



10/01/2020

Dear University of Arkansas System Member,

Re: Incentives for participation in the diabetes management program

Increasing medical and prescription drug expenses in the University's self-funded health plan are among the many financial challenges facing the University. As we work to meet these challenges in the health plan the University will suspend the current incentives associated with the diabetes management program effective January 1, 2021. We have found that there is relatively low participation in the program and limited demonstrated health improvements for those participating in the plan. With this change, coverage for diabetes medications and supplies will remain available through the University health plan at the standard out-of-pocket costs as paid by other plan members for their medications and supplies. Additionally, the current diabetes management support, education and coaching services will remain available through UMR.

One of the purposes of the health plan is to assist in improving the health of University employees and their dependents. Consistent with that, the plan has provided a diabetes management program offering coaching and support to members with diabetes who voluntarily participate. Participants receive \$0 copayments for diabetic medications and supplies. At this point the health plan is spending almost \$2M per year in direct financial support for about 1,000 members with diabetes, less than 3% of total health plan participation. Unfortunately, the program has had limited positive impact in reducing costs and complications or in positively altering the course of the disease. Not to diminish the value for some participants and it is likely the plan has avoided some costs associated with health complications, the net impact for participants has not been quantifiably better. In fact, when compared to about 1,200 other identified members with diabetes in the health plan who are not participating in diabetes management, those participating in diabetes management actually have higher overall medication expenses and higher overall medical services expenses than non-participants.

The health plan is not abandoning health improvement support for members with diabetes but hitting the pause button. We believe disease management programs can be very beneficial but only if they are the right programs. Over the coming months we will work with health care providers to identify *The University of Arkansas System's' prescription drug formulary, administered by MediImpact, is maintained by the University of Arkansas System's Pharmacy Advisory Committee. The Pharmacy Advisory Committee is composed of both faculty and clinical pharmacists, who advise the Committee on the most recent medical research results. The recommendations by the committee are based on the latest available evidence-based studies.*



disease-specific programs more likely to support the improvement of health conditions for participants with corresponding cost savings for the health plan. Ideally these programs will reduce disease progression and improve overall health conditions for participants managing these disease conditions. We look forward to sharing new strategies for the 2022 plan year.

Sincerely,

University of Arkansas Pharmacy Advisory Committee

*The University of Arkansas System's' prescription drug formulary, administered by MediImpact, is maintained by the University of Arkansas System's Pharmacy Advisory Committee. The Pharmacy Advisory Committee is composed of both faculty and clinical pharmacists, who advise the Committee on the most recent medical research results. The recommendations by the committee are based on the latest available evidence-based studies.*