8.4 MILLION
Americans living with diabetes use insulin to manage their condition

If you’re paying full price for insulin in a high-deductible health plan, there may be something you can do to make access more affordable.

TAKE ACTION

A GUIDE FOR EMPLOYEES
Our goal: Make access to insulin more affordable for all.

Health coverage is changing – and it’s having an impact on people who need insulin. Currently, about 1 in 4 of today’s workers are covered by high-deductible health plans. That means they have to pay an annual deductible of at least $1,300 for single coverage and $2,600 for families – and up to $7,150 for single and $14,300 for family coverage.

What does this mean for people who need insulin?
For some, it means insurance won’t cover the cost of their insulin until they’ve paid $1,300 or more a year for medical and pharmacy expenses. But it doesn’t have to be this way.

What if the deductible went away?
Did you know that insurance plans and employers can make some medications exempt from the deductible? This means some people don’t have to pay full price for their insulin. Instead, they pay the amount they would have paid after they met their deductible (for instance, a $30 co-pay or a 20% coinsurance payment instead of the full price of the drug) or they may not have to pay anything for that drug all year.

Why would plans and employers do this?
It can be better for plans and employers to make some medicines and services more affordable because the cost of the medicine or service is less than the cost of someone not having access to it. For instance, if you or a member of your family is a person with type 1 diabetes and can’t afford insulin, the consequences could be catastrophic. For someone with type 2 diabetes, the medical costs associated with the complications of not taking insulin can be more expensive for employers than covering the insulin at low co-pays. For example, if you can’t afford insulin and have to go to the hospital or maybe miss work, that could cost your employer a lot more than if you were able to afford your insulin and take it properly.

How much would it cost to lower the cost of insulin at the pharmacy?
Lilly commissioned an analysis1 that found if insulin was $0 at the pharmacy for people who have high-deductible health plans and coinsurance, most people taking insulin would save on average over $400 a year. It would increase premiums for everyone by about $0.22 a month.

Diabetes is growing at an alarming rate. More than 30.3 million Americans have diabetes. Of those, 61% are between 20 and 64 years of age. This also represents nearly 9% of the entire US workforce.

Diabetes Costs the US Economy Hundreds of Billions Every Year

The average medical expenses of someone with diagnosed diabetes are $13,700 per year. About $7,900 of that cost is a direct result of diabetes.

$245 BILLION
THE COST OF DIABETES IN THE US IN 2012

$176 BILLION
IN DIRECT MEDICAL COSTS

$69 BILLION
IN LOST PRODUCTIVITY

THE LARGEST MEDICAL EXPENDITURES

41% THE RISE IN COST OF DIABETES SINCE 2007

25 MILLION WORK DAYS
LOST AT A COST OF $5 BILLION

3 https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4459261
Approaches to reduce cost sharing for patients

What can be done to help ensure that millions of people who need insulin are not hindered by the monthly cost? According to research conducted by Lilly and Milliman, two approaches best met the evaluated criteria.

**Exempt insulin products from the deductible.**
Unlike most prescription drugs, insulin is a life-sustaining medication with immediate consequences if not administered as prescribed. By creating a $0 cost-sharing tier which would exempt insulin products from the deductible, individuals would pay the co-pay or co-insurance at the pharmacy counter. This is a substantial savings not just for the employee, but for employers as well, as they are not pre-paying for claims costs.

**Offer a rebate percentage discount to patients at the pharmacy counter.**
When employees are forced to pay list price for insulin products during the deductible phase, it is certain that they are not receiving any of the rebates negotiated by the Pharmacy Benefit Managers for your insurance plan. By offering to share the rebate at the pharmacy counter with your employees, you help to lower the amount paid each month for these essential insulin products.

<table>
<thead>
<tr>
<th>Employers and Employees Benefit from Rebate Sharing</th>
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<tbody>
<tr>
<td><strong>Before Rebate is Shared</strong></td>
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<tr>
<td><strong>THE EMPLOYEE PAYS</strong></td>
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<tr>
<td><strong>$555.92 PER MONTH</strong></td>
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<td><strong>EMPLOYER PREMATURELY PAID</strong></td>
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<td><strong>$958.55</strong></td>
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<td><strong>After Rebate is Shared</strong></td>
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<tr>
<td><strong>THE EMPLOYEE SAVES</strong></td>
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<td><strong>$300.59 PER MONTH</strong></td>
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<td><strong>The patient and the employer can avoid short- and long-term medical costs due to clinical complications from non-adherence.</strong></td>
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Insulin: the gold standard for diabetes treatment.

Because diabetes is a progressive disease, it’s crucial that insulin be taken consistently or it won’t work the way it’s supposed to and will eventually lead to other health complications. Research shows that when the cost of insulin goes up, adherence goes down.1

The rise in the cost of insulin and the effect on adherence

8.4 MILLION ADULTS WITH DIABETES USE SOME FORM OF INSULIN

29.1% OF ADULTS WITH DIABETES USE INSULIN OR INSULIN + AN ORAL MEDICATION

255% INCREASE IN THE AVERAGE DEDUCTIBLE SINCE 2006

4.3 MILLION ESTIMATED TO BE NONADHERENT TO THEIR INSULIN REGIMEN

When out-of-pocket costs go up, adherence goes down leading to:

Rapid-Acting Insulin
Adherence falls when patients pay >$40

Basal Insulin
Adherence falls when patients pay >$75

341,000 MORE HOSPITALIZATIONS ANNUALLY2

699,000 MORE ER VISITS ANNUALLY2

Reduced Adherence to Insulin Regimens Creates a Burden on the Healthcare System

Many patients will require insulin therapy alone or in combination with other agents to maintain glucose control. As a result in the US, 8.4 million adults with diabetes use insulin. Those who need insulin also need affordable healthcare coverage.

83%
Of companies who offer one type of health plan for their employees

81%
Of workers covered by healthcare plans pay an annual deductible – up from 55% in 2006

24%
Of workers who are covered by healthcare plans with high deductibles

2 Jha AK et al. Health Aff (Millwood). 2012;31:1836-1846
What can you do to help remove or reduce cost sharing for insulins?

We know that exempting insulin from the deductible or removing cost sharing is not a novel idea. It could be beneficial to exempt medications intended to treat chronic diseases from deductibles as a way of reducing the potential for expensive complications in the future. It’s time to remove cost sharing for insulins. Here’s what you can do:

**How We Can Work Together**

There are easy steps both employers and employees can take to ensure affordable access to insulin.

**Employee**

- Read through the guides and complete the Worksheet for this year’s employer-based insurance plan. The Worksheet will show your employee benefits team what your current annual costs without cost sharing or exemption of insulin products. To download the Worksheet visit [www.affordableinsulinproject.org/worksheet.pdf](http://www.affordableinsulinproject.org/worksheet.pdf).
- Arrange a meeting with your employee benefits team as soon as possible to review the guides and options.
- Print out the guides to leave with your employee benefits team and provide a copy of your annual costs worksheet for them to review.
- Remember that you have cost-saving options through Blink Health or copay cards for many insulin products. You can learn more at [www.affordableinsulinproject.org/no-insurance-high- deductible](http://www.affordableinsulinproject.org/no-insurance-high-deductible).

**Employer**

- Review exemption or reduced cost sharing options for insulin products with your healthcare broker or benefits consultant. You do have choices when it comes to designing the optimum healthcare plan for you and your employees.
- Many companies are already exempting insulin from the deductible or placing it in the preventative drug category. Ask your broker or consultant about chronic conditions formularies that will provide reduced cost sharing for many disease maintenance drugs.
- Discuss passing the pharmacy rebates directly to the employee at the pharmacy counter.
Join us!
The Diabetes Patient Advocacy Coalition

We are an alliance of people with diabetes, caregivers, patient advocates, health professionals, disease organizations and companies working collaboratively to promote and support public policy initiatives to improve the health of people with diabetes.

Together we can make a difference.
DPAC has committed to the idea that diabetes doesn’t discriminate. We have no interest in promoting cross-type discord. There are benefits of numbers, passion, and reach in various parts of the diabetes community. If you’re interested in raising your voice to help people with diabetes get access to safe and quality products and services in the United States, then we welcome you.

Making advocacy easier.
Advocacy is often thought to be too time-consuming. We do the time-consuming work for you. We keep track of your elected officials, which official is on what committee, issues that have the potential to hurt or benefit our community, what bills will make a difference, who has cosponsored what bill and more. We let you know why it’s important to act right away, then give you a way to do so quickly.

We are focused on taking action.
We are different than other large diabetes organizations. Our goal is to increase attention for people with diabetes – not raising money. Our focus is simply amplifying and unifying the diabetes patient voice.

DPAC’s role is to keep attention on diabetes when policymakers are making decisions about our lives. We will inform you of the results of a particular campaign and of any issues that need to be raised as a unified voice of diabetes patients, making it easy for you to act.

Join us in our efforts!
To help ensure the safety and quality of medications, devices, and services, and access to care for all 30.1 million Americans with diabetes, please download our app or visit our website at www.diabetespac.org.