Access to Diabetes Prescription Drug Coverage

By Richard Cauchi and Savannah Robinson

Just over 29 million people in the United States have diabetes, equal to 9.3 percent of the total population as of 2014. Diabetes has become a costly chronic condition in the United States. According to the Health Care Cost Institute, medical costs and productivity loss attributable to diabetes were estimated to be $245 billion in 2012.

State Action

Forty-six states and the District of Columbia require health insurance carriers to provide coverage for diabetes treatments. While the legal language varies, in almost all states, the insurance department is tasked with administering the law and documenting violations by insurers. State enforcement can include civil fines; requiring expansion of a benefit package; and for patients, the right to quick, impartial appeals to obtain drugs initially denied.

NCSL SURVEY

Due to the prevalence of diabetes, NCSL conducted a first-ever 50-state survey, “Health Insurance Required Coverage Related to Diabetes Prescription Drugs.” The survey shows 1) the extent and variety of current diabetes medication coverage in each state and 2) comparative results in the 46 states with laws mandating or offering diabetes coverage. In each state, insurance plans were analyzed to determine coverage among 80 brand-name and 20 generic drugs used to treat diabetes. Brand-name drug manufacturers are given patents for their products for a specified time. Once patents expire, chemically identical drugs can be manufactured by multiple companies and sold as a generic drug, generally at lower prices. The findings document the total number of diabetes drugs available in the sampled two lowest-cost (“Bronze” and “Silver”) health plans sold on state exchanges.

The survey results reveal that most patients with diabetes can gain access to a large number among all medications approved by the Food and Drug Administration (FDA), but some significant differences exist by insurer, state, insurance plan category and out-of-pocket cost. All 50 states and D.C. show varying coverage of selected diabetes drugs, offering anywhere from 12 to 60 drugs. The survey examined coverage for 20 generic drug choices and found that 45 states and D.C. provided coverage for 15 to 20 generic drugs in at least one insurance plan. There were 50 or more brand and generic diabetes drug choices in at least one insurance plan in 30 states and D.C.

NCSL’s report reveals several trends. State mandates play an important role in insurance coverage, but were not the only indicator for states to cover a higher quantity of drugs. Many states with insurance mandates covered fewer drugs, but met their mandated requirements.
The Affordable Care Act (ACA) requires insurers to cover diabetes. Until 2013, federal law had a very limited role in defining required coverage for diabetes or other chronic conditions. The ACA established that all insurance carriers selling federally Qualified Health Plans (QHP) must provide coverage for certain prescription drugs, prescription medical devices and medical examinations related to diabetes or diabetes prevention. By 2014, most insurers were no longer able to deny coverage to children with pre-existing conditions or limit lifetime or annual benefits. These Essential Health Benefits (EHB) include a new class of preventive benefits that apply to diabetes. Several treatments are now available with no copayment or deductible, including:

- Type 2 diabetes screening for adults with high blood pressure
- Diet counseling for adults at higher risk for chronic disease
- Gestational diabetes screening for women.

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NCSL survey, Health Insurance Required Coverage Related to Diabetes Prescription Drugs.

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