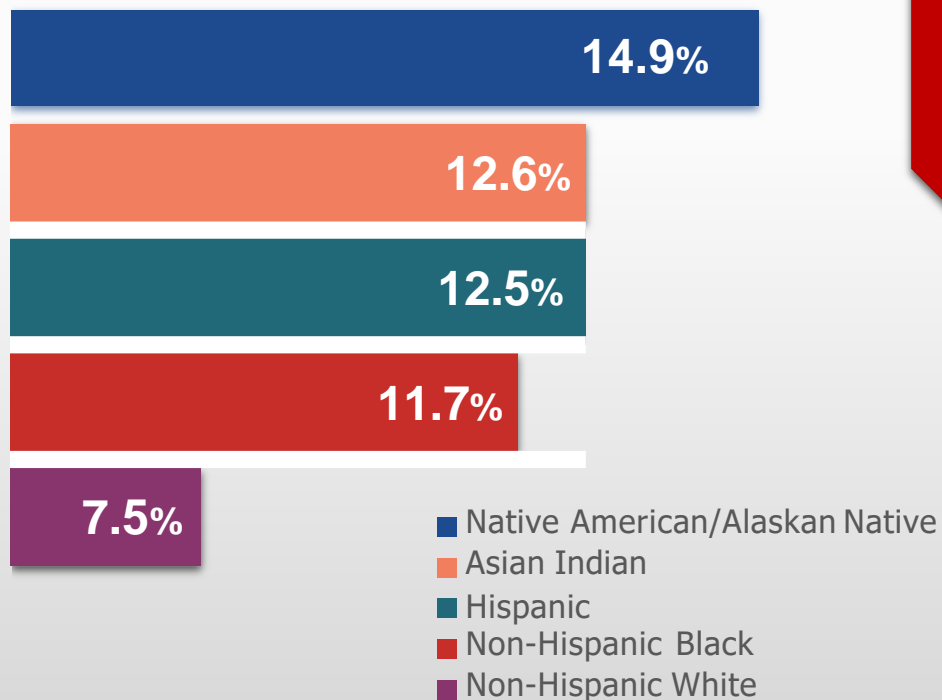


1. Centers for Disease Control and Prevention. <https://www.cdc.gov/diabetes/pdfs/data/2014-report-estimates-of-diabetes-and-its-burden-in-the-united-states.pdf>

2. American Heart Association. <http://www.heart.org/HEARTORG/Conditions/More/Diabetes/WhyDiabetesMatters/Cardiovascular-Disease->

DIABETES DISPARITIES PERSIST

PERCENTAGE OF DIAGNOSED DIABETES IN U.S. ADULTS BY RACE/ETHNICITY¹



PEOPLE OF COLOR WITH DIABETES ARE LESS LIKELY TO

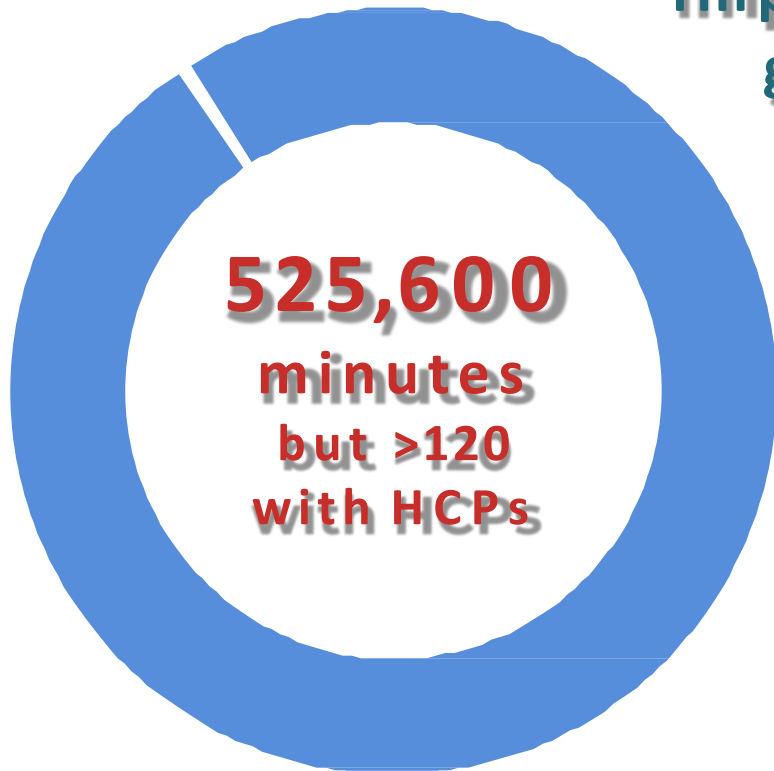
- Be prescribed a CGM
- Be prescribed an insulin pump
- Receive education regarding newer diabetes technology
- Have access to newer diabetes technology (due to cost/coverage)
- Be prescribed newer types of insulin and glucagon medications

AND MORE LIKELY TO






- Develop complications including damage to nerves, eyes and kidneys
- Be frequently hospitalized for severe high or low blood sugar levels
- Be hospitalized due to COVID-19 or die from it

WHY IS DIABETES SO HARD TO MANAGE?

42 FACTORS impact blood glucose



The 42 Factors graphic is used with permission from The diaTribe Foundation. To learn more go to diaTribe.org/42FactorsExplained

FOOD 	BIOLOGICAL 
<ul style="list-style-type: none"> ↑↑ 1 Carbohydrate quantity →↑ 2 Carbohydrate type →↑ 3 Fat →↑ 4 Protein →↑ 5 Caffeine ↓↑ 6 Alcohol ↓↑ 7 Meal timing ↑ 8 Dehydration ? 9 Personal microbiome 	<ul style="list-style-type: none"> ↑ 20 Too little sleep ↑ 21 Stress and illness ↓ 22 Recent hypoglycemia →↑ 23 During-sleep blood sugars ↑ 24 Dawn phenomenon ↑ 25 Infusion set issues ↑ 26 Scar tissue / lipodystrophy ↓↓ 27 Intramuscular insulin delivery ↑ 28 Allergies ↑ 29 A higher BG level (glucotoxicity) ↓↑ 30 Periods (menstruation) ↑↑ 31 Puberty ↓↑ 32 Celiac disease ↑ 33 Smoking
MEDICATION 	ENVIRONMENTAL 
<ul style="list-style-type: none"> →↓ 10 Medication dose ↓↑ 11 Medication timing ↓↑ 12 Medication interactions ↑↑ 13 Steroid administration ↑ 14 Niacin (Vitamin B3) 	<ul style="list-style-type: none"> ↑ 34 Expired insulin ↓↑ 35 Inaccurate BG reading ↓↑ 36 Outside temperature ↑ 37 Sunburn ? 38 Altitude
ACTIVITY 	BEHAVIOR & DECISIONS
<ul style="list-style-type: none"> →↓ 15 Light exercise ↓↑ 16 High-intensity & moderate exercise →↓ 17 Level of fitness/training ↓↑ 18 Time of day ↓↑ 19 Food and insulin timing 	<ul style="list-style-type: none"> ↓ 39 More frequent BG checks ↓↑ 40 Default options and choices ↓↑ 41 Decision-making biases ↓↑ 42 Family and social pressures

The arrows show the general effect these 42 factors seem to have on blood glucose based on scientific research and/or our experiences at diaTribe. However, not every individual will respond in the same way, so the best way to see how a factor affects you is through your own data: check your blood glucose more often with a meter or wear a CGM and look for patterns.



COST OF DIABETES



DIABETES IS A MAJOR PLAN COST DRIVER

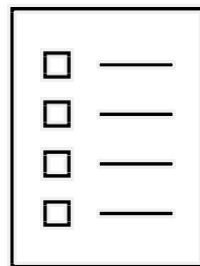
SPENDING



HEALTH DOLLARS¹

TOP 4

Health plan
cost driver



IN 2020

LARGE EMPLOYERS²

PRIORITIES

60%

Complication\$
vs
Management

PREVENTION¹

Insurers have reported spending
\$30K/yr per person **WITH**
complications vs.
\$10K/yr NO complications³

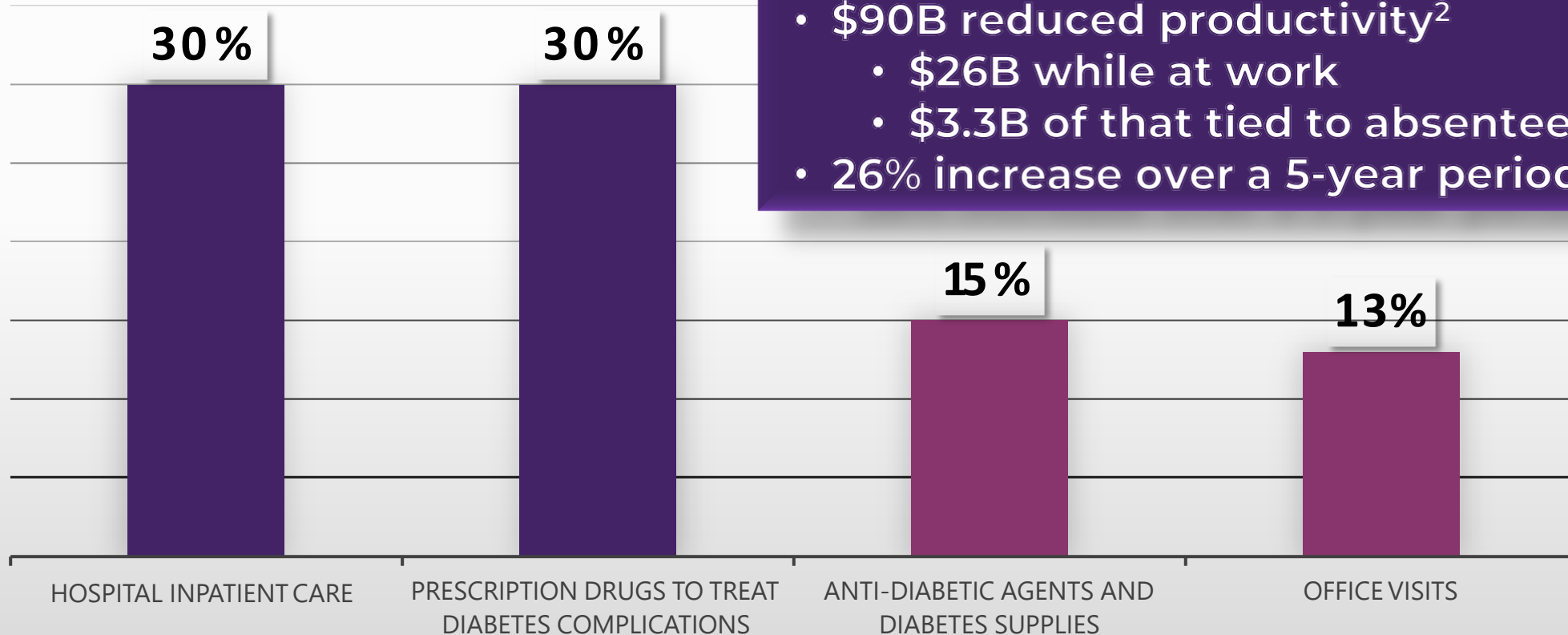
1. American Diabetes Association. <https://doi.org/10.2337/dci18-0007>

2. Centers for Disease Control and Prevention. <https://www.cdc.gov/diabetes/statistics/meduse/fig2.htm>

3. Northeast Business Group on Health. <https://nebgh.org/wp-content/uploads/2015/02/Diabetes-v6.pdf>



SPENDING ON THE WRONG THINGS



\$327 BILLION ANNUAL COST OF DIABETES¹

- \$237B direct medical spending¹
- \$90B reduced productivity²
 - \$26B while at work
 - \$3.3B of that tied to absenteeism
- 26% increase over a 5-year period¹

MAJOR COMPONENTS OF DIABETES MEDICAL SPENDING

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

²Economic Costs of Diabetes in the U.S. in 2017. American Diabetes Association, March 22, 2018. Retrieved from <https://diabetes.org/about-us/statistics/cost-diabetes>



SICK CARE VS HEALTH CARE – ROOM TO IMPROVE

Medical costs for someone **with diabetes are 2.3x > for a person without diabetes**

16 MILLION
ER visits per year

7.8 MILLION
inpatient hospital
stays per year

~50%
reached A1C goal

19%
met A1C, blood
pressure, cholesterol
and non-smoking goals

89%
overweight or obese

LET'S TALK ABOUT OBESITY

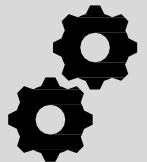
Obesity is a public health crisis



Obesity is **second only to cigarette smoking** as a leading preventable cause of death in the U.S.



Nearly one in five deaths of African Americans and Caucasians age 40 to 85 is attributed to obesity



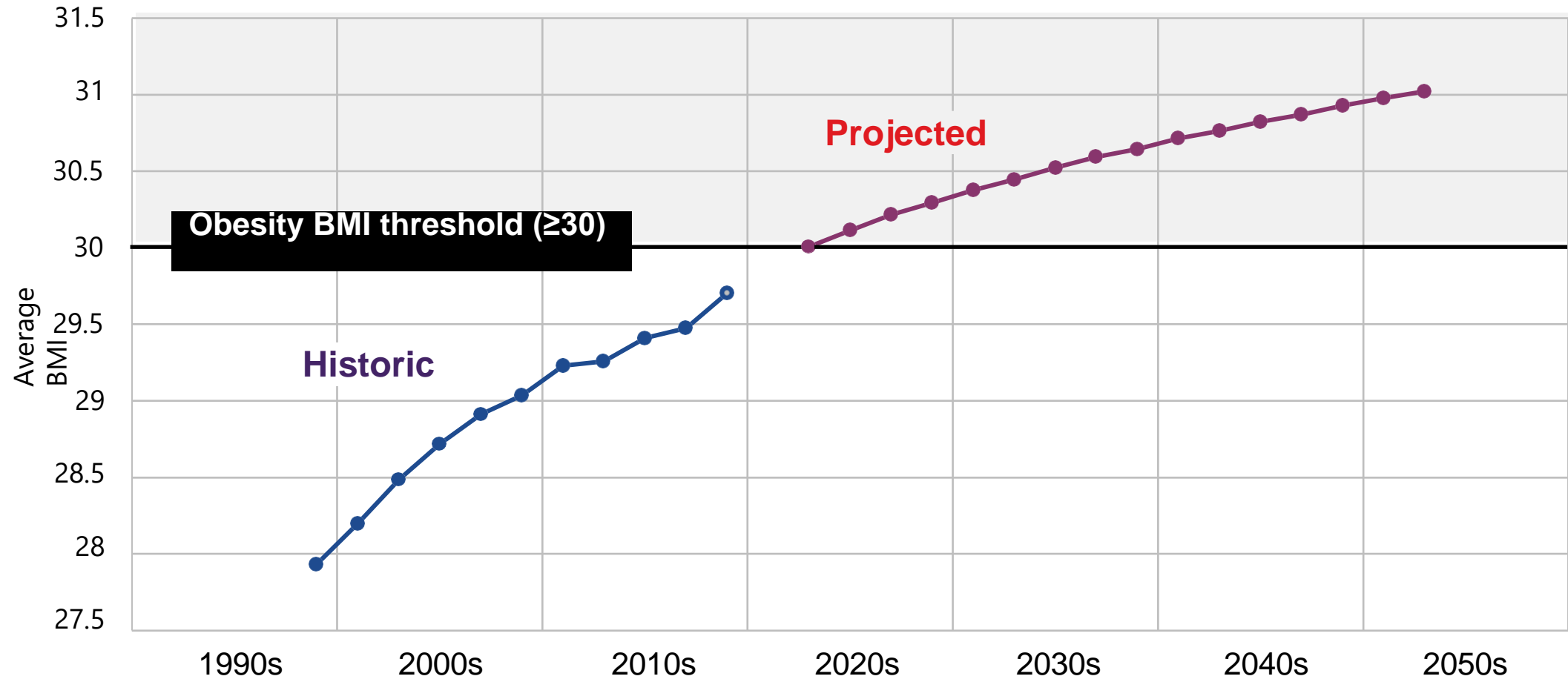
Current policies and public health efforts are **failing to slow the alarming trends** in obesity



Many insurance plans **don't cover weigh loss drugs or behavioral therapies** and uptake rates remain exceptionally low (3% or less)

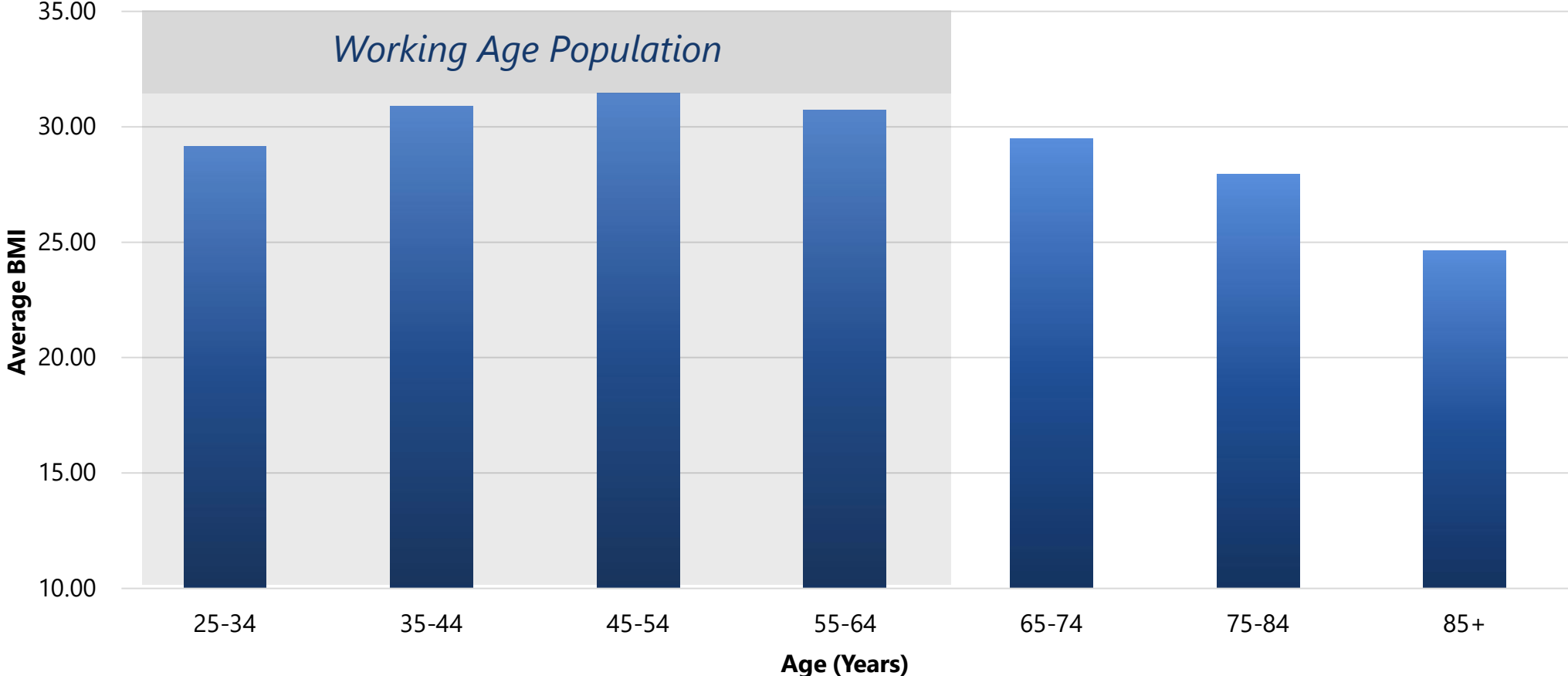
We are losing the fight against obesity: ~50% of adults

Average BMI for American adults



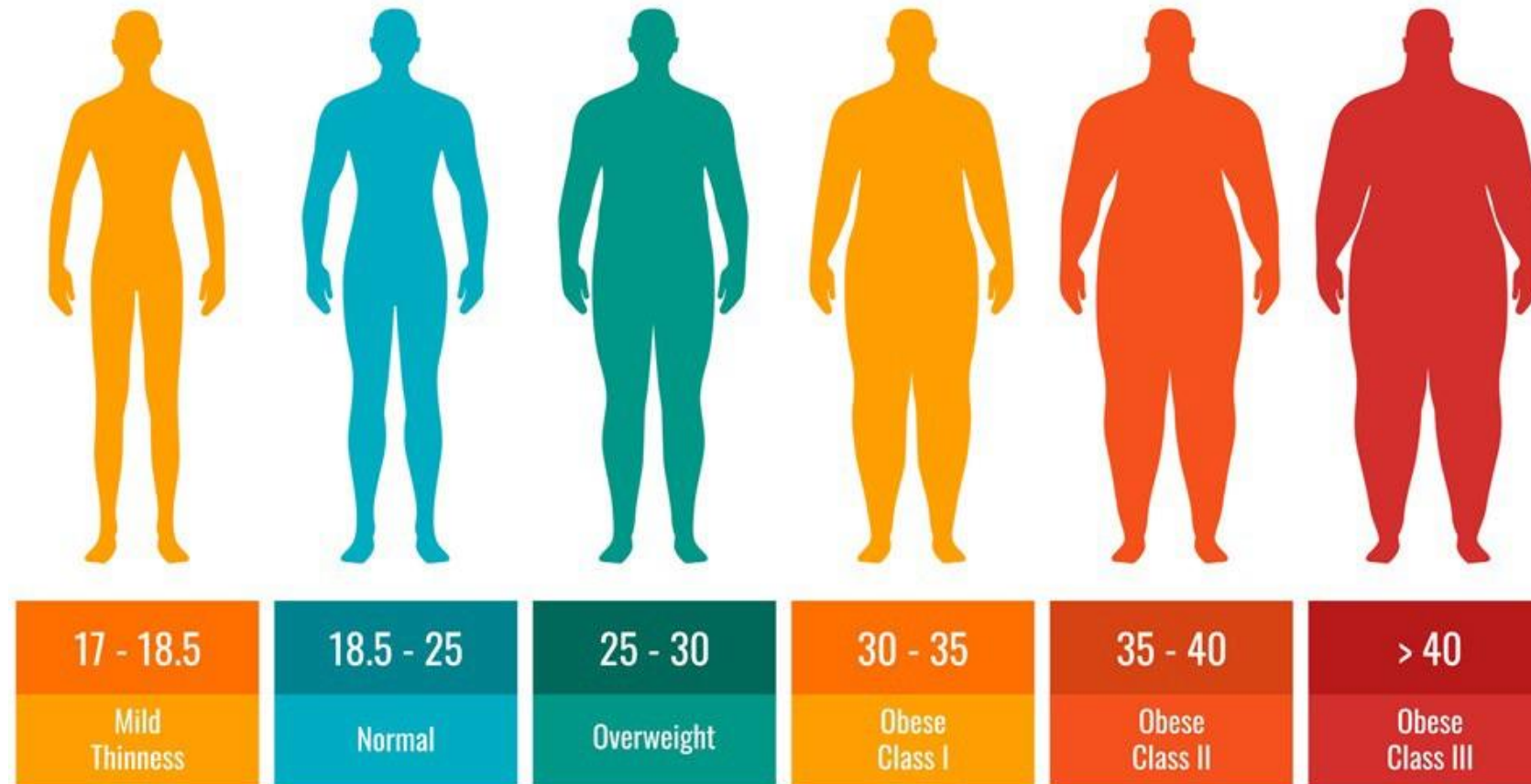
Average BMI by Age

Average BMI in US Population



WHAT QUALIFIES AS OBESITY?

BODY MASS INDEX (kg/m²)

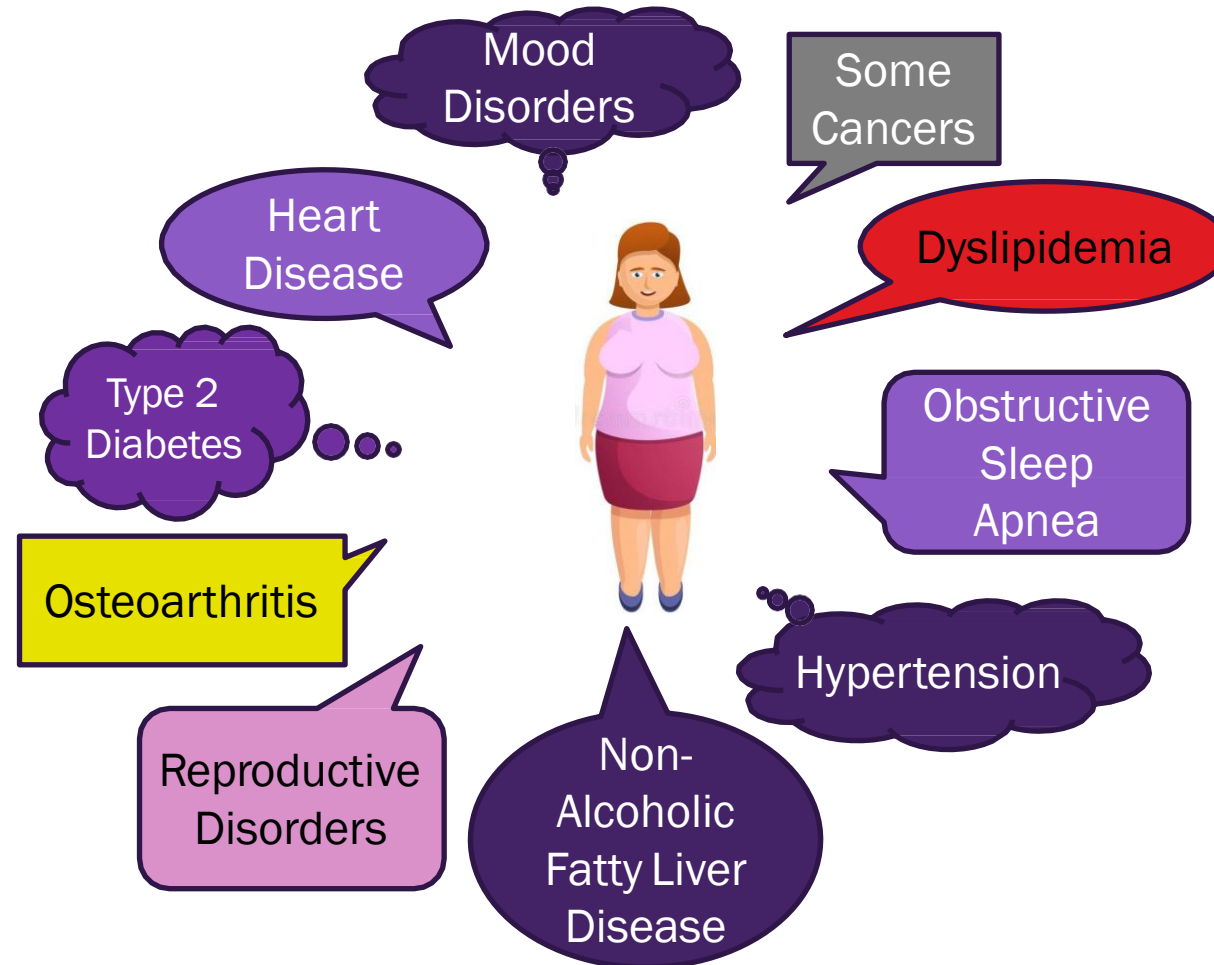


*Need to
shift from
Blame to
Biology*

LINKED TO SERIOUS COMORBIDITIES

For every 5 point increase in BMI, the risk of heart failure increased by 32%¹

80-85% risk of developing Type 2 diabetes is driven by obesity³



Cancers associated with excess weight contribute to 40% of all cancers²

Obesity accounts for 65-78% of cases of hypertension⁴

¹ Johns Hopkins Medicine "Weight: A Silent Heart Risk"

²Centers for Disease Control & Prevention. Cancers Associated with Overweight and Obesity Make up 40% of Cancers Diagnosed in the U.S. CDC Online Newsroom. Accessed 1/21/21. ³ Birch, Kelly. "What causes Type 2 diabetes? Know the major risk factors and how to prevent it." <https://www.insider.com/guides/health/conditions-symptoms/what-causes-type-2-diabetes>

⁴ Shariq, McKenzie. "Obesity-related hypertension: a review of the pathophysiology, management, and the role of metabolic surgery"

MODEST WEIGHT LOSS = MAJOR HEALTH BENEFITS

Consider the benefits a **5-10% weight loss** will have on patients



≥5% Weight Loss

- T2DM prevention
- T2DM: better blood sugar control/ reduced meds
- Improved incontinence, mobility, joint pain, quality of life
- Improvements in CV risk factors (HDL-C, triglycerides, BP)

BP = Blood Pressure

≥10% Weight Loss

PLUS:

- Sleep apnea reduction
- Diabetes remission possible

HDL-C = High-density Lipoprotein Cholesterol

≥15% Weight Loss

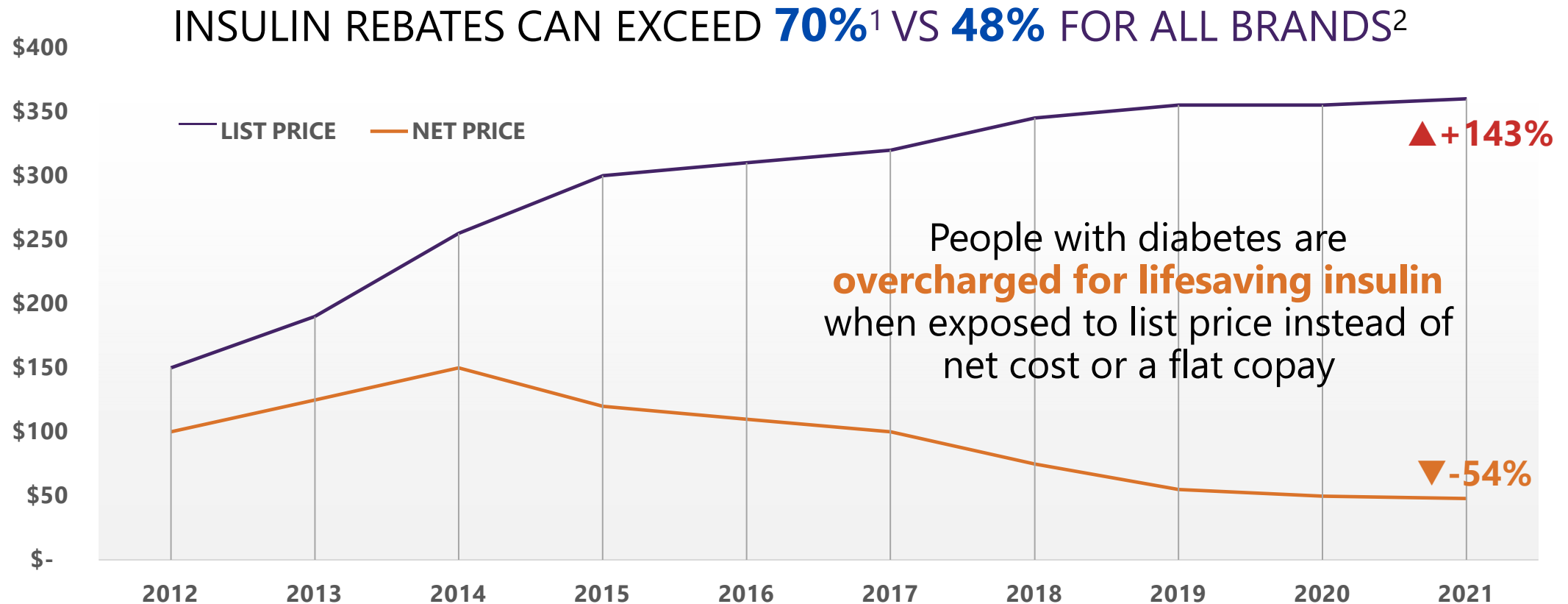
PLUS:

- Reduced CV mortality
- All-cause mortality and reduction in cancer risk

**10% of 300 lbs
= only 30 lbs**

MARKETPLACE DYNAMICS INFLUENCING CARE & COSTS

REBATES ARE DRIVING LIST PRICES UP



1. U.S. Senate Finance Committee on Finance. Insulin: examining the factors driving the rising cost of a century old drug. January 14, 2021.

[https://www.finance.senate.gov/imo/media/doc/Grassley-Wyden%20Insulin%20Report%20\(FINAL%201\).pdf](https://www.finance.senate.gov/imo/media/doc/Grassley-Wyden%20Insulin%20Report%20(FINAL%201).pdf)

2. Kakani P, Chernew M, Chandra A. Rebates in the pharmaceutical industry: evidence from medicines sold in retail pharmacies in the U.S. March 2020. NBER Working Paper 26846. <https://www.nber.org/papers/w26846>.

3. Sanofi 2021 Pricing Principles Report. March 3, 2021 <https://www.sanofi.us/en/pricing-principles-report>. Sanofi is a member of the DLC Industry Advisory Board.



WHERE'S THE MONEY?

Let's Get Vertical: Insurer + PBM + Specialty Pharmacy + Provider



1. Cigna partners with providers via its [Cigna Collaborative Care](#) program. However, Cigna does not directly own healthcare providers.

2. AllianceRx Walgreens Prime is jointly owned by Prime Therapeutics and Walgreens Boots Alliance.

Source: Drug Channels Institute research. An earlier version of this chart appears as Exhibit 89 in *The 2020 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers*, Drug Channels Institute. (<http://drugch.nl/pharmacy>)

AVE REBATE 48% ACROSS ALL BRANDED DRUGS¹

DIABETES

Fast Acting Insulins	73%
Intermediate- or Long-Acting Insulins	71%
Combinations of Oral Blood Glucose Lowering Drugs	63%
DPP-4 Inhibitors	65%
GLP-1 Analogues	38%

OBSTRUCTIVE AIRWAY DISEASES

Selective beta-2-adrenoreceptor agonists	64%
Andrenergics in combo with glucocorticosteroids or other drugs	67%
Glucocorticosteroids	69%

PATIENTS OVERPAY WHEN REBATES AREN'T SHARED

OTHER CONDITIONS	REBATE
Hepatitis C	47%
Ulcerative Colitis	44%
Incontinence	58%
Migraine	34%
Menopause	35%
Male hypogonadism	50%
Exocrine pancreatic insufficiency	29%

1. Kakani P,Chernew M, Chandra A. Rebates in the pharmaceutical industry: evidence from medicines sold in retail pharmacies in the U.S. March 2020. NBER Working Paper 26846. <https://www.nber.org/papers/w26846>.

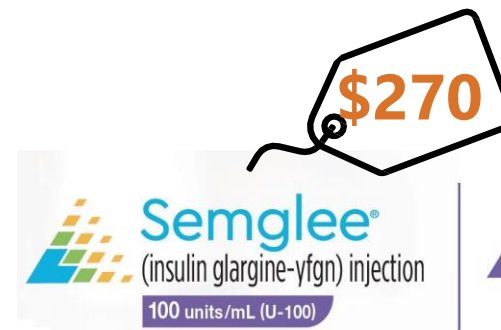
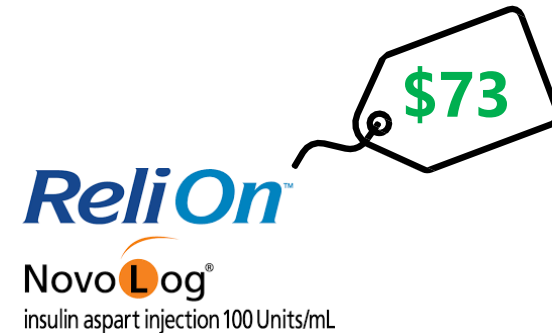


PERVERSE PBM INCENTIVES DRIVE STRANGE BEHAVIOR

FIRST THERE WAS



NOW THERE IS



GENERICS & BIOSIMILARS: LOWEST COST DRUG DOESN'T ALWAYS WIN

Medicare Part D:

- **2016-2018**
New generics launched at ave 30% savings
Yet only 25% were covered in the 1st year¹
- **In 2020** less than half of generic products were placed on generic tiers¹
- **Over last decade**, generic coverage on generic tiers dropped from 93% to 45%¹

CVS Caremark is being sued for preventing access to generics

Perverse Incentive

PBMs get more money when they cover a higher priced brand drug, rather than a less expensive generic or biosimilar.

That's bad for patients and plans.

1. Avalere: Generic Drugs Placement on Part D Generic Tiers Declines Again in 2021
<https://avalere.com/insights/generic-drug-placement-on-part-d-generic-tiers>.

PLAN DESIGN OPTIONS

KEY PLAN DESIGN FEATURES

1

FIRST-DOLLAR COVERAGE

Exempt diabetes management from plan deductibles

2

REBATE PASS-THROUGH

Eliminate list price exposure and reverse insurance

3

GENERICS & BIOSIMILARS

Ensure access to lower-cost medications

4

OBESITY

Cover counseling & proven anti-obesity drug therapies

BENEFIT STRUCTURE DETERMINES ACCESS

HIGH COST BURDEN FOR CHRONIC DISEASE MANAGEMENT RAISES RISK TO EMPLOYEES AND PLANS



\$0 MONTH

First dollar, preventive coverage consistent with IRS guidance on HDHP-HSAs



\$25 MONTH

Low, predictable copays



\$360 MONTH

Net cost

- Coinsurance based on net
- Full rebate pass-through



\$1200 MONTH

Full "retail"

- No preventive coverage
- Coinsurance based on list price
- No rebate pass-through

69% of patients will abandon a prescription if the cost is > \$250

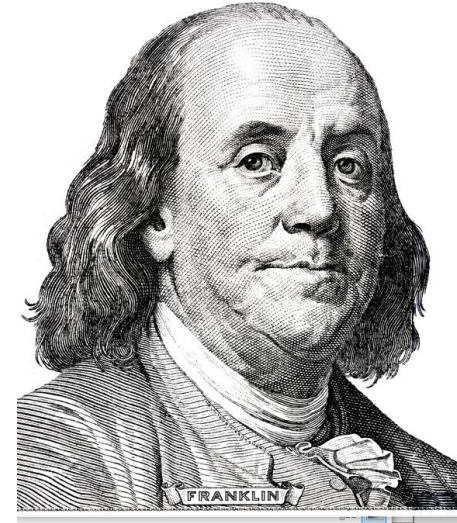


INVESTING IN DIABETES MANAGEMENT PAYS OFF

Study by Express Scripts - June 2022¹

Capping costs for diabetes medications at \$25/mo resulted in higher adherence and a 16.3% overall reduction in medical costs from diabetes

Reduced hospitalization costs drove the savings



***"An ounce of prevention
is worth
a pound of cure."***

1. <https://www.fiercehealthcare.com/payers/express-scripts-sees-lower-costs-better-adherence-program-cap-diabetes-drug-costs>

FIRST-DOLLAR COVERAGE – EBRI SURVEY

TOP LINE RESULTS

- **76% expanded pre-deductible coverage**
- **Diabetes** and **heart disease** are most often covered pre-deductible
- 66% offer pre-deductible coverage of insulin and other glucose lowering agents
- 61% offer pre-deductible glucometer coverage

BUSINESS RATIONALE FOR ADDING PRE-DEDUCTIBLE COVERAGE

- For the sake of their employees – 74%
- Employee retention – 64%
- Employee attraction – 52%
- Long-term cost-saving measure – 48%

COST SHARING

- **INSULIN AND OTHER GLUCOSE LOWERING AGENTS:** 30% waived patient cost sharing, while 60% required a copay
- **GLUCOMETERS:** 36% waived patient cost sharing, while 50% required a copay

Under IRS Notice 2019-45 employers can offer pre-deductible coverage of 14 chronic disease management products and services in their self-insured and fully insured HSA-eligible health plans, including:

- ✓ *Insulin*
- ✓ *Other glucose lowering agents*
- ✓ *Glucometers*

SHARING REBATES DOES NOT INCR PREMIUMS

0.4% - 0.6%

DEPENDING ON PLAN TYPE

ESTIMATED PREMIUM IMPACT OF
FULL REBATE PASS THROUGH
AT THE POINT OF SALE

WITHOUT FACTORING IN MEDICAL SAVINGS
FROM **IMPROVED MEDICATION ADHERENCE**
& **PERSISTENCE** BY PEOPLE WITH:

- Diabetes
- Arthritis
- Asthma
- Heart disease
- Other serious chronic conditions

Overcharging participants for drugs = False economics

They will either:

1. Meet their deductible early and you pay a future claim, or
2. Potentially ration their medicines and wind up in the ER

TREATING OBESITY LESS \$\$ THAN DIABETES

- Obesity leads to other serious conditions including T2 diabetes, hypertension, heart disease, and cancer
- Contributes to HC care costs totaling **\$173B in 2019¹** in avoidable expenditures
- Congress excluded anti-obesity meds from Med Part D
 - No widely-accepted, FDA-approved obesity drugs in 2006
- Effective FDA-approved, **anti-obesity medications now available, but typically not covered** by health plans
- **Behavioral therapy** also typically not covered

Plans pay for gastric bypass vs medications and behavioral therapies

¹ <https://www.cdc.gov/obesity/data/adult.html>

MORE PLAN OPTIONS TO REDUCE RISK/COST

Many other plan options enable employees to **better manage their diabetes – and other chronic diseases**

Details in our handout.

Includes next steps to help **your clients improve employee health.**

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

Diabetes costs include:

- \$30K/year per person for complications, but \$10K without¹
- \$26.9 billion reduced productivity²
- \$3.3 billion costs due to absenteeism³

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

DIABETES LEADERSHIP COUNCIL

ADDITIONAL PLAN DESIGN FEATURES

to further reduce diabetes risk, improve care

- 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.
- 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.

Regular eye exams and treatments can prevent up to 90% of diabetes-related blindness¹

Foot care programs (regular exams and education) reduce diabetes-related amputations 85%¹

Treatments to control blood pressure can reduce diabetes-related kidney failure 33%¹

56% of patients abandon their prescriptions at the pharmacy counter if >\$250⁴

Capping diabetes medications at \$25, plans saved 16.3% on total medical costs related to diabetes⁵

EXTRA CREDIT – STIGMA AND BIAS

STIGMA & HEALTH

- **Social determinants** of health
- **Psychological**
 - Mental health
 - Quality of life
 - Social relationships
- **Physical**
 - Chronic stress
 - Health behaviors
 - Disease risk
- **Detrimental in context of other health conditions**



EXAMPLES OF WORKPLACE WEIGHT BIAS



- **Unfair hiring practices**
 - Less likely to be hired than thinner applicants, even with identical qualifications
- **Lower wages** compared to thinner employees
 - Women with obesity earn 6% < thinner women
 - Men with obesity earn 3% < thinner men for identical work performed
 - Harsher discipline vs. thinner employees
- **Wrongful termination**
- **Negative stereotypes**
 - Perceived to be lazy, undisciplined and less competent, ambitious, productive

HOW CAN YOU REDUCE STIGMA AND BIAS?

- Identify your own **potential biases**.
- Remember those with high body weight are **frequent targets of stigma** and have likely made previous attempts to lose weight.
- Address and investigate **reports of weight-based bullying** promptly and effectively.
- Include body weight as part of **diversity training**, communicating that weight stigma is legitimate, unacceptable, and harmful.
- Eliminate inequities for employees with high body weight through **sensitivity training** for hiring staff/managers.
- Ensure **fair interviewing/hiring/promotion practices** for qualified candidates, regardless of their body weight.
- Include “weight” in workplace **anti-bullying policies**.
- Develop and implement clear **non-discrimination policies** that include body weight.

WORKPLACE WELLNESS INITIATIVES

- **Monitoring and rewarding** employees for **pounds lost** may seem appropriate, but it's **not**.
- Wellness initiatives should focus on **reducing elevated health biomarkers** (BP, A1C, cholesterol)
- **Reward healthy behaviors** rather than weight loss (Exercise & nutrition)
- Wellness programs that don't focus on weight are appropriate for **all shapes, sizes, and health statuses**.
- Include **nutritious food options**
 - Workplace meetings or work-related social events, cafeterias and vending machines
- Make **stairways a safe and attractive** alternative to elevator



Q & A



THANK YOU

Handout (*Reduce Health Plan Risk and Costs*)
is also available at:

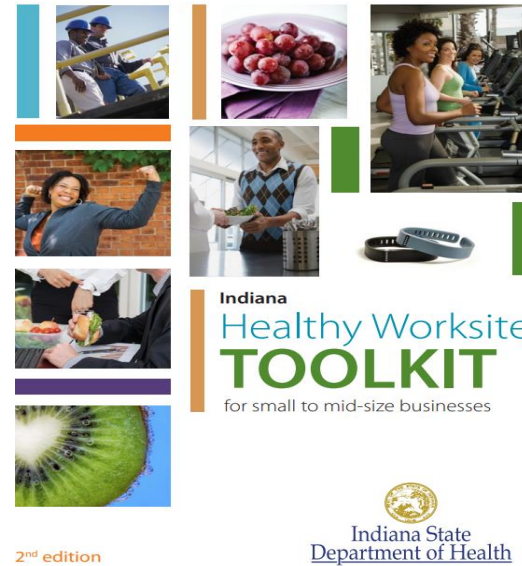
- <https://diabetesleadership.org/resources>

Questions?

- employers@diabetesleadership.org

Additional WCI Resources

- American Diabetes Association (ADA) | Diabetes Risk Assessment
- Indiana Healthy Worksite Toolkit
- National DPP Implementation Guide
- Diabetes Self-Management Education and Support (DSMES)



NATIONAL
DIABETES
PREVENTION
PROGRAM



Strategic Diabetes Consultation

- The Wellness Council of Indiana provides free, virtual consultation services and support to Indiana organizations that seek guidance in learning about diabetes in the workplace.
- Consultations are designed for wellness program managers and include:
 - diabetes prevention and self-management guidelines for the workplace;
 - best practices and guidelines for diabetes prevention and management; and
 - discussion of comprehensive benefit plan design to support individuals with diabetes.

Thank you!