



Trick Question: What Diabetes Medicine Costs the Most?

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Maybe you've heard this one: The costliest diabetes medicine is the one which a doctor prescribes, but the patient fails to take. When a doctor identifies diabetes needing treatment, but the patient neglects it, the cost of that assessment goes for naught.

Then, spending for future complications skyrockets, while value crashes. "Lean Redesign" considers that WASTE. And, it financially hammers employers and employees alike.

Half the time, Americans use their medicines incorrectly. That adds \$150 billion of excess costs annually. Noncompliance increases hospitalizations 10 percent and nursing home admissions 40 percent, needlessly. It wastes \$2,000 per patient per year of the cost of physician visits.*

Medication adherence has particular importance for people with diabetes. Studies show that patients who adhere to physician treatment spend 47 percent less than those who comply less well. And, religiously taking diabetes medication was a significant predictor of improved job performance in people with adult-onset diabetes in a recent study. **

Many factors must come together for people to follow prescriptions as they should. The prescriber has responsibility for several, such as:

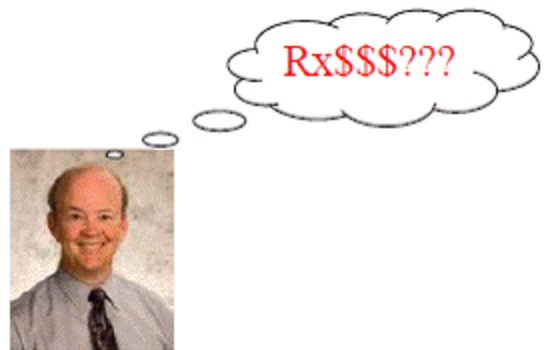
- selecting the best medicine with fewest side effects
- arranging the most convenient daily dosing schedule
- avoiding interactions with other prescriptions
- motivating the patient.

The responsibility for some factors of course rest entirely with the patient. These include

- wanting to understand the diagnosis and treatment - no denying it!
- fully informing the physician of all other conditions, symptoms, and treatments
- taking personal accountability.

Employers too can improve employees' adherence to medications, by creating a culture of health, wellness, and vitality. Such a climate promotes wise medical consumerism and self-care. Teach health literacy to your employees, through your usual communication channels. Don't be shy about explaining it in financial terms. Help employees realize that non-compliance makes them lose money in this "pay me now or pay me later" situation. Truly, an ounce of prevention is worth a pound of cure, and a stitch in time saves nine!

Unfortunately, out-of-pocket costs can form a barrier to obtaining timely treatment. Employers should consider reducing the co-payment for medications necessary to maintain health in the face of chronic diseases, especially diabetes. Negotiate this through your health insurer, pharmacy benefits manager, or directly through a co-pay reimbursement program. However you do it, reducing the co-pay obstacle to diabetes treatment has proven benefits.



Pitney Bowes Corporation proved this in a classic study. By placing all diabetes treatments into the lowest co-pay category (tier 1), they shifted costs from physician services to pharmacy, increasing the rate at which employees refilled their prescriptions. That yielded Pitney Bowes \$2.5 million annual savings from lower rates of hospitalization and emergency care. ***

Employers should also encourage every employee to have a primary care physician. Research has demonstrated that physician-connected patients comply with care better, adhere to prescriptions more, and enjoy improved outcomes, than patients who lacked assignment to an individual primary physician.

Sadly, diabetes continues to affect a larger proportion of our nation every year. Fortunately, people with diabetes can remain healthy, employed, and productive at work, with proper medical care. Employers need to ensure every dollar spent on it brings the best value. In the end, this matters far more to employee themselves. But, since your employees matter to you, do all you can to help!

Reference:

**First Report Managed Care*, May 2011, Tori Socha, quoting Bruce Sherman, MD, Director of Employers Health Coalition of Ohio

**Loeppke R and Hymel P, "Medication Adherence, Comorbidities, and Health Risk Impacts on Workforce Absence and Job Performance," *JOEM* Vol 53, No. 6, June 2011

***Mahoney JJ, Reducing patient drug acquisition costs can lower diabetes health claims, [Am J Manag Care](#). 2005 Aug; 11(5 Suppl):S170-6 AND Berger J, Economic and clinical impact of innovative pharmacy benefit designs in the management of diabetes pharmacotherapy, [Am J Manag Care](#). 2007 Apr; 13 Suppl 2:S55-8