

New health plans offer discounts for diabetes care

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Talk about targeted. Consumers scrolling through the health plan options on the insurance marketplaces in a few states this fall may come upon plans whose name - Leap Diabetes Plans - leaves no doubt about who should apply.

Offered by Aetna in four regions next year, the gold-level plans are tailored for the needs of people with [diabetes](#). They feature \$10 copays for the specialists diabetics need such as endocrinologists, ophthalmologists and podiatrists, and offer free blood sugar test strips, glucose monitors and other diabetic supplies. A care management program with online tools and coaching helps people manage their condition day-to-day. The plans also offer financial incentives, including a \$50 gift card for getting an A1c blood test twice a year to measure blood sugar levels and a \$25 card for hooking up a glucometer or biometric tracker to the Aetna site.

"It was a good time to design a product that was a little more personalized, as opposed to generic," says Jeff Brown, vice president of consumer product, network and distribution at Aetna. "We saw diabetes as a compelling need, and a growing need."

Aetna is debuting the diabetes plans next year in four markets: Charlotte, N.C., Phoenix, Ariz., Northern Virginia and southeastern Pennsylvania.

It's unclear whether the diabetes plans are a good buy for people with diabetes. The cut rates for specialist visits only apply if they're related to

[diabetes care](#), not for other conditions someone may have. Meanwhile, coverage for medications, which may cost consumers hundreds of dollars every month, is no different in the diabetes plans from that in other gold plans.

In Arlington, Va., for example, the Aetna Innovation Health Leap Gold Diabetes plan with a \$3,500 deductible for an individual has an estimated monthly sticker price of \$379. Non-diabetes related specialist visits cost \$100, preferred brand-name drugs cost \$50 and the out-of-pocket maximum is \$3,500. Is that a better buy than the \$371 Kaiser Permanente gold plan with a zero deductible and \$6,350 out-of-pocket maximum, where all specialist visits are \$40 and preferred brand-name drugs cost \$30? That will depend on the individual.

"The American Diabetes Association encourages individuals with diabetes shopping for a health insurance plan to ask if the plan covers the diabetes supplies, services and particular medications they need and look at all costs including the premium, deductibles and copayments or coinsurance in deciding what plan has the most favorable coverage," ADA spokesperson Samantha Boyd said in an email.

Premiums for the diabetes plans generally fall in the middle range of gold plans in an area, except in Phoenix where they're among the most expensive of the 20 plans available.

Gold plans pay 80 percent of medical expenses, on average, and the consumer pays 20 percent. Silver plans, the most popular plans on the marketplaces, pay 70 percent of medical bills. Most people receive subsidies that help reduce their premiums, but since subsidies are tied to silver-level plans, they don't have as much impact on gold plans.

People with diabetes are relatively expensive to insure. Per capita health care spending in 2013 on people with diabetes averaged \$14,999, more

than \$10,000 higher than the \$4,305 spent on people without diabetes, according to an analysis by the Health Care Cost Institute.

This isn't the first time that an insurer has designed a health plan for people with diabetes, but it appears to be the first on the health insurance marketplaces. They are part of a new line of plans Aetna is introducing, called leap plans, aimed at helping Aetna build its retail business. Aetna says they are simpler to use and will have more personal customer service.

In 2009, UnitedHealthcare launched a diabetes health plan for its employer-based business with financial incentives of up to \$500 per enrollee, typically in the form of reduced or eliminated copayments for office visits and medications. The plan is still offered to employers, according to a spokesperson for the insurer.

Dr. O. Kenrik Duru, an associate professor of medicine at the University of California, Los Angeles, evaluated the plan under a grant from a five-year study funded by the Centers for Disease Control and Prevention called Natural Experiments for Translation in Diabetes (NEXT-D).

Duru says the investigators found that reducing out-of-pocket costs did improve people's success at sticking with a drug regimen, called medication adherence. Their work didn't examine the effect of reducing the cost of specialist visits.

"Even a \$5 copay can deter some people" from taking their medication, says Duru. "It's hard for me to see how you would not give a break on medication."

Brown says that in designing the plans they focused on helping people get better access to specialists.

"A big part of what we're trying to do is to lower the financial barriers for seeing their care team," he says, including primary care physicians and specialists.

Doesn't he worry that Aetna will lose money offering plans that try to attract people with higher-than-average medical costs? Brown says it's an experiment, and they don't expect to make a lot of money.

What Aetna wants is to create a "long-term value proposition" with people, Brown says. "We're not only hoping to have these people for 18 months."

And for the record, you don't have to have diabetes to sign up.

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