

Enzi Health Insurance Legislation Jeopardizes State Diabetes Protections and Harms People with Diabetes

The American Diabetes Association is committed to expanding insurance coverage for people with diabetes, and to ensuring that such coverage meets their health care needs. A critically important component of this effort has been passage of state laws that require insurers of state-regulated health plans to provide adequate coverage for diabetes supplies, medication, equipment and education. Today, 46 states and the District of Columbia require such coverage, but these provisions would be undermined by the Health Insurance Marketplace Modernization and Affordability Act (S.1955), legislation currently under consideration in the Senate.

State Diabetes Laws Should Be Protected

- 20.8 million Americans have diabetes and that number is growing at 8 percent each year.
- Diabetes is a serious disease that can lead to serious complications – in fact; it is a leading cause of blindness, lower limb amputation, heart disease and kidney failure. With proper management, including constant blood sugar monitoring, the risk of these complications can be significantly reduced. It is therefore essential that people with diabetes have access to the appropriate tools to do their testing on the schedule recommended by their doctor. Many people with diabetes need to test 8 to 10 times per day.
- A vast majority of state legislatures have recognized the importance of guaranteeing coverage for diabetes supplies and education and have passed laws that provide this coverage to residents in state-regulated health plans. Currently, only Alabama, Idaho, North Dakota, and Ohio lack these coverage protections.
- The laws enacted in 46 states and the District of Columbia cover roughly 5.7 million Americans, which is approximately the entire population of Tennessee.
- The cost of diabetes benefit protections on health insurance premiums has been studied by numerous states and has proven to have an insignificant effect on the cost of monthly health insurance premiums. Louisiana, for example, found that their state diabetes requirement accounted for a mere .006% of monthly premiums.¹ In Utah, after conducting a comprehensive analysis of that state's diabetes mandate,² legislators chose to strengthen their state law, doing away with a sunset clause that would abolish the diabetes requirement if they found the cost too burdensome.

Under S. 1955, millions with diabetes could lose existing health coverage protections

- S. 1955 would affect not only small business health plans, but the entire state-regulated health insurance market, including individual health insurance policies and small group health plans.
- Under the proposed legislation, all people with diabetes covered under state-regulated health insurance plans would be in jeopardy of losing their diabetes coverage protections. Insurers will be able to offer a low-cost health plan to employers or individuals that exclude one or more state health care requirements, such as coverage for diabetes supplies, education, and training. In addition, when a low-cost plan is offered, insurers must also provide employers and individuals the option to purchase a second health plan that is based on one of the state employee health plans from one of the five (5) most populous states; these employee health plans do not require or guarantee diabetes coverage.

¹ Louisiana Department of Insurance. A Study of the Costs Associated with Healthcare Benefits Mandated in Louisiana. February 28, 2003.

² Utah Insurance Department, 2003 Diabetes Mandate Report, October 28, 2003.

- This proposal takes away the right of states to govern health plans and to determine important health care coverage that their residents should be able to receive.

For people with diabetes, it is not always true that having some insurance is better than no insurance

- Last year, the American Diabetes Association released a report that sheds some light on what we can expect coverage to look like if S.1955 were enacted. According to the Association's report, *Falling Through the Cracks: How Health Insurance Can Fail People with Diabetes*, having access to adequate health insurance coverage is as important as finding affordable coverage for people with diabetes.
- Many people will be transferred from their state-protected diabetes coverage to policies that may not cover their vital diabetes needs. As a result, patients will not only have to pay all of their out-of-pocket costs for their life-sustaining diabetes supplies and medications, but they will also have to pay insurance premiums for the privilege. Essentially, they will have to pay to be uninsured for diabetes care.
- As the ADA report shows, many patients in this type of situation are forced to reduce the number of times they check their glucose levels so as to ration their test strips, often times leading to hospitalization for high-cost complications. This never ending cycle also forces many people with diabetes and other chronic disease into bankruptcy. In fact, the *New York University Law Review* found that medical bills are the single leading factor contributing to personal bankruptcy in the U.S.³
- Studies have also shown that coverage for the care and treatment of diabetes not only reduces the costs of diabetes, but also improves the lives of those affected by the disease. For example, research has shown that appropriately managing diabetes can save employers an estimated 16.1 annual [disability] days for diabetes⁴ and that mean total health care costs can be reduced by as much as \$950 a year for adult patients with diabetes who are able to sustain a reduction in their hemoglobin A1c. These significant cost savings can be seen within only one to two years of improvement⁵.

Making a Difference: What Congress can do

The Association is deeply concerned about the impact of S. 1955 on people with diabetes, as well as on larger societal costs. As a result of this legislation, persons with diabetes will be unable to successfully manage their disease, and will inevitably develop debilitating and destructive complications. The societal effect will be a drastic rise in the cost of diabetes to this country, which was \$132 billion in 2002.

America's health insurance crisis will not be solved through a reduction in the quality of health coverage for millions of Americans. The American Diabetes Association (ADA) believes that all people with diabetes should have health insurance coverage comprised of three necessary components: **availability, affordability, and adequacy.**

The American Diabetes Association calls on Members of Congress to:

- **Oppose S. 1955**, the "Health Insurance Marketplace Modernization and Affordability Act"
- **Support legislation that protects and expands access, affordability, and adequacy of health coverage.**

³ Jacoby, M. B., Sullivan, T. A. and Warren, E., "Rethinking the Debates over Health Care Financing: Evidence from the Bankruptcy Courts," *New York University Law Review*, Volume 76, Number 2, May 2001: 375 – 415

⁴ *Health Economics*, 5(3): 249-265. May-June 1996

⁵ *Journal of American Medical Association*, 285:182-189, 2001