# HB 298

1-LS1218\D
Ford
2/17/00

**CS FOR HOUSE BILL NO. 298( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

**BY**

**Offered:**
**Referred:**

**Sponsor(s): REPRESENTATIVES MURKOWSKI, Brice, Phillips**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act requiring that health care insurers provide coverage for treatment of diabetes."**

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

* **Section 1.** AS 21.42 is amended by adding a new section to read:

**Sec. 21.42.390. Coverage for treatment of diabetes.** (a) A health care insurer that offers in this state a health care insurance plan shall initially and at each renewal provide coverage for the cost of treating diabetes, including medication, equipment, supplies, outpatient self-management training or education, and nutrition therapy, if diabetes treatment is recommended by a health care provider. The coverage required by this section is subject to standard policy provisions applicable to other benefits, including deductible or copayment provisions. Coverage for the cost of diabetes outpatient self-management training or education and for the cost of nutrition therapy is only required if provided by a health care provider with training in the treatment of diabetes.

(b) In this section,

(1) "diabetes" includes insulin-dependent diabetes, insulin-using diabetes, gestational diabetes, and non-insulin-using diabetes;

(2) "health care provider" means a person licensed to provide health care services as required by the state.

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(b) In this section,

(1) "diabetes" includes insulin-dependent diabetes, insulin-using diabetes, gestational diabetes, and non-insulin-using diabetes;

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# ALASKA STATE LEGISLATURE

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## Sponsor Statement
## HB 298

"An Act requiring that health care insurers provide coverage for treatment of diabetes."

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House Bill 298 would require that health insurers in Alaska provide coverage for diabetes equipment, supplies, training and education as deemed necessary by state licensed health care providers. To date, 37 states have enacted legislation providing similar diabetes insurance coverage.

Over 30,000 Alaskans are affected by diabetes. Without education or proper treatment, diabetes can lead to kidney failure, amputation, nerve damage, blindness, extended hospitalizations, heart disease, and strokes. These medical complications, associated suffering, and resulting costs are often avoidable through patient education on proper nutrition, exercise, blood sugar monitoring, and medication.

Education is the foundation of quality diabetes care. It is the process of providing the person with diabetes the knowledge and skills needed to perform self-care, prevent crisis and make important life style changes required to effectively avoid complications. Through proper education, the diabetic may assume his/her appropriate role as an active participant in the treatment plan.

A number of published studies by the American Diabetes Association show decreases in health care utilization for people with diabetes receiving appropriate education and access to supplies. A Wisconsin study estimates annual savings of $917 per person with diabetes that translates into savings for the insurance industry as well. HB 298 promotes better health, and ultimately, lower health costs for the people of Alaska.

I urge your support of HB 298.

**The American Diabetes Association serving Alaska supports HB 298**
"An Act requiring that health care insurers provide coverage for treatment of diabetes."

Alaska's population includes 30,000 people affected by diabetes.
Diabetes is a disease that is largely self-managed. To stay healthy a person with diabetes needs access to the proper supplies such as test strips, meters, insulin and other medications and devices. People with diabetes must also be educated on how to properly use these supplies in conjunction with diet and exercise to best manage diabetes.

HB 298 will insure that state regulated health plans cover diabetes supplies, equipment and the education needed to learn to self-manage the disease.

**Properly managed, diabetes both improves a person's health and results in cost savings.** The Diabetes Complications and Control Trials demonstrated that good blood glucose control reduces costly complications like:

- Blindness by 60%
- Kidney disease by 56%
- Microvascular nerve disease by 61%

Additional studies show reductions in hospitalization, length of hospital stays, and emergency room visits following participation in diabetes self-management education programs:

- The Maine Diabetes Control Project program resulted in 32% fewer hospitalizations and shorter hospital stays
- A Maryland program resulted in a 40-50% decreased risk of hospitalization and 50% lower frequency of emergency room visits
- Rhode Island found a 63% reduction in emergency room visits after participation in an education program.
- A study done for the American Diabetes Association estimates savings of $917/patient/year as the most likely scenario
- A Wisconsin study showed no rise in premiums after that state's law was passed. New Mexico and Maine reported no expected premium increases as a result of the legislation.

Recent advances in the treatment of diabetes and a strong understanding of the importance of education for self-management of diabetes provide the opportunity for people to live healthier and more productive lives with diabetes and the chance to reduce both short-term and long-term costs.

A potential benefit to employers from better diabetes care is less time missed due to diabetes related illness and hospitalization, along with the improved productivity that comes when employees are healthy. More dramatic is the improvement in the quality of life for people with diabetes.

HB 298 is not radical or new legislation. To date 37 states have passed similar legislation. They include large and small, rural and urban states. As recently as last year 6 states as diverse as California and South Dakota enacted similar laws. Of the 37 states, half the legislation was signed by Republican and half by Democratic Governors. Similarly, legislatures of various political leanings have passed the legislation.

We urge you to support HB 298.

American Diabetes Association®

Thank You!

Mission
to prevent and cure diabetes and to improve the lives of all people affected by diabetes.

February 10, 2000

Representative Lisa Murkowski
State Capital, Juneau, Alaska

Dear Representative Murkowski:

In the time you read this letter 2200 Americans will be told they have diabetes, a disease with no cure.

The passage of HB 298 "An Act requiring that health care insurers provide coverage for treatment of diabetes" is vital to the survival of the 30,000 Alaskans affected by diabetes.

Insurance coverage is a priority issue brought to the American Diabetes Association serving Alaska. Self-management of diabetes, guided by a medical team, has proven that good blood sugar control is the key to avoiding the tragic and expensive complications of diabetes.

**Diabetes is the leading cause of:**

- Blindness (diabetes is the leading cause of adult blindness in the United States),
- Stroke
- Heart Disease
- Kidney Failure
- Amputation
- Neuropathy (loss of feeling in limbs).

**Diabetes is serious, causing 193,000 deaths per year.**

Home glucose monitoring and new pharmaceutical treatments for diabetes allow those who live each day with diabetes the self-management tools to assess their medical condition at any given moment and respond. Thus avoiding time consuming and costly emergency treatment or hospitalization.

Control of **diabetes** translates to the reduction of complications. Dollars spent to reimburse home glucose monitoring will reduce the complications of diabetes. **Home care costs** average **$2500 per year, avoid one day** of hospitalization with IV therapy and the cost of care has paid for itself.

You will receive volumes of clinical, statistical and financial data regarding diabetes. I hope I can share the human side of diabetes.

- Senior Citizens – Medicare now covers testing supplies and insulin pumps, seniors do not have to choose between diabetes care and heat in winter.
- Families – How do you choose between care for a child with diabetes and making ends meet for a family of 4?
- Working Individuals – Who rely on the security of health insurance benefits to control their diabetes, too often find that many supplies, the tools they need to stay healthy and alive, are excluded from coverage.

HB 298 will help thousands of Alaskans. Thank you for your support and caring,

Michelle A. Cassano
Area Executive Director
American Diabetes Association, serving Alaska
907-272-1424 mcassano@diabetes.org

Feb 11, 2000

Representative Lisa Murkowski
State Capitol
Suite 406
Juneau, AK
99801
Dear Representative Murkowski,

I am writing to offer support for the introduced legislation providing coverage for treatment of diabetes (HB298). I am the Alaska Area Diabetes Control Officer with Indian Health Service. I would like to point out several compelling arguments for enacting this mandate.

Indian Health Service has over 10 years' worth of quality improvement data on a number of elements of diabetes care. Enclosed is a summary chart of the Fiscal Year 1998 audit broken into Indian Health Service Areas. This information is based on manual chart audits done by standardized criteria. There is a distinct correlation seen in patient education, self-monitoring of blood sugars (a measure of patient self-management) and blood sugar control. Alaska for example has the highest percentage of patients with good blood sugar control (defined as a hemoglobin A1c < 7.5). I believe this is directly linked to the fact that Alaska also has the highest percentage of Native American patients who have received diet education, exercise education, and who perform self-monitoring.

It is important to realize that Native patients currently receive these educational services and blood sugar monitoring supplies for free through the Indian Health Service. But as our health care system moves to tribal health corporations, we will need third party reimbursement to continue these key areas of diabetes management. The evidence for the effectiveness of patient education and home monitoring is there in our audit data. HB298 would have an immediate impact on Native and non-Native diabetic patients by increasing their options for learning improved self-management of this chronic condition affecting daily life.

There is good evidence for the cost-effectiveness of this legislation as well. I enclose two articles: one on the direct medical costs of complications resulting from Type 2 diabetes (Diabetes Care July 1998), and the other is a cost effectiveness analysis on the related chronic disease condition of hypertension (British Medical Journal September1998).

Diabetes is the number one cause of non-traumatic amputation, number one cause of acquired blindness, number one cause of kidney failure resulting in dialysis, and a major contributor to heart disease in this country. The United Kingdom Prospective Diabetes Study (multiple articles in the British Medical Journal and the Lancet beginning 9/98) has shown that better blood sugar control significantly decreases the chance of developing each of these complications. The high cost of these events compared to the low cost of screening tests to prevent complications is compared in the Diabetes Care article.

Anything that contributes to better glucose control (patient education, monitoring supplies) may cost a little more in the short run, but will save the huge medical costs of complications ($27,630 for a heart attack, $53,659 for end-stage kidney disease) as quoted in the Diabetes Care article.

The British Medical Journal article on hypertension concludes that the economic analysis of tight BP control (including increased patient visits and increased medication use) "has a cost effectiveness ratio that compare favorably with many accepted healthcare programs." We have every reason to believe that this is true for blood sugar control as well.

I hope that you will take these important data analyses into consideration when acting upon the proposed legislation. If you have any questions, please contact me at (907) 729-1126 or by e mail jkelly@anthc.org.

Sincerely,

Jane Kelly, MD
ANC-Diabetes
4315 Diplomacy Drive
Anchorage AK 99508

Dear Representative,

I am writing to ask for your support of diabetes insurance reform legislation in Alaska. This legislation, House Bill 298, will ensure that Alaskans will have access to diabetes medicines, equipment and education. This is so critical to the 30,000 Alaskans who have diabetes because self-management on a daily basis is their only lifeline to health. I have an 11-year-old daughter who has Type I, insulin-dependent diabetes, and uses an insulin pump. Our family is insured with minimal coverage for her supplies which cost about $300-$500 a month. The insurance company denied switching from 5 shots a day to a continuous infusion pump until we twice appealed through our physician pleading medical necessity to prevent long-term complications. I know many others who battle with their insurance companies to cover equipment and supplies for daily glucose monitoring and the life-saving medications.

We're encouraged that research shows that having the tools to manage her disease now will prevent the known complications of this disease including pregnancy complications, blindness, kidney failure, nerve damage and amputations. It is a bargain to pay for prevention of these expensive medical complications! My daughter, Lauren Bell, and I will be traveling to Juneau on Tuesday, Feb. 22 to attend the hearing in the HESS committee on this HB 298, and would be happy to speak with you about our personal and community support of this Diabetes Insurance Reform.

Thank you for considering my request for your support of this important legislation.

Sincerely,
Mary Lou Kelsey
Homer AK

Mary Lou Kelsey
e-mail<wmbell@alaska,net>
Box 894, Homer, Ak.,99603
907-235-7739 or 299-1985

12/5/97

To whom it may concern.

I don't have diabetes, and I no longer have a family member suffering from this awful disease either. You see, my husband died of "diabetes related complications" on Sept 28, 1997, just 2½ weeks after he turned 34. The medical examiner wasn't able to find anything more specific to list on the death certificate. It seems that nobody does blood-insulin level tests anymore for autopsy purposes.

My husband suffered from diabetes for 17 years. In the last year he was diagnosed with diabetic nephritis and went blind from diabetic retinopathy. He was repeatedly turned down for government assistance and

was unable to receive proper medical care for years. He was turned down for Social Security Disability in July, 1997, two months before he died. After his death, they expedited his appeal and determined that he has been disabled since July of 1996. He has contacted your office several times since we moved here in 1991. You have always done everything possible to help him. He has received advice, literature, a list of pharmaceutical companies that provide free medication, and blood sugar test strips, and always compassion from your office. He was told many times that you wish you could do more, but there just wasn't enough funding.

I cried today when I opened your request for donations. At first, I almost just threw it away. But instead I want to thank you for reminding me that there are still others suffering. I don't have much, but I want to help. I also have a One Touch II, lancets, test strips, and other supplies that I would like to donate. As soon as I get a chance I will bring these items to your office.

I also want you to know that I contacted the Anch. Daily News & they ran a story about the problems we had obtaining medical care. It ran in the Sunday edition, 11/9/97. I sent copies of it with a 3page letter to every member of the AK legislature, Congress, and President Clinton. I have received a few responses, and I am still bugging

them on a regular basis. The State of Alaska does not consider diabetes serious enough to provide help to those who suffer from it, and the federal government doesn't consider advanced diabetes complications to be a disability. I believe that there needs to be some changes. I don't intend to leave them alone until it happens.

Once again, thank you for reminding me that there is still a need to fight this terrible disease. I wish I could do more to help. My prayers are with all of you as you continue to help others.

Sincerely,

Joy Spencer

Joy Spencer
3067 Arctic Blvd., #3
Anch., Ak 99503

# Studies on Diabetes Insurance Coverage HB 298

***By providing diabetes patients reimbursement for diabetes education and supplies, studies show we can lower the cost of providing care to those afflicted with the disease by reducing hospitalizations, visits to the emergency room and, in the lor- er-term, the serious complications of diabetes.***

- The State of Maine and the CDC sponsored a diabetes self-management training program in 30 hospitals and health centers, following 1,488 patients over 3 years. Result: A 32% reduction in hospital admissions with **a savings of $293 per participant, or $3 saved for every $1 spent on diabetes self-management training.**
- Maryland recently established a **Diabetes Care Program** for its Medicaid population to deliver a system of comprehensive and preventive care for people with diabetes. The program promotes preventive services such as outpatient diabetes education, nutrition counseling, therapeutic footwear, blood glucose monitors and supplies. The State of Maryland Diabetes Care Program (DCP) concluded, "...enrollment in the DCP resulted **in 40-50% decreased risk of hospitalization and 50% lower frequency of emergency room visits** compared to a control group."
- Merk-Medco Managed Care, which offers a **specialized diabetes program**, testified before Congress in 1996 that, a recent outcomes study conducted with almost 2,000 patients enrolled in our Diabetes Patient Support Program showed that hospitalizations were reduced by 21 percent; **diabetes specific hospitalizations were reduced by 25 percent; diabetes-specific outpatient visits were reduced by 53 percent.**
- Honeywell Corporation, with $6.7 billion in 1995 revenues and 53,000 employees has made a commitment to its workers with a program called Lifesavers. The program consists of four modules, including one for diabetes, that has produced a net return to the company of $434,000 over the past three years and enabled the company to reduce the allocation to its self-insurance fund by $1.8 million in 1995. As part of its diabetes module the company reimburses for all test strips and supplies needed for blood glucose monitoring and for two health education courses per year. (BAH, Successful Disease Management: Diabetes page 7-8).
- Diabetes education has long been acknowledged as a critical component of care. According to Healthy People 2000, the national health promotion and disease prevention report prepared under the direction of the Bush Administration: **"Patient education is generally considered an integral aspect of patient management and a mainstay of patient self-care. It is**

**so widely accepted as standard diabetes management that a rigorous study design that denies education to a control group would be unethical.**" Unfortunately, access to such education is still very inconsistent. Only some 35% of people with diabetes have attended patient education classes (Diabetes Care, August 1994). According to a study published jointly by the American Association of Diabetes Educators, American Diabetes Association, The American Dietetic Association, Centers for Disease Control and Prevention and the National Diabetes Advisory Board, **"Lack of reimbursement is probably the most significant impediment to the development of diabetes outpatient education programs.** It is simpler to receive reimbursement for inpatient care and bury the costs of education, but it is far more expensive and far less effective."

- The Congressional Budget Office (CBO) analyzed the potential costs of a package of Medicare preventive services and determined that if Medicare pays for diabetes education and blood test strips, the Federal government will begin to save money after three years. Congressional Budget Office, "Preliminary Cost Estimate for The Medicare Preventive Benefits Improvement Act," CBO December 1995 Baseline, January 3, 1996 training.

- A Wisconsin study done after passage of **their insurance reform legislation** found that directing the private insurance market to offer a comprehensive diabetes benefit covering education, equipment and supplies **did not have an appreciable impact on premiums.** It estimated that the mandate resulted in cost of 0.1% of premium.

- Recent studies in both Pennsylvania and California analyzed proposed diabetes insurance reform legislation. The Pennsylvania report **"...finds evidence to suggest that providing diabetics with supplies, medication, self-management education, and medical nutrition therapy can be both medically and cost effective."** The California study concludes that, "research conducted on the cost effectiveness of these programs indicates that in the short run program costs may approximately equal cost savings, and that over longer time periods the programs are cost-effective."

# Common Issues Regarding Insurance Coverage For Diabetes

*Responses from Steve Bieringer, Regional Advocacy Director, American Diabetes Association & David Holtzman, Director, Government Affairs, American Association of Diabetes Educators.*

**ISSUE:** Mandating coverage of benefits will increase the cost of health insurance which may have the unintended consequence of increasing the number of uninsured as employers decrease their contributions or drop insurance.

**RESPONSE:** The insurance industry often raises these issues in general as an argument against mandates. I have not seen, and they have never produced, a study that shows Diabetes Insurance Reform will increase costs resulting in lost coverage for people. In fact numerous studies show that covering diabetes equipment, supplies and the education to learn to self-manage the disease will reduce costs. Short-term costs are reduced because of fewer hospitalizations, length of hospital stays and fewer emergency room visits. Lessening complications of diabetes such as blindness, end-stage renal disease, and microvascular disease reduces long-term costs. The industry opposes the diabetes mandate simply because they are afraid it will open the door to other mandates that may have a cost.

**ISSUE:** Small employers moving to self-funding to avoid state insurance laws; the majority of Alaskans are not impacted because their plans are not subject to state law.

**RESPONSE:** It is true that a federal law, ERISA, not state law, regulates the self-insured plans usually associated with large employers. It does not lessen the need for state insurance reform to help the 30% or so who are in state regulated plans. Of those covered by health plans not subject to state insurance laws, many already have the benefit of such coverage. The Medicare program provides coverage of monitors, strips and diabetes education. The Federal Employee Health Plan requires, with a few exceptions for some collective bargaining units, coverage for pumps, monitors, strips and education. Some, but not all, self-funded self-insuring plans provide coverage for strips and monitors although education is covered in limited cases. Finally, Alaska's Medicaid program covers monitors, strips and medical nutrition therapy for people with Type 1 or Type 2 diabetes

**ISSUE:** Mandated offers vs. mandated coverage

**RESPONSE:** While some insurers may offer this benefit and some employers may purchase it, serious gaps are left with mandatory offerings. Those gaps prevent and make it difficult for people with diabetes to receive the needed supplies, equipment, and education. Of the 37 states that require coverage and the three that have mandatory offering, only one does not include access or reimbursement to diabetes education. The experience of the mandatory offering states is not good. When coverage is provided only by way of a mandatory offering of a rider, the cost of coverage for the rider is borne exclusively by the people with diabetes participating in the coverage. In addition, the cost of the insurer's overhead is added to the costs of the rider pool. Experience shows that for many people with diabetes the cost of the rider is greater than the out of pocket expense they incurred prior to the rider.

FEB 07 2000

Feb 3, 2000

Dear. Representative Dyson

I would like to see the House HES committee push HB 298 through the legislative session this year.

I have had insulin dependant diabetes mellitus since 1978. Diabetic supplies are needed to control my blood sugars. I have tested my blood 4 times a day since 1981. If my blood sugar is "Normal", I will have fewer complications and have less overall costs.

Insurance has not been wonderful for reimbursement. I personally have spent a lot of money to take care of myself. Insurance companies must reimburse for the cost of diabetes medications, Supplies + patient education.

Help the + housands of Alaskans + me too in passing HB 298.

Sincerely

Donald Novotney
1120 Timberline Ct.
Juneau, AK 99801
907 780 4300

**Subject: Re:HB 298, Diabetes Insurance Reform**
**Date:** Fri, 18 Feb 2000 11:16:37 -0900
**From:** "William Bell" <wmbell@alaska.net>
**To:** bbogren@diabetes.org
**CC:** Representative_Lisa_Murkowski@ligis.state.ak.us, Representative_Gail_Phillips@legis.state.ak.us

February 17, 2000
Dear Representative,

I am writing to ask for your support of diabetes insurance reform legislation in Alaska. This legislation, House Bill 298, will ensure that Alaskans will have access to diabetes medicines, equipment and education. This is so critical to the 30,000 Alaskans who have diabetes because self-management on a daily basis is their only lifeline to health. I have an 11 year old daughter who has Type I, insulin-dependent diabetes, and uses an insulin pump. Our family is insured with minimal coverage for her supplies which cost about $300-$500 a month. The insurance company denied switching from 5 shots a day to a continuous infusion pump until we twice appealed through our physician pleading medical necessity to prevent long term complications. I know many others who battle with their insurance companies to cover equipment and supplies for daily glucose monitoring and the life-saving medications. We're encouraged that research shows that having the tools to manage her disease now will prevent the known complications of this disease including pregnany complications, blindness, kidney failure, nerve damage and amputations. It is a bargain to pay for prevention of these expensive medical complications! My daughter, Lauren Bell, and I will be traveling to Juneau on Tuesday, Feb. 22 to attend the hearing in the HESS committee on this HB 298, and would be happy to speak with you about our personal and community support of this Diabetes Insurance Reform. Thank you for considering my request for your support of this important legislation. I look forward to your response.
Sincerely,

Mary Lou Kelsey
e-mail<wmbell@alaska,net>
Box 894, Homer, Ak.,99603
907-235-7739 or 299-1985

# American Diabetes Association®

Representative Fred Dyson
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182
Correspondence via electronic mail

February 18, 2000

Dear Representative Dyson:

I am writing to ask for your support of diabetes insurance reform legislation in Alaska. This legislation will ensure that Alaskans have access to diabetes medicines, equipment and education. House Bill 298, sponsored by Rep. Murkowski, is scheduled next Tuesday for a hearing in the House Health Education and Social Services committee. The Senate Health Education and Social Services Committee sponsored companion legislation, Senate Bill 276.

Diabetes is a serious disease affecting more than 30,000 Alaskans. It is the leading cause of kidney failure, blindness, nerve damage and amputations. Diabetes is a major risk factor for heart disease and stroke. In addition to these serious health complications, diabetes care results in significant medical costs.

Diabetes complications can be minimized and health care costs can be significantly reduced with access to the proper supplies, equipment, and education. Some insurance plans in our state do cover diabetes supplies and education, but Alaska does not currently require insurers to provide this coverage. Many people with diabetes have trouble obtaining reimbursement from their insurers and are unable to manage their disease.

Diabetes is a disease that is largely self-managed. In order to stay healthy, the patient must have access to supplies, such as test strips, blood glucose meters and insulin. People with diabetes need training on how to use these supplies. Patient education is also essential to support the lifestyle changes required for successful self-management of the disease.

Please take a moment to review the material enclosed with this letter. This material demonstrates why diabetes insurance reform will promote improved health and will also lower health costs for people living with diabetes in Alaska.

Your support for this important legislation is greatly appreciated.

Sincerely,
Betsy Turner-Bogren
Fairbanks District Manager
American Diabetes Association
E-mail: bbogren@diabetes.org

Enclosures

# American Diabetes Association®

## *The Case for Diabetes Insurance Reform in Alaska*

**Objective: Improved access to diabetes self-management education, equipment and supplies.**
**Results: Cost savings and better health for 30,000 Alaskans with diabetes.**

*WHAT WILL THIS LEGISLATION DO?*

It will require that individual and group health insurance policies provide coverage for diabetes equipment and supplies and for diabetes education for self-management.

*WHO WILL BENEFIT AND WHY IS IT NEEDED?*

30,000 Alaskans have diabetes. Many have trouble obtaining the medically necessary equipment, supplies, and self-management education that providers prescribe.

Numerous studies show that access to the proper equipment, supplies and education results in improved health care at no additional cost, and often a cost savings.

*HOW CAN THERE BE COST SAVINGS?*

Short-term savings, as documented in states where this legislation is in place, are due to fewer hospitalizations, length of hospital stays, and emergency room visits, as the following studies show:

- 32% fewer hospitalizations and hospital days in Maine,
- 40-50% drop in hospitalizaiton and 50% lower frequency of emergency room visits in Maryland,
- 63% reduction in emergency room visits for insulin using diabetics in Rhode Island.

Long-term savings, as documented in states where this legislation is in place, result from a reduction in expensive long-term complications as documented in the Diabetes Control and Complications Trial:

- Blindness reduced by 60%,
- Kidney disease reduced by 56%,
- Microvascular nerve disease reduced by 61%.

*HOW MUCH WILL THE COST SAVINGS BE?*

It is hard to say exactly but experience and studies show:

- In Maine, $3 saved for every $1 spent on diabetes self-management training, saving $293 per participant,
- Estimated savings of $2,319 per patient each year in a county hospital setting as reported in the New England Journal of Medicine,
- Estimated savings of $437,500 per year for education involving 12,950 individuals with diabetes as reported in the Journal of the American Dietetic Association,
- Estimates savings of $917 per patient in the most likely scenario of a study for the American Diabetes Association,
- Per person costs for Medicaid patients after diabetes education dropped from $5,271 to 3,533.

*IS THIS NEW, CUTTING EDGE LEGISLATION?*

No. In fact, thirty-seven states have passed similar legislation. It has been signed by Republican and Democratic governors alike.

*WILL INSURANCE PREMIUMS RISE?*

Not according to a Wisconsin study undertaken after its law passed. New Mexico and Maine report no expected increases in administrative costs.

*Transcribed summary of the*

**Diabetes Preventive Care Cost Impact Study**
**for the American Diabetes Association**

April 11, 1997
Susan K Albee, F.S.A.
Tim D. Lee, F.S.A.
Milliman & Robertson, Inc.

## I. Executive Summary

Milliman & Robertson, Inc. (M&R) was engaged by the American Diabetes Association to **study the expected impact on insured health care costs of requiring insurers** and HMOs **to cover certain supplies, equipment and education related to diabetes treatment. Currently, many private insurance plans do not cover such items.** The ADA contends that coverage of supplies and education will likely result in net savings to insurers due to resulting improved health for people with diabetes.

**Our analysis supports this view based on a number of published studies which show decreases in health care utilization for people with diabetes receiving appropriate education and access to supplies.** We first looked at expected cost savings in an un-discounted, unmanaged environment; in other words, without considering the effects of managed care. Using cost date from M&R's extensive health cost database, we have translated the findings from the published studies into annual potential dollar cost savings per person with diabetes. Our estimates of the net cost impact range from average annual net savings of $1,971 to a net cost of $237 per person with diabetes per year. **The most likely scenario shows $917 in annual savings. These figures are based on average annual cost savings over a five year period expressed in 1996 dollars.**

The study is applicable to commercial insurance coverage for the under age 65 population. The supplies and education covered include test strips, syringes, lancets, glucose monitors, outpatient education courses and nutritional counseling. The analysis compares expected health care costs for people with diabetes with full coverage a listed above to the costs of those with no coverage of these items.

The following report outlines the assumptions used in reaching these conclusions. In our analysis, we relied upon published data sources to support estimates of the impact of providing the proposed package of benefits in terms of utilization savings. **Numerous studies show that education and access to supplies for self-management of diabetes improve ling-term health for people with diabetes.** However, the potential effect on overall health care costs for a commercially insured population has not been quantified sufficiently. In this study, we have applied cost data from M&R database resources to the impact data to arrive at cost impact estimates.

## II. Background

**Approximately 8 million people in the United States have been diagnosed with diabetes** and another estimated 8 million with diabetes have not been diagnosed *(National Diabetes Information clearinghouse, "Diabetes Statistics").* **Diabetes is a costly disease, with approximately 1 in 7 health care dollars in the United States attributable to the diabetic population** according to a 1992 study by Lewin-VHI. *(Altman, "Health Care Expenditures for People with Diabetes Mellitus", 1992).*

**Studies have shown that people with diabetes often do not receive adequate care and education about the condition. An estimated 65% have never attended a class or program about diabetes.** This includes 41% of individuals with Type I diabetes, 51% of insulin-treated individuals with non-insulin-dependent diabetes, and 76% of individuals with non-insulin-dependent diabetes not treated with insulin. *(Betschart, "Frequency and Determinants of Diabetes Patient Education Among Adults in the U.S.*

*Population").* **Lack of adequate preventive care may also be a problem.** In one HMO studied it was determined that 94% of members with diabetes had not had documented annual foot exams and 78% were not referred to an ophthalmologist. Lab screenings were also not up to ADA standards of care. *(Davidson, "The Quality of Outpatient Care Provided to Diabetic Patients in a Health Maintenance Organization").*

III. Covered Services

In some cases, **lack of reimbursement from health insurance plans for education and supplies may be a deterrent for adequate care.** While education received during an inpatient stay or an office visit is usually covered, often **outpatient education programs are not. Supplies** such as glucose monitors, test strips, and syringes are **often paid out of pocket by the patient.**

**We have evaluated a set of services that might be covered under a health insurance plan.** The set of services includes medically necessary supplies, including test strips, syringes, lancets, and monitors. In addition, outpatient education courses that cover basic information on the disease, meal planning, testing, use of medications, and necessary preventive care are included. Services also include nutritional counseling by a licensed nutritionist. While some of these items may be covered under current insurance plans, **coverage is not universal.**

This report analyzes the cost impact of moving from an insurance plan in which none of these items are covered to one in which all specified services are covered.

IV. Methodology

. . .

V. Healthcare Costs for People with Diabetes

The first step in our evaluation of potential cost savings was to build a model showing expected healthcare costs for a diabetic population. In doing so., we relied on relative costs for diabetics to non-diabetics published in a study developed by Lewin-VHI. We adjusted cost ratios from that study to arrive at ratios of costs per diabetic under age 65 to costs per capita for the total under age 65 population (rather than to non-diabetics).

**Based on our analysis, the costs per person with diabetes are 3.4 times the average costs per insured individual.** We used such cost ratios by type of healthcare service times utilization for a standard insured population to estimate utilization rates for a diabetic population. Because the cost data from the Lewin study was from 1987 and was not limited to an insured population, we used M&R's Health Cost Guidelines (our database of healthcare costs) charge per service assumptions in order to calculate per capita claim costs for a diabetic population.

. . .

VI. Preventive Approaches and Associated Cost Savings

**Numerous published studies support the view that cost savings will be achieved by utilizing various preventive measures to control diabetes.** We have used the results of these studies to support estimates of utilization savings that can be achieved. These assumptions are significant in the development of our results.

*Maine Diabetes Control Project*

The **Maine Diabetes Control Project concluded that participation** in the Ambulatory Diabetic Education and Follow-Up (ADEF) program **resulted in 32% fewer hospitalizations and hospital days** in the year following completion of the education program.

*State of Maryland Diabetes Care Program*

There are additional studies that support the conclusion that inpatient days can be reduced through self-management support. The **State of Maryland Diabetes Care Program** (DCP) report **concludes that enrollment in the DCP resulted in 40% - 50% decreased risk of hospitalization and 50% lower frequency of emergency room compared to a control group.** The study showed little difference in number of physician office visits between cases and control. While this study includes only the Medicaid population, it suggests that hospital days and emergency room visits can be significantly reduced with appropriate diabetes management.

*The Diabetes Control and Complications Trial*

**The Diabetes Control and Complications Trial** (DCCT) was a **ten year study** that examined whether keeping blood glucose levels at as close to "normal" level as possible would reduce long-term complications of diabetes. The study, published in the *New England Journal of Medicine,* **showed that tight control of blood glucose levels reduced the incidence of kidney disease by 56%, blindness by 60%, and microvascular nerve disease by 61%.** While the study only included individuals with insulin-dependent diabetes, we believe the results may translate to those with non-insulin-dependent diabetes.

*Other Studies*

Numerous **additional studies have shown reduced hospitalizations associated with diabetes education and care programs, ranging from a 20% to a 73% reduction. A 63% reduction in emergency room visits was seen as a result of Rhode Island's Diabetes Outpatient Education Program for insulin-using diabetics.**

Based on these studies, we have projected a potential range of utilization savings:

**Utilization Savings Assumptions**

| Service Category | Optimistic | Base | Pessimistic |
|---|---|---|---|
| *Inpatient* - Hospital and Physician | 50% | 32% | 20% |
| *Outpatient* - Hospital and Physician | 20% | 10% | 0% |
| *Emergency Room* - Hospital and Physician | 50% | 32% | 20% |

VII. Additional Benefit Costs

There are initial costs for covering preventive items to the extent they are not currently covered. Exhibit 2 shows the expected costs of education, supplies, and additional medical services under Low, Medium, and High Cost Scenarios. Education costs are based on outpatient programs which are distinct from education received during physician or hospital visits.

**Expected initial annual costs per person with diabetes, expressed in 1996 dollars are:**

| | |
|---|---|
| Low: | $457 |
| Medium: | $603 |
| High: | $1,111 |

These **estimates are based on average costs over a five year period.** Many of the underlying assumptions used in the development of supply and education costs are based on a prior study performed by M&R for the Washington State Department of Health.

Additional Medical Services

In addition, as noted in the introduction to this report, **current medical care is often inadequate**. Thus, we would assume that **with better management of the disease, more preventive services** in the form of office visits and lab testing **will take place**. We have assumed the following annual additional services per year in the three scenarios:

Additional Medical Services Assumptions

| Service | Low | Medium | High |
|---|---|---|---|
| Physician Visits | 1 per year | 2 per year | 4 per year |
| Lab Procedures | 2 per year | 4 per year | 8 per year |

Physician visits may include vision exams, primary care physician visits, podiatry exams, and other visits to specialists. **The above figures are estimates of required additional visits in order to arrive at level recommended by the ADA *Standards of Care*.**

VIII. Cost Impact Models

Exhibit 3 shows the resulting cost modes. The *Uncovered Cost Model* is reproduces in this exhibit, showing total **annual costs per diabetic of $7,872.** Next, the savings assumptions, frequency, charge per service, and annual cost per diabetic are shown for each of the ten service categories under the optimistic, base, and pessimistic assumptions.

. . .

The per capita per year costs are summed to arrive at total costs before the addition of costs for supplies, education, and additional medical care. Gross savings equal costs in the *Uncovered Cost Model* less costs in the covered model before additional benefit costs.

**The gross cost savings equal $2,428 per person with diabetes per year in the Optimistic Scenario, $1,520 in the Base Scenario, and $874 in the Pessimistic Scenario.**

The resulting 5 year average net cost savings are then calculated by subtracting the Low, Medium, and High Additional Benefit costs from the gross cost savings. Net Cost Savings are shown below:

**5 Year Average Net Cost Savings / (Additions)**

| | Optimistic Covered Cost | Base Covered Cost | Pessimistic Covered Cost |
|---|---|---|---|
| Low Additional Benefit Cost | $1,971 | $1,063 | $417 |
| Medium Additional Benefit Cost | $1,825 | $917 | $271 |
| High Additional Benefit Cost | $1,317 | $409 | ($237) |

. . .

While we have used a five year time horizon in most of our calculations, we expect the utilization savings for complications of diabetes to continue long beyond this time period.

. . .

X. Conclusion

**Diabetes is a costly disease affecting millions of Americans.** There are, however, measures that can be taken to control the complications of diabetes. **Proper education and preventive care can have a significant effect on the long-term health of people with diabetes.**

Based on the assumptions described in this report, **this study shows that covering the proposed package of benefits for people with diabetes will likely result in net savings to insurers and managed care organizations.** The net **savings estimates per person with diabetes per year range from $1,971 to ($355) over a five year time period.** These ranges are based on what we believe are reasonable assumptions, although the actual impact could be outside this range.

**CS FOR HOUSE BILL NO. 298(HES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

**BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE**

**Offered:**
**Referred:**

**Sponsor(s): REPRESENTATIVES MURKOWSKI, Brice, Phillips**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act requiring that health care insurers provide coverage for treatment of diabetes."**

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

* **Section 1.** AS 21.42 is amended by adding a new section to read:

**Sec. 21.42.390. Coverage for treatment of diabetes.** (a) A health care insurer that offers in this state a health care insurance plan shall initially and at each renewal provide coverage for the cost of treating diabetes, including medication, equipment, supplies, outpatient self-management training or education, and nutrition therapy, if diabetes treatment is recommended by a health care provider. The coverage required by this section is subject to standard policy provisions applicable to other benefits, including deductible or copayment provisions. Coverage for the cost of diabetes outpatient self-management training or education and for the cost of nutrition therapy is only required if provided by a health care provider with training in the treatment of diabetes.

(b) In this section,

(1) "diabetes" includes insulin-dependent diabetes, insulin-using diabetes, gestational diabetes, and non-insulin-using diabetes;

(2) "health care provider" means a person licensed to provide health care services as required by the state.

February 17, 2000

FEB 22 2000

Representative Fred Dyson
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Representative Dyson,

I am writing to ask for your support of diabetes insurance reform legislation in Alaska. This legislation, House Bill 298 and Senate Bill X, will ensure that Alaskans have access to diabetes medicines, equipment and education. Diabetes insurance reform will promote improved health and will lower health costs for people in Alaska. This legislation needs your support.

- ✓ **Diabetes is a serious disease affecting 30,000 Alaskans.** It is the leading cause of kidney failure, blindness, nerve damage and amputations. Diabetes is also a major risk factor for heart disease and stroke. These serious health complications can result in significant medical costs.
- ✓ **Diabetes is a disease that is largely self-managed.** In order to stay healthy, a person with diabetes must have access to supplies, such as test strips, meters and insulin. People with diabetes need training on how to use these supplies. Patient education is also essential to support the nutritional, exercise and lifestyle changes required for successful self-management of the disease.
- ✓ **Studies show that diabetes complications can be minimized and health care cots can be significantly reduced** when people with diabetes have access to supplies and patient education. Some insurance plans in our state do cover diabetes supplies and education, but Alaska does not currently require insurers to provide this coverage. Many people with diabetes have trouble obtaining reimbursement from their insurers and are unable to successfully self-manage their disease.
- ✓ **Diabetes affects my life on a daily basis:** Although I don't have this disease, my partner does. I know how much time he spends just tracking the reimbursements he should be getting, spending time on the phone trying to explain to the insurer what was missed and his medication bills are over a thousand dollars a month.
- ✓ **The reimbursements** will be short all the supplies (test strips, syringes) one time and will be paid another time. Insurer will pay the full amount of a medication one month and 3 months later will only pay a portion. It is almost a full time job just to track all the money owed, money received, not to mention the time to try to get the insurance company to straighten it all out and pay their portion.

Thank you for considering my request for your support of this important legislation.
I look forward to your response.

Respectfully,

Jill Jaeckel
P.O. Box 91012
Anchorage, AK 99509-1012

cc: ADA / file

Representative Fred Dyson
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Dyson:
I come from a family with a strong history diabetes. My grandfather died in kidney failure as a result of diabetes. My mother has had diabetes for twenty years and controls her diabetes through a lot of expense and perseverence, multiple insulin injections every day, 4 blood sugar tests a day and through the educational support of her diabetes nurse educator. Thus far she has avoided the serious complications of diabetes.

I am writing to ask for your support of diabetes insurance reform in Alaska. This legislation has abeen introduced by Representative Murkowski as HB 298. As of the end of year 1999, 37 states had already passed diabetes insurance reform legislation. It is time for Alaska to join the ranks and affirm to it's citizens that their health matters.

Diabetes affects 30.000 people in the state of Alaska alone. The complications of diabetes are serious and perhaps more importantly, costly. It is the leading cause of kidney failure, blindness, limb amputations, and heart attacks and stroke.

I have been a diabetes educator for 14 years. I have seen patients who have received education turn their lives around. I have seen patients drop their blood glucose to normal, and no longer require their medications. This usually requires routine appointments and follow-ups on a yearly basis. I have also had patients who came for one appointment, did not return for follow-ups because their insurance would not pay, and then see the same patients a few years later, only this time they have developed some of the complications of diabetes. Perhaps they have had to have eye surgery, or they have developed kidney disease.

Currently I am seeing a patient who has type 1 diabetes. She had only catastrophic insurance when she developed diabetes. Now it is a preexisting condition, and no one else will cover her. Unfortunately, if she develops a toe infection and needs to have her great toe removed, her catastrophic insurance will cover this, at much greater expense, both in terms of money and quality of life.

I urge you to support this bill.

Sincerely,

Kathy L. Jacques RN, CDE
Certified Diabetes Educator Anchorage

Representative Dyson
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

February 22, 2000

Dear Representative Dyson:

I am writing to ask for your support of the diabetes insurance reform legislation in Alaska. This legislation House Bill 298, will ensure that all Alaskans with diabetes will have access to diabetes medicines, equipment and education. Diabetes insurance reform will promote improved health for people with diabetes and lower health costs for all people in Alaska.

Diabetes is a serious disease affecting 30,000 Alaskans. It is the leading cause of kidney failure, blindness, nerve damage and lower extremity amputation. Diabetes is also a major risk factor for heart disease and stroke. These serious health complications can result in significant medical costs and decreased quality of life for those affected by them.

Diabetes is a chronic disease that is largely self-managed. Staying healthy with diabetes means having access to both education and supplies such as test strips, meters and medications. Patient education is essential to support the life style changes and educate the person about the management of the disease.

Studies have shown that diabetes complications can be minimized and health care costs can be significantly reduced when people with diabetes have access to education and diabetes supplies. Some insurance plans in our state do cover education and diabetes supplies, but Alaska does not currently require insurers to provide this coverage. Many people with diabetes have trouble obtaining reimbursement from their insurers and are unable to manage their diabetes successfully.

As a registered nurse, certified diabetes educator and a person who has lived with type 1 diabetes for 16 years I have a strong belief that all people with diabetes need and deserve to receive the tools they need to manage their disease. We can prevent complications and promote quality of life for all people with diabetes. I urge you to please support this important legislation.

Thank you for considering my request. I look forward to your response.

Sincerely,

Mindy Tomazevic RN, CDE
9826 Dinaaka Dr
Eagle River, AK 99577

**Subject: HB 289**
**Date:** Tue, 22 Feb 2000 12:32:40 -0800 (PST)
**From:** teddy bare <teddybear69_68@yahoo.com>
**To:** Representative_Fred_Dyson@legis.state.ak.us

Dear Representative Dyson,

I am a constitute from Chugiak and wish to request your support for House Bill 298. This bill will require that insurance companies provide coverage for treatment of diabetes that is not currently covered by all insurance companies. This legislation is vital to the well being of many Alaskans, men, women, and children that have the disease. This is not an issue of government mandating to private business as much as it is insuring that all Alaskans have access to essential treatment for diabetes through equal access to insurance coverage.

Please support this legislation and pass it out of your committee with a recommendation for passage. I would appreciate very much your support for this bill. I am available to discuss any concerns you may have with the bill.

In-addition to being your constitute, I am the volunteer Chairman for the Alaska Diabetes Organization. Although no one in my family has diabetes I because knowledgeable of its great cost in terms of illness and death to Alaskans and have given my time to ease their suffering and find a cure.

Sincerely,

Phillip C. Petrie
24532 Teal Loop
Chugiak, Alaska 99567
Telephone 907-688-1114 (home) 269-8187 (work)

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**Subject:** HB 298
**Date:** Wed, 23 Feb 2000 11:47:35 -0900
**From:** "Treat, Carol" <ctreat@anmc.org>
**To:** "'representative_fred_dyson@legis.state.ak.us'" <Representative_Fred_Dyson@legis.state.ak.us>
**CC:** "'bbogren@diabetes.org'" <bbogren@diabetes.org>

Dear Representative Dyson,

I am writing to ask for your support of diabetes insurance reform legislation in Alaska. This legislation, House Bill 298 and the companion bill (to be introduced later this week), will ensure that Alaskans have access to diabetes medicines, equipment, and education. Diabetes insurance reform will promote improved health and will lower health costs for people in Alaska. This legislation needs your support because:

-Diabetes affects 30, 000 Alaskans and is growing

-Diabetes is a disease that is largely self managed

-Diabetes complications can be minimized and health care costs can be significantly reduced

-My parents have diabetes and so I may get it in my older years. This is the case for many Americans. Better health care coverage will provide better outcomes to people like me.

Pleas support HB 298 for all Alaskans and Americans.

Sincerely,

Carol Treat MS RD
10316 Lee Street
Eagle River AK. 99577
email: alaskanopportunities@msn.com

Senator Mike Miller
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Miller:

I am writing to ask for your support of diabetes insurance reform in Alaska. This legislation has abeen introduced by Representative Murkowski as HB 298.

Diabetes affects 30.000 people in the state of Alaska alone. The complications of diabetes are serious and perhaps more importantly, costly. It is the leading cause of kidney failure, blindness, limb amputations, and heart attacks and stroke. These complications can be prevented or greatly delayed by empowering the patient to take care of his diabetes.

Good diabetes care involves access to education by experienced diabetes educators. A person with diabetes needs access to supplies such as glucose meters, test strips, medications and insulin. On a day to day basis these items seem expensive to the patient, $5 or more per day. However, a single year of these expenses is far far less than a month of dialyses, or a cardiac bypass. Some insurance plans in our state do cover diabetes supplies and education, but Alaska does not currently require insurers to provide this coverage. Many people with diabetes have trouble obtaining reimbursement form their insurers.

I have been a diabetes educator at Providence Alaska Medical Center for the past eleven years. During this time I have seen patients who have received education turn their lives around. I have seen patients drop their blood glucoses to normal, and no longer require their medications. This usually requires routine appointments and follow-ups on a yearly basis. I have also had patients who came for one appointment, did not return for follow-ups because their insurance would not pay, and then see the same patients a few years later, only this time they have developed some of the complications of diabetes. Perhaps they have had to have eye surgery, or they have developed charcot's foot because their blood glucoses have remained high.

Currently I am seeing a patient who has type 1 diabetes. She had only catastrophic insurance when she developed diabetes. Now it is a preexisting condition, and noone else will cover her. Unfortunately, if she develops a toe infection and needs to have her great toe removed, her catastrophic insurance will cover this, at much greater expense, both in terms of money and quality of life.

I urge you to support this bill.

Sincerely,

Bette Seaman
Registered Dietitian
Certified Diabetes Educator

February 21, 2000

Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear: Senator Mike Miller
Senator Pete Kelly
Senator Drue Pearce
Senator Gary Wilken
Senator Kim Elton
Representative Jim Whitaker
Representative Allen Kemplen
Representative Gail Phillips
Representative Janette James
Representative Fred Dyson
Representative Joe Green
Representative Carl Morgan
Representative Tom Brice
Representative John Coghill, Jr.
Representative Lisa Murkowski

I am writing to ask for your support of diabetes insurance reform legislation in Alaska, HB 298 and SB 276. This legislation will insure that Alaskans with diabetes have access to medicines, equipment, and education necessary for the management of this chronic disease. Diabetes reform will help promote health and lower health costs for people in Alaska.

Diabetes is a serious disease affecting 30,000 Alaskans. It is the leading cause of kidney failure, blindness, nerve damage, and amputations. Diabetes is also a major risk factor for heart disease and stroke. All these health complications can result in significant medical costs.

These medical costs could be reduced through preventive maintenance of the disease; mainly, through self-management including testing of blood sugar levels with meters, lancets, and test strips; injecting insulin using alcohol swabs and needles; or through oral medication. However, people diagnosed with this disease require education and continual medical support from the beginning in order to know how to manage their disease. When people are diagnosed with diabetes, they are confronted with a myriad of information and health care professionals, not to mention being faced with a disease that could eventually cause early mortality.

Being faced with such a disease is traumatic enough without the added complication of finding out that your health insurance provider will either not cover any of the expenditures related to the maintenance of the disease, will only pay a small portion of the costs, or treats the disease as a preexisting condition and therefore requires a waiting period, six months to a year, before benefits will take over. Are these fair to people, who in most cases, do not have any family or medical history indicating that they may be prone to the disease?

I'm an active member of the national and local chapter of the American Diabetes Association, mostly due to the fact that my sister was diagnosed with the disease 21 years

ago. I have watched her face the knowledge of dealing with the disease and observed the many roadblocks placed in her path for the maintenance of this dreaded disease. When my sister was originally diagnosed at age 8, she was provided with the care needed to maintain this disease only because she was the dependent of active duty military personnel. In our family's case, the road was paved with the necessary medical care professionals, education, and medicines necessary to help her maintain her disease.

However, that care changed. Once she reached the age of 23, her health care was threatened because she lost her dependent status. Suddenly, she is a college student with no health insurance and a very expensive disease to manage. My sister spent over six months being denied by three insurance companies before being eligible for the State's chronic care insurance. However, the State's chronic care insurance does not cover daily needs in the maintenance of diabetes. Luckily, within a year, she had finished her degree at the University of Alaska Fairbanks and was able to obtain a position with the university and with that, obtained health insurance coverage. However, she still had to wait six months before her benefits would cover any medical or equipment costs related to her disease due to the preexisting clause.

This is just one example of many that are played out everyday in the life of a person with diabetes. What about the other 30,000 Alaskans dealing with this disease that don't have access to the medicines, health care professionals, and education necessary for a productive life? When people with diabetes don't have the tools necessary to maintain the disease, they are forced to cut back their health care. In other words, these people are not checking their blood sugar levels as often as they should, not taking the necessary insulin to utilize the food that they eat, and not visiting with a physician on a regular basis to analyze their health. This leads to disaster: namely, emergency hospital visits. But unless health insurers are required in the State of Alaska to provide Alaskans with diabetes the tools necessary to treat and maintain this chronic disease, health costs will continue to increase for all Alaskans.

Therefore, I strongly urge you to take into consideration the points I have addressed here and support the passage of this legislation, HB 298 and SB 276, to make life better for Alaskans with diabetes. Thank you for considering my request for your support of this important legislation. I look forward to your response.

Sincerely,

Susan M. Earp
(907) 488-0867

cc: Betsy Turner-Bogren, American Diabetes Association