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Medicaid Expansion Making Diabetes Meds More Accessible To Poor, Study Shows

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Low-income people with diabetes are better able to afford their medications and manage their disease in states that expanded Medicaid under the Affordable Care Act, a new study suggests.

The Health Affairs study, released Monday afternoon, found a roughly 40 percent increase in the number of prescriptions filled for diabetes drugs in Medicaid programs of the 30 states (including Washington, D.C.) that expanded eligibility in 2014 and 2015, compared with prior years.

By contrast, states that didn't embrace the Medicaid expansion saw no notable increase.

"Gaining Medicaid insurance would have significantly reduced out-of-pocket spending for insulin for previously uninsured patients, thereby facilitating uptake of the medication," the Health Affairs study said.

Diabetes, characterized by abnormally high blood sugar, is a chronic disease that requires expensive and ongoing medical care. More than 114 million adults in the U.S. have diabetes or prediabetes, making the disease one of the country's most formidable health challenges.

"In the long run, preventing diabetic complications not only saves lives, but it improves public health and saves public money," said Dr. Michael Bush, an endocrinologist in Beverly Hills, California, and president of the California chapter of the American Association of Clinical Endocrinologists.

Bush and other experts said the Health Affairs study shows that the Medicaid expansion can help patients manage their health and also limit unnecessary spending. An analysis by the Centers for Disease Control and Prevention cited by the study shows that each diabetic patient who is treated for the condition can lead to a \$6,394 reduction in health care costs (in 2017 dollars) because of fewer hospital admissions.

In California, roughly 3.9 million people gained coverage when the state expanded eligibility for Medi-Cal, the state's version of the federal Medicaid program. In all, about 13.5 million people — more than one-third of Californians — are enrolled in Medi-Cal.

By 2016, about 12 million people had enrolled in Medicaid nationwide as a result of the expansion, according to the Kaiser Family Foundation. The foundation estimates that more than 2 million people who live in non-participating states would have qualified for Medicaid had their

states chosen to expand. (Kaiser Health News is an editorially independent program of the foundation.)

“It’s not particularly surprising that extending Medicaid opened up this door for lots of other people to be able to fill prescriptions and be able to take advantage of managing a chronic disease like diabetes,” said Flojaune Cofer, director of state policy and research at Public Health Advocates, a nonprofit organization based in Davis, California, that seeks to eliminate health inequalities in California.

But Michael Cannon, director of health policy studies at the libertarian Cato Institute, said the Medicaid expansion may not mean good news for everyone.

Medicaid pays a fraction of a drug’s list price, so pharmaceutical companies may raise prices for everyone if they don’t feel they’re being compensated fairly, he said. That, in turn, could drive up everyone’s premium costs or lead those with private insurance to pay more out-of-pocket.

“You have to look at not just the immediate effects of a policy, but all of the effects of a policy,” Cannon said. “As prices rise, fewer people will be able to afford diabetic medications.”

Last year, nearly 900,000 Californians with Medi-Cal were known to have diabetes, according to state figures.

One of them is James Warden, 62, a retired rancher near Fresno, who said he was forced to stop working because of a back injury several years ago.

Warden enrolled in Medi-Cal in 2016 and was diagnosed with diabetes last year after a urinary condition landed him in the hospital, he said. Without the coverage, he said, he wouldn’t have the insulin his body needs.

“Medi-Cal saved me,” he said. “I wouldn’t have the money to be able to pay, or go to the doctor or anything.”

The researchers found that people in groups with a higher prevalence of diabetes before the ACA became law, such as those ages 55–59, showed larger increases in filling their diabetes prescriptions after the Medicaid expansions.

The price of insulin, a staple medication for many diabetes patients, rose almost 200 percent from 2002 to 2013, according to the study.

And nearly 40 percent of insulin users who responded to the American Diabetes Association’s 2018 insulin affordability survey reported that they had faced a price increase in the past year. As a result of the price hikes, many said, they took less of the medication, missed doses or switched to a cheaper drug.

In states that didn’t expand Medicaid after 2014, such as Texas and Florida, the number of diabetes prescriptions filled remained relatively flat, the study found. In these states, low-income and uninsured diabetics must rely on a “patchwork of options” to get insulin and other medications to treat their disease, according to the American Diabetes Association. Patients may need to seek help through drug company patient assistance programs or charities, the group said.

The study also showed a surge in filled prescriptions for newer, pricier diabetes drugs that have fewer side effects and control diabetes more effectively. And there was an increase in prescriptions for metformin, a generic drug that is often used as a first line of treatment for new Type 2 diabetes patients.

The rise in metformin prescriptions suggests the federal health law also led to more people being diagnosed with the disease, the authors said.

The study, conducted by University of Southern California pharmaceutical and health economists, was based on an analysis of filled prescriptions before and after the state Medicaid expansions began in 2014. The number of states that expanded Medicaid has since grown to 33 states and Washington, D.C.

The prescriptions analyzed cover the period from 2008 to 2015. About 15 percent of retail pharmacies did not share their information, and the data did not include prescriptions filled by health clinics or via mail-order, which could have led to underestimates of the total effect, the authors said.

Bush, the Beverly Hills endocrinologist, acknowledged that providing diabetes drugs to Medicaid patients is costly to taxpayers. But he said it's money well spent.

"This is clearly a disease where if you take care of it now, you can prevent complications that occur later," he said.