

March 11, 2003

The Honorable Billy Tauzin  
Chairman, Committee on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Tauzin:

It is with concern for the millions of Americans living with and affected by diabetes that I write on behalf of the American Diabetes Association to formally express reservations about the Medicaid reform proposals put forward by President George W. Bush. The Association believes that legislation mirroring the Administration's proposal would reduce coverage for vital prescription drugs, equipment, supplies and services for poor Americans living with diabetes enrolled in the Medicaid program.

While states currently have some ability to eliminate Medicaid coverage for diabetes items, the Association believes that the Medicaid reform proposals under consideration will create vast gaps in diabetes care. These gaps will occur because the minimal coverage requirements being proposed will result in program standards for diabetes care that rest solely at the state level. Under such a program design, states would have the power to spend certain federal resources and their own Medicaid dollars as they see fit - potentially leading many states to ignore chronic diseases like diabetes.

Providing states with flexibility to design "optional" Medicaid benefits for "optional populations" will place hundreds of thousands of people with diabetes at risk of losing life sustaining therapies like insulin, syringes, blood glucose monitoring supplies and oral medications. Actions taken to date in California, Oregon, Ohio and Massachusetts suggest that states will use the flexibility offered by this proposal to design benefit programs for Medicaid that do not cover basic diabetes self-management tools needed to prevent life-threatening diabetes related complications.

Services like eye exams to prevent diabetes retinopathy, foot exams to prevent amputations and diabetes self-management training could also be cut from Medicaid programs as a result of increased flexibility. It is important to note that each of these services is a guaranteed benefit for our nation's seniors in the Medicare program. No such benefit guarantees for our nation's poor appear to exist under the proposals put forward to date.

States are under tremendous financial stress from the Medicaid program. Countless people living with diabetes have already lost Medicaid benefits this year. If people living with diabetes are removed from the Medicaid program or, conversely, if diabetes benefits and related benefit guarantees are removed from the program, it is certain that many Americans will develop diabetes complications like heart disease and stroke, blindness, kidney failure and amputations. The result of a rise in these complications will be a growing dependence on welfare programs like Supplemental Security Income by people living with diabetes and an increased enrollment in Medicare's end stage renal disease program.

The ADA recently released a study demonstrating that diabetes costs the United States approximately \$132 billion dollars annually. If low-income people are denied access to necessary care and supplies under Medicaid, this number will surely rise due to the lack of vital treatment so many people depend upon.

States are also likely to see a rise in emergency room visits and inpatient hospital stays for unmanaged diabetes. Given the duress that states are under, the Association believes that providing immediate financial relief to state Medicaid programs is appropriate. Legislation is pending in the U.S. House of Representatives and the U.S. Senate to provide states with some funding to meet Medicaid obligations.

The Association also believes that a constructive approach to battle the epidemic of diabetes is to create a diabetes specific waiver for the Medicaid program. Based loosely on the breast and cervical cancer waiver program, this effort would allow states to enroll uninsured poor Americans with diabetes in their Medicaid program to receive comprehensive diabetes benefits. Placing poor uninsured Americans with diabetes in the Medicaid program will reduce the number of people with diabetes living with the complications of diabetes, allow people to remain productive members of the workforce for a longer period of time and reduce the financial burden of diabetes on state and federal welfare and safety net programs.

In conclusion, the loss of Medicaid protections that guarantee access to diabetes benefits will result in our nation paying the price for the provision of inadequate diabetes care. This price will consist of greater health costs, lost productivity and a worsening quality of life for Americans due to a dramatic increase in diabetes related complications.

At a time when the diabetes epidemic is worsening, and costs are rising; relaxing laws governing the Medicaid benefits that states provide to people living with the disease is unwise. The loss of Medicaid protections for people with diabetes will turn the clock of diabetes care back at least a decade.

The American Diabetes Association stands ready to work with you to improve the Medicaid program and to protect Medicaid benefits that are vital to people living with diabetes.

Sincerely,

R. Stewart Perry, Chair  
Advocacy Committee