

CGMs Provided by DME Suppliers Improves Patient Care and Reduces Costs

About American Association for Homecare (AAHomecare)

AAHomecare is the national association representing durable medical equipment (DME) suppliers, manufacturers, and other stakeholders in the homecare community. Our membership services patients living with diabetes and provides medical equipment such as continuous glucose monitors (CGMs) across the nation.

AAHomecare applauds Florida's expansion of Continuous Glucose Monitors (CGMs) Coverage

AAHomecare and the DME community understands the critical need for monitoring and controlling diabetes to improve the health and outcomes of these beneficiaries. It is critical to ensure that these beneficiaries receive the care they need in their home and in a manner that makes it easy to access these items. To ensure this access, we are requesting that coverage through the Durable Medical equipment channel is available to these beneficiaries to ensure continuity of care.

About Continuous Glucose Monitors (CGMs) Medicaid Coverage

CGM is an innovative diabetes monitoring technology that measures blood glucose levels continuously in real-time. In 2017, Medicaid programs expanded coverage to include CGMs, either covering under the Durable Medical Equipment channel and/or the Pharmacy channel. Based on feedback from DME suppliers, manufacturers, patients, and other stakeholders, DME suppliers are better suited to provide a more comprehensive service to CGMs patients. DME suppliers promote reduction in healthcare costs, and improve health equity, patient care, patient choice and access.

DME Suppliers Aid in the Reduction of Healthcare Costs

HIGH RETENTION UNDER DME CHANNEL– DME suppliers have a CGM patient retention rate of approximately 85%, which is 20-30% higher than under the pharmacy benefit.ⁱ

- Retention under the DME channel is better due to suppliers being in regular contact with beneficiaries and checking-in with patients on their adherence to the therapy.
- Proper adherence to prescribed diabetes therapy leads to improved glycemic control and as a result reduced worsening of the condition and additional healthcare costs.
- Without proper management, diabetes patients have a higher risk of serious health complications and increased health care costs.
- Diabetes patients that do not have control over their diabetes and have chronic complications can expect to pay additional healthcare costs ranging from \$648-\$937 a year.ⁱⁱ

CGM USE REDUCES DIABETES-RELATED HOSPITALIZATIONS AND COSTS—Studies have shown that CGM utilization reduced hospitalizations caused by acute diabetes complications by approximately 50%.ⁱⁱⁱ

- A study has shown substantial cost savings by pregnant women with Type 1 diabetes primarily through reduced admission and duration of stay in neonatal intensive care unit.^{iv}
- Another study showed the use of CGMs reduced diabetes-related events and hospitalization for people living with Type 2 diabetes irrespective of age and gender.^v

FLORIDA MEDICAID DIABETES ENVIRONMENT

- There were 189,765 diabetes cases covered by Florida Medicaid for SFY 2020/2021
 - 787,001 ED visits for Medicaid patients with diabetes in 2019.
 - 10,602 Lower limb amputations in 2020 with diabetes as diagnoses.
 - 21,132 Hospital Stays for Medicaid patients with diabetes as first diagnoses in 2019.
- The median charge for hospitalization with diabetes as first-listed diagnosis was \$47,422 in 2020.
- 20-30% higher compliance in DME benefit category can produce a savings of \$47,422 for every hospital stay eliminated. Assuming 20% higher compliance would eliminate 20% of hospital stays, this is a savings of \$200,424,000.

Continuous Glucose Monitors are covered under the DME channel for Medicare.

- Medicare pays 80% of Diabetic services, including CGM, Insulin Pumps, and diabetic supplies.
- AHCA should ensure that all diabetic services are covered under the DME benefit as part of a dual channel to ensure the DUAL ELIGIBLE population continue to receive the products and services necessary to treat their disease. Without payment of the copay by AHCA, access to care will be compromised for the Dual Eligible population.
- In Florida, the dual eligible population accounts for 30% of Medicaid enrollment.
- Per the Florida Diabetes Report 2023, 40% of all hospitalizations for diabetes covered by Medicaid are for beneficiaries 65 and greater.
- There are 189,000 people being treated for diabetes under Medicaid coverage. A conservative estimate of dual eligible beneficiaries receiving treatment for diabetes using 30% of the population, would equate to 56,700 people that could lose their benefit if not covered dually under the DME benefit. This is likely higher since 40% of hospitalizations are for the same group of beneficiaries.

DME Suppliers Advance Health Equity for Diabetes Patient Population

DME SUPPLIERS ARE BETTER SUITED TO SUPPLY CGMS TO THE GROWING POPULATION OF PEOPLE LIVING WITH DIABETES^{vi}—DME suppliers employ diabetes management staff to ensure patients on CGMs have a resource to answer any issues or questions with their CGMs, this is especially important considering the prevalence of diabetes diagnosis in recent years.

- 11% of the American population live with diabetes, it is projected 21% will be diagnosed with diabetes by 2050.^{vii,viii}
- Approximately 14% of Medicaid recipients under the age of 64 live with diabetes.^{ix}
- Low-income individuals are disproportionately more likely to be diagnosed with diabetes and have co-morbidities, which makes accessing and maintaining prescribed therapy crucial.^x

DME SUPPLIERS PROVIDE ADDITIONAL NEEDED SUPPORT FOR PEDIATRIC DIABETES PATIENTS—Children living with Type 1 diabetes and their parents need a network to support the child’s diabetes management.^{xi}

- 283,000 children and young adults under the age of 20 are estimated to have diabetes.^{xii}

- DME suppliers provide educational resources in diabetes management and are available to answer issues and questions with therapy management provided to the child to the entire family with a focus on developmentally appropriate care.^{xiii}

DME Suppliers Improve Patient Care

DME SUPPLIERS HAVE CGM PRODUCT EXPERTISE – DME suppliers are specialized and have trained agents who can provide CGM guidance and product assistance to diabetes patients.

- Diabetes is a complicated medical diagnosis that requires individualized care. While pharmacies carry and sell CGM devices and supplies, DME suppliers provide patient-centered services.
- Suppliers are more engaged with manufacturers and are knowledgeable of the newest technology that is in the best interest of diabetes patients.

DME SUPPLIERS PROVIDE CGM PATIENT RESOURCES – In addition to product expertise, DME suppliers provide educational resources, onboarding services, and follow-ups for CGM patients.

- Due to the ongoing care provided by DME companies, suppliers build relationships with their patients.

DME SUPPLIERS SUPPORT CONTINUITY OF CARE – DME suppliers are proactive about ensuring patients do not have an interruption in receiving critical therapy and supplies.

- In 2019, diabetes was a top 10 leading cause of death in the country—282,801 death certificates mentioned diabetes as a cause of death.^{xiv}
- DME suppliers are more involved in-patient care, checking in with patients, communicating with their insurances, and assisting patients through benefit changes.

DME SUPPLIERS ARE KNOWLEDGEABLE OF DOCUMENTATION AND COVERAGE REQUIREMENTS – DME suppliers have strong relationships with payers and prescribers and are experienced in the documentation and coverage requirements for different payers.

- Prior authorization is owned by the DME supplier under the DME channel, and it is owned by the prescriber under the pharmacy benefit. Typically, prescribers are not aware of the restrictions of the drug formulary, which can add complications to the ordering process.

DME Suppliers Promote Patient Choice and Access

DME SUPPLIERS PROVIDES PATIENT CONVENIENCE – DME suppliers maintain a broad inventory and can deliver devices and supplies directly to a patient’s home or office.

- Due to fast-paced product evolution, there is pressure placed on store inventories. These frequent changes in technology and product advancements can result in difficulties stocking the newest products.
- DME suppliers’ operations allow for the newest technology to be available to patients.
- When CGM supplies are provided by DME suppliers, it alleviates transportation issues: this is especially helpful for Medicaid programs that reimburse transportation costs.

PATIENTS REPORTS HIGHER SATISFACTION WITH DME SUPPLIERS—Patients that have switched from the pharmacy channel to the DME channel have voiced greater satisfaction with service under the DME channel.^{xv}

- DME suppliers are especially sensitive to providing timely services to patients to prevent delays in needed therapy.
- CGM patients have shared strong satisfaction receiving services from DME suppliers:

- *“I’ve been a type 1 Diabetic for 21 years. My son (9) has been a type 1 for 2 years. Hands down the worst part about this disease is insurance/pharmacy. But [DME supplier] has made getting my supplies the easiest it has ever been for me! Thank you!”*
- *“The customer service staff are very friendly and know the product well. They got the intake info and product correct the first time. They also did a follow up call to keep me up to date on the process. I am so happy I called [DME supplier]. The reprocess from start to product deliver at my home was less than 10 days, whereas the big box pharmacy was over 3 months of phone calls and going in person only to find some problem...”*

COVERAGE ALIGNMENT FOR DUAL ELIGIBLES — Coverage and payment is an issue for dual eligibles when Medicaid programs do not cover CGMs under the DME channel.

- Under Medicare, CGMs fall under the DMEPOS benefit.
- Medicaid programs that cover CGMs under the pharmacy channel typically automatically deny payment when Medicare is the primary payer due to the misalignment of the CGM benefit category between Medicare and Medicaid. The initial denial of payment by Medicaid requires DME suppliers to file an appeal, causing additional costs for both the supplier and Medicaid.
- CGM and insulin pump together are one therapy system, when both products are covered under the DME channel, it promotes simplicity and better patient experience.

FORMULARY RESTRICTIONS UNDER PHARMACY— Medicaid only allows for certain drugs to be provided under the pharmacy channel, limiting patient access.

- CGM and external insulin infusion pump are two products that are used as one therapy system.
- **Because external insulin infusion pump is covered under the DME channel, it would be beneficial for beneficiaries to have channel alignment for CGMs and pumps.**
- Patients [utilizing Insulin pumps may not have access to their pumps and supplies through the pharmacy benefit, therefore making it imperative to continue coverage through dual channel to ensure continuity of care.
- External insulin infusion pumps used with CGMs are not interchangeable, there are specific pumps that only work with specific CGMs. When CGM is covered under the pharmacy channel, it creates an access barrier for beneficiaries who may not get the appropriate set of CGM and pumps.

In closing, coverage of Continuous Glucose Monitoring under the DME benefit channel offers

- **CONTINUITY OF CARE – Reduces risk of interruption and gaps in critical therapy/supplies.**
- **PEDIATRIC PATIENTS – Type 1 commercial CGM patients are mostly pediatric.**
- **REDUCES CONFUSION – Not all groups are impacted when a Payer says RX only, like Blue Card, Self-Insured and Groups not on Payer’s PBM.**
- **LESS PATIENT DISSATISFACTION – Changing providers and coverage types can be very disruptive for patients**
- **CONVENIENCE FOR PATIENTS – Gives patients more choice in their preference for ordering CGM**

ASK: AAHomecare recommends that Florida Medicaid program cover continuous glucose monitors (CGMs) under the durable medical equipment (DME) channel. CGMs supplied by DME suppliers promotes patient access, patient choice, therapy adherence, and reduced healthcare costs.

REFERENCES:

- ⁱ Based on top CGM companies' internal results and data shared by top manufacturers.
- ⁱⁱ <https://www.goodrx.com/conditions/diabetes-type-2/annual-cost-of-managing-diabetes-and-treating-uncontrolled-diabetes>
- ⁱⁱⁱ <https://pubmed.ncbi.nlm.nih.gov/33879536/>
- ^{iv} <https://pubmed.ncbi.nlm.nih.gov/31162713/>
- ^v <https://pubmed.ncbi.nlm.nih.gov/33644623/>
- ^{vi} <https://www.cms.gov/About-CMS/Agency-Information/OMH/Downloads/Data-Snapshots-Diabetes.pdf>
- ^{vii} <https://diabetes.org/about-us/statistics/about-diabetes>
- ^{viii} <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7171935/>
- ^{ix} [https://www.cdc.gov/pcd/issues/2018/18_0148.htm#:~:text=Medicaid%20is%20especially%20important%20for,%2C%20had%20diabetes%20\(4\).](https://www.cdc.gov/pcd/issues/2018/18_0148.htm#:~:text=Medicaid%20is%20especially%20important%20for,%2C%20had%20diabetes%20(4).)
- ^x <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4902718/>
- ^{xi} <https://diabetesjournals.org/care/article/28/1/186/25819/Care-of-Children-and-Adolescents-With-Type-1>
- ^{xii} <https://www.cdc.gov/diabetes/data/statistics-report/diagnosed-diabetes.html>
- ^{xiii} <https://diabetesjournals.org/care/article/28/1/186/25819/Care-of-Children-and-Adolescents-With-Type-1>
- ^{xiv} <https://diabetes.org/about-us/statistics/about-diabetes>
- ^{xv} Patient experience shared by AAH CGM suppliers.
- ^{xv} [Florida Diabetes Advisory Council - 2023 Legislative Report \(floridahealth.gov\)](https://www.floridahealth.gov/about-us/legislative-report/2023-legislative-report)