

Costs of Medicare diabetes prevention program may exceed reimbursements

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For some healthcare providers—especially those serving racial/ethnic minority and low-income patients - the costs of delivering a new Medicare Diabetes Prevention Program (MDPP) may be much higher than the expected reimbursement, reports a study in the November issue of *Medical Care*.

Payments may cover as little as one-fifth of the costs of delivering recommended [diabetes prevention](#) services in "safety-net" healthcare settings, according to the brief report by Natalie D. Ritchie, Ph.D., of Denver Health and Hospital Authority and R. Mark Gritz, Ph.D., of University of Colorado School of Medicine. "While many MDPP suppliers are needed to reach all Medicare beneficiaries with prediabetes, insufficient reimbursement may be a deterrent," the researchers write.

Analysis Suggests \$661 Gap Between MDPP Costs and Payments

The MDPP is an innovative program to prevent [diabetes](#) in Medicare beneficiaries. A previous report on the National Diabetes Prevention Program suggested that educational and coaching sessions over one year reduce the risk of developing type 2 diabetes in older adults at high risk. The MDPP targets older adults meeting criteria for "prediabetes—estimated to be present in about 48 percent of US seniors.

Under a "pay-for-performance" scheme announced last year, healthcare providers will be reimbursed for MDPP services based on patients' attendance and [weight loss](#). The program targets a five percent reduction in body weight, which can delay or prevent type 2 diabetes. But there are concerns about whether reimbursements will cover the costs of MDPP services—particularly in minority and low-income populations, who have a disparately high risk of diabetes.

Drs. Ritchie and Gritz analyzed the costs of and expected reimbursement for providing MDPP services to 213 Medicare beneficiaries with prediabetes or other diabetes risk factors in Denver's safety-net healthcare system. Most patients were of minority race/ethnicity (41 percent Hispanic, 32 percent black) and classified as low-income (about 70 percent).

Average projected reimbursement was about \$139 per patient, based on coverage rules issued by the Centers for Medicare and Medicaid Services. Consistent with previous studies, outcomes of the MDPP intervention were not as good in this group of largely minority, low-income Medicare beneficiaries. Average weight loss was just under two percent, which may still be beneficial for reducing diabetes risk. Less than five percent of participants met all milestones (attendance and weight loss) needed to reach the maximum payment of \$470 for a full year of services.

By comparison, the costs of delivering the program were estimated at \$800 per patient. Subtracting the average payment of \$139, there was a \$661 gap between the costs of the program and the expected payments. Expenses for coaching staff accounted for a little over half of the costs of providing MDPP services. "Even if program delivery costs were reduced and Medicare beneficiaries performed better in the future, it appears that an unsustainable funding gap might likely remain," commented Dr. Ritchie.

Preventing diabetes is a major priority for improving health and reducing healthcare costs in older Americans. The introduction of the MDPP offers an "unprecedented opportunity to provide lifestyle intervention to Medicare beneficiaries with prediabetes," the researchers believe.

Their study adds to concerns that reimbursement provided by Medicare will fall short of covering the costs for providing MDPP services—especially for healthcare providers serving diverse, underserved patient populations. The payment gap could limit access to recommended diabetes prevention services and contribute to widening health disparities.

Drs. Ritchie and Gritz present an analysis suggesting that reimbursing the full beneficiary cost of \$800 per patient would pay for itself within the first year due to healthcare expenditures avoided—and bring an even larger return on investment in subsequent years. The authors conclude: "The high economic and societal [costs](#) of diabetes and the importance of reducing health disparities suggest that financially sustainable payments are necessary to ensure benefit access, while yielding cost-savings for Medicare."

More information: Natalie D. Ritchie et al. New Medicare Diabetes Prevention Coverage May Limit Beneficiary Access and Widen Health Disparities, *Medical Care* (2018). [DOI: 10.1097/MLR.0000000000000981](#)

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