

HOUSE BILL REPORT

2SSB 5178

As Reported By House Committee On:
Health Care

Title: An act relating to the enactment of the diabetes cost reduction act.

Brief Description: Adopting the diabetes cost reduction act.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Wood, Wojahn, Deccio, Bauer, Fairley, Goings, Prince, Prentice, Franklin, Horn, Patterson and Winsley).

Brief History:

Committee Activity:

Health Care: 4/1/97, 4/4/97 [DPA].

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass as amended. Signed by 10 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Skinner, Vice Chairman; Cody, Ranking Minority Member; Murray, Assistant Ranking Minority Member; Anderson; Conway; Parlette; Wood and Zellinsky.

Minority Report: Do not pass. Signed by 1 member: Representative Sherstad.

Staff: Antonio Sanchez (786-7383).

Background: According to the Washington State Department of Health (The Health of Washington State, September 1996):

About 160,000 people in Washington are known to have diabetes, and an equal number probably have the disease but do not know it. The estimated prevalence is about six percent of the general population.

Diabetes was associated with 38,909 hospitalizations in Washington in 1994 (rate: 243/1,000 people with diabetes). Most of these admissions are a result of diabetes complications, including coronary heart disease, stroke, diabetes ketoacidosis, and lower extremity amputations. Many of these hospitalizations could be prevented through early detection and appropriate management of diabetes and its complications. Effective interventions include diabetes self-

management education and development of systems to coordinate and assure medical management in accordance with current practice guidelines.–

While most health insurance plans provide coverage for diagnosis and treatment for diabetes, studies report that coverage for some diabetes medications, testing and treatment equipment, supplies, self-management education and more is uneven.

Summary of Amended Bill: The Legislature finds that access to medically accepted standards of care for diabetes, its treatment, supplies, self-management training and education is crucial to prevent or delay complications of diabetes and its attendant costs.

A diabetic person is defined to include insulin dependent diabetics, non-insulin using diabetics, and those with elevated blood glucose levels because of pregnancy.

After January 1, 1998, state purchased health care and health carriers licensed by the state who issue or renew health insurance coverage within the state must provide specified coverage for diabetic persons. These provisions do not apply to the Basic Health Plan, or to the plans identical to the Basic Health Plan which insurers are required to offer.

Such coverage must at least include appropriate equipment and supplies, as prescribed by a health care provider, determined medically necessary by a carrier's medical director, including insulin, syringes, injection aids, blood glucose monitors, test strips for blood glucose monitors, visual reading and urine test strips, insulin pumps and accessories to the pumps, insulin infusion devices, prescriptive oral agents for controlling blood sugar levels, foot care appliances for prevention of complications associated with diabetes, and glucagon emergency kits, provided that the benefits are available under the health benefit plan for similar services or supplies for other common illness and diseases.

Out-patient self-management training and education can be provided by individuals under the supervision of health care providers with expertise in diabetes. Carriers may limit providers who perform services required under the act to those within their provider networks.

Diabetes coverage may be subject to normal cost sharing provisions established for all other similar services or coverage within a policy and insurance carriers are allowed to maintain their current pharmacy benefits.

Health care coverage may not be reduced or eliminated due to the act.

A carrier is excluded from the requirements of the act in a plan offered to an employer or other group that offers to its eligible enrollees a self-insured health plan

not subject to state mandated benefits and whose self-insured plans do not include similar benefits to those mandated under the act.

The terms of the act expire June 30, 2001, and are subject to a sunset review.

Amended Bill Compared to Substitute Bill: Mandated services and supplies will be provided within the context of an existing benefit on the enrollee's plan, and insurers are not required to add diabetic benefits to a plan that is not established to cover this area of health care. Persons, other than individuals statutorily defined as providers, are allowed to conduct diabetes education if done so under the direction of a provider. Insurance carriers can maintain their current pharmacy benefits, thus avoiding the implication of a mandated pharmacy benefit. The terms of the act expire June 30, 2001, and are subject to a sunset review.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect January 1, 1998.

Testimony For: If we address diabetes at an early stage and get it under control, people will live healthier lives. It can result in major cost savings by reducing blindness, amputation, and other complications. It will reduce the variance in health care coverage and individuals and insurers will both benefit.

Testimony Against: None.

Testified: Senator Wood, prime sponsor; Gail McGaffick and Carl Knirk, American Diabetes Association, Washington Affiliate; Dr. Robert Mecklenburg, Washington State Dietetic Association and Washington Association of Diabetes Educators; and Melanie Stewart, Washington State Podiatric Medical Association (all pro).