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

If your employees are 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 EMPLOYERS

AFFORDABLE INSULIN PROJECT
Dear Employer,

Thank you for exploring ways to improve health outcomes for your employees impacted by diabetes.

Diabetes is a complex, chronic illness requiring medical care and optimal glycemic control. It impacts many parts of the body and is associated with serious complications, including stroke, blindness, heart disease, kidney failure, and lower-limb amputation.

The good news is that these complications can be avoided or mitigated. Affordable access and adherence to diabetes medications, including insulin, are paramount for successful diabetes management.

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**Did you know?**

1.4 MILLION people (aged 20 and over) are diagnosed with diabetes each year.  

It’s projected that 1 in 3 people will have diabetes by 2050.

About 1 in 8 people (aged 20 and over) have diabetes.  

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<th>HISPANICS</th>
<th>AFRICAN AMERICANS</th>
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<td>12.8%</td>
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What is Insulin?

Insulin is a hormone made by the pancreas. It helps your body to use glucose properly by transporting the sugar that you’ve eaten to your cells, where it’s used for energy or stored for later use. If your body does not produce insulin at all or at amounts less than what is needed, insulin must be prescribed and injected subcutaneously to maintain normal blood glucose levels.

There are two types of insulin:

- basal insulin (which mimics the small amount of insulin continuously needed by the body)
- fast-acting insulin (which is insulin taken before eating for meals or if blood glucose levels rise above normal range).

If prescribed insulin is omitted or not fully dosed, a person with diabetes experiences immediate consequences. High blood glucose levels tax the heart, blood vessels, kidneys and muscular system in an attempt to rid the body of excess sugar. Left unchecked, this can result in hospitalization and death.

An insulin prescription doesn’t mean that the individual has a “severe” or “bad” case of diabetes; it means the individual is properly managing their diabetes with the help of a medical professional.

Insulin is a standard of care and is an important component of optimal diabetes management:

- 1 in 3 adults with diabetes require daily insulin
- All individuals with Type 1 diabetes require life-sustaining insulin therapy
- Type 2 is a progressive disease, eventually requiring insulin therapy

29.1% of adults with diabetes use insulin or insulin + an oral medication

3 million people have type 1 diabetes and cannot survive without insulin

Financial Impact for Employees

Recent changes in health care may contribute to non-adherence. Average price of brand-name drugs have gone up 208% between 2008 to 2016.

There are no generics for insulin.
The combined annual deductible for employees covered by health care plans have increased from 55% in 2006 to 83% in 2016.4

Many employees are forced to pay list price during the deductible phase. Discounts and rebates are negotiated by Pharmacy Benefit Managers and others in the supply chain are not passed on to employees at the point of sale.

What is Adherence?
Adherence is the consistent use of medications and treatment plans that medical professionals prescribe to treat an illness or chronic condition. For those with diabetes, the out-of-pocket cost can be a significant barrier to successfully adhering to their daily management goals. A study showed that adherence is significantly increased by employees whose employers eliminated or provided reduced copayments for insulin.5

What’s the result of non-adherence?
Adherence is reduced when patients have to pay more than $75/month for basal insulin and $40 for rapid-acting insulin. Non-adherence / low adherence =

- 699,000 more ER visits and 341,000 more hospitalizations annually
- 40% higher inpatient cost for non-adherence
- During deductible phase, 2.5x more likely to discontinue filling prescriptions when forced to pay full list price.6
- Productivity loss and absenteeism increases due to medical issues

Adherence reduces costs. With each 10% increase in adherence to insulin, there was an annual decrease between 9 to 29% overall healthcare cost.7

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4 Express Scripts. https://lab.express-scripts.com/lab/-/media/29/13dee4e7585d5918b7e034c039e99a.jpg
5 http://www.ajpb.com/journals/ajpb/2010/vol2_no1/value-based-insurance-design-and-antidiabetic-medication-adherence
6 QuintilesIMS Institute. https://structurecms-staging-psyclone.netdna-ssl.com/client_assets/donk/media/attachment/5959/82a75e/4182/0000/5969c5ba069702d75d241c20000.pdf/1493985952
These two graphs show the difference between an employee paying full list price and being offered a 60% rebate savings. Not only does this rebate sharing make access more affordable, it reduces the annual cost for the employer.

Pharmacy is the only part of the healthcare benefit that does not pass negotiated discounts to the patient. And in many cases, employers end up with premature claims costs.
Did you know?
According to the latest research data, if insulin was $0 at the pharmacy for employees who have HDHP and coinsurance, premiums would increase by $0.22 per month, per employee.¹

What can you do?
As you work with your health insurance benefit consultants and advisors, shape your program design to reduce cost sharing through one of two ways:

- Add insulin to a preventive drug list that is exempt from the deductible
- Negotiate the discount/rebate from the manufacturer to be passed directly to the employee at the point of sale

By doing one of these two actions, you will increase affordable access and adherence to live-sustaining insulin, which will potentially decrease your overall healthcare costs and absentee rates due to illness.

Have questions? Please contact employers@affordableinsulinproject.org
