

## **How Diabetes Will Impact Canadian Plan Sponsors: The Calm Before the Storm**

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*December 21, 2010*

*Karleen Jung, RPh, BScPharm*

Over the past year, Canadians have been bombarded with reports highlighting the emerging diabetes crisis: "Ontario Economic Prosperity Threatened by Diabetes", "Alarming Rise in Diabetes Rates Threaten British Columbia's Economic Prosperity", and "Diabetes rates in Newfoundland and Labrador highest in Canada" are among some of the titles. These reports are part of a series of provincial level research released by the Canadian Diabetes Association (CDA) on the prevalence and economic impact of diabetes in the past, present, and future. Findings from these analyses clearly indicate that the incidence of diabetes is growing significantly across Canada - from a low of 35% to a high of 67% over the next 10 years in each of the provinces studied. What exactly does having more diabetic employees mean for those footing the bill for the extended health care expenses in the private sector?

The key thing for plan sponsors to note about diabetes is that it is both a chronic and progressive disease state. Not only will diabetic patients require indefinite use of prescription medications and blood sugar monitoring, diabetes will continue to develop and complications (such as nerve and kidney damage) will appear over time regardless of how well the disease is managed. Better management will delay the onset of complications, but they are a concern for all diabetic patients. Furthermore, diabetics are at higher risk for cardiovascular events such as heart attack and stroke, and therefore, are often started on concurrent medication therapies for the treatment of high blood pressure and high cholesterol with more aggressive targets. Ultimately, each diabetic patient translates into recurring and increasing drug claims to treat age-related chronic conditions (ARCC) in a given plan's experience, as the disease state progresses and becomes more difficult to manage.

Many plan sponsors are currently operating in tighter economic environments, a time when a productive and healthy workforce is invaluable. In the area of drug benefits alone, we recognize that employers already face numerous other cost pressures including the increasing utilization of expensive specialty therapies. Unfortunately, approximately two-thirds to three-quarters of the projected increase in the number of diabetic patients in each province is virtually assured. However, there still remain steps employers can take to help mitigate the growing impact of diabetes within their own plans.

No two plans are exactly the same, so it is necessary for employers to understand the unique mix of challenges faced by each of their plans. In the case of diabetes, plan sponsors need to be aware of the current impact of diabetes within their plan populations - is it already saturated or is there still risk for significant growth within the plan? If diabetes does not appear to be prevalent within a plan or there is a currently lower-than-average presence, do plan sponsors have a good understanding of what the underlying risk for the future development diabetes is within the plan? Also, if an increase in the rate of diabetes is possible within a plan, when it can be expected? And more importantly, what can plan sponsors do to help curb the drug plan expenditures and long- and/or short-term disability claims associated with this disease?

Once plan sponsors understand the pressures that specific disease states have on the plan overall, they will be in a more strategic position to proactively manage plan costs moving forward. In terms of the management of diabetes, some strategies that employers may consider to help ensure spending for diabetes and overall level of health among plan members is optimized within the plan include:

- Encouraging plan members to utilize available resources to enhance the management of their diabetes. For example, Ontarians with Diabetes can take advantage of the publically funded MedsCheck Diabetes program where they are entitled to an annual consultation with a pharmacist for the purpose of education, disease monitoring, device training, and better understanding any medications they may be taking.
- Ensuring that plan provisions are established to enable the most cost-effective drug plan spending for diabetes. For example, implementing controls that govern appropriate use of expensive monitoring supplies. The costs associated with blood sugar testing - something that does not directly treat diabetes - represented nearly 40% of overall diabetic expenditures for the average working age plan population in 2009, despite the fact that there is now evidence to suggest that daily testing confers little benefit to patients with type 2 diabetes that are managed strictly on oral therapies.
- Introducing health and wellness programs to help reduce risk factors for the disease such as obesity. For example, healthy eating strategies or exercise programs.