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Monetary benefits from value-based diabetes plans take time

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Value-based insurance designs (VBIDs) for diabetes patients can improve outcomes while decreasing costs by incentivizing health-promoting consumer choices and behaviors such as treatment adherence.

But expectations for quick cost savings are frequently overblown, according to the speakers at the Academy of Managed Care Pharmacy (AMCP) 2017 Nexus.

“Value-based design for diabetes is difficult. We need to approach this with eyes wide open," said Pat Gleason, PharmD, FCCP, FAMCP, BCPS, of Prime Therapeutics, during the October 17 session.

"Don’t be distracted by shiny objects or snake oil. We have to be careful,” said Kenneth C. Mishler, PharmD, MBA, Blue Cross and Blue Shield of Kansas.

Twenty-nine million Americans live with diabetes mellitus, the majority of them—about 95% —with type 2 diabetes mellitus. It is important to distinguish type 1 and type 2 diabetes when designing VBID for diabetes management, said Mishler.

“Type 1 responds differently” to therapy, Mishler said.

“With microvascular complications like retinopathy and lower limb amputation, we’re going to be looking at the two groups independently as we think about specific elements of a value-based benefit design,” he explained. “It’s easy for us to throw all of those risk factors in one pool and say, if we do a better job of controlling blood glucose levels, we’ll get expected outcomes. But I think it’s clear that these do respond quite differently.”

About 20% of healthcare spending—$1 in every five—is spent on care of patients with diabetes, Mishler noted. Diabetes drugs alone account for $1 in $8 of presciption drug spending, he added. Diabetes management costs doubled in the three years between 2014 and 2017, posing a challenge to insurers and self-insured employers, he added.

“Clearly, the year-after-year growth show that we can’t continue on this path sustainably,” Mishler said. In 2016, 47% of diabetes prescriptions were filled with a generic diabetes drug.

Encouraging patients to comply with prescribed management plans is intuitively appealing, Mishler and Gleason noted. Reducing patients’ out-of-pocket costs for generic diabetes medications should reduce complication rates while reducing costs, for example, the reasoning goes.

But research suggests it’s not so simple, the experts said.

Next: Research findings

Troubling findings

Early studies had suggested that improving blood glucose control and A1c levels reduces microvascular complications by 50% or more over 10 years.

"Keeping blood glucose levels as close to normal as possible, dramatically reduced nephropathy, retinopathy, and neuropathy," said Mishler. It takes "at least five years" to see renal microvascular benefits.

But over the course of a decade, researchers find "almost no" improvement in cardiovascular complications, including stroke or heart attack, he noted.

"It isn't until year 18 that you finally start to see significant changes in the incidence of cardiovascular disease," Mishler said. "That's an important point: You can get early gains but if you're looking at the hallmark of better diabetes control—cardiovascular complications—they are not gains that are quickly realized and achieved. That's very important for type 1 diabetics."

More recent studies also suggest that the early research estimates of cost savings for VBID in diabetes were likely overblown, Gleason and Mishler argued. The early studies had no control group and suffered from statistical confounding, they pointed out.

"People who are more adherent to their drugs also don't drink as much or drive as recklessly," Gleason said. "They exercise more. So adherence measures the behavior of the person not just drug-taking behavior."

Consultants sometimes suggest that patient adherence and employers' insurance costs for diabetes will decline in a year or two if they incentivize adherence. But that's not realistic, Gleason argued.

Improving adherence by 4% is "nothing to sneeze at," he said. "That's enough to move you from 2 to 4 stars. But if you're expecting 10% improvement, you're going to be disappointed."

Gleason and Mishler studied a self-insured employer's spending on 24,000 employees for the year before and after a diabetes medication zero-dollar cost-share policy for generics and formulary brands. That study, like others, found no total short-term cost difference between patients with high and low medicine adherence.

"I'm not saying we shouldn't treat diabetes or invest in better therapy," Gleason said. "But can you avoid all the costs of heart attacks and kidney failure? You cannot expect to eliminate the entire cost [of complications]. Over five or 10 years, you will start seeing decreases in cost but not to zero."

"It is going to take years to really see significant impact on the most meaningful complications," said Mishler.