

# Presentation to the House Committee on Public Health



Albert Hawkins, Executive Commissioner

---

Jason Cooke, State Medicaid and CHIP Director  
Texas Health and Human Services Commission  
February 18, 2004



# Presentation Overview

---

## Diabetes in Texas:

- Prevalence/Expenditures of Diabetes
- Services for Diabetes in Medicaid/CHIP
- Services by Podiatrists
- Preferred Drug List
- Disease Management



# Prevalence in Medicaid

---

Number of clients in FY 2003 with diabetes diagnoses

➤ Medicaid = 95,332

➤ CHIP = 2,210

Source: Medicaid Claims, all diagnoses



# Prevalence in TDH Region 11

---

Number of clients in FY 2003 with diabetes diagnoses in Region 11 (includes Nueces county)

➤ Medicaid = 19,502

➤ CHIP = 322

Source: Medicaid Claims, all diagnoses



# Diabetes-related Expenditures

---

Approximate cost in FY03:

➤ Medicaid = \$408.14M

➤ CHIP = \$8.87M

Claims paid for All Diabetes Diagnoses



# Services in Medicaid

---

- Services that clients with diabetes are likely to use:
  - Physician services, inpatient, outpatient, prescription drugs, lab and x-ray, diabetic supplies (testing strips and insulin pumps)
- Additional services in HMOs and for children (under 21)
  - I.e. Care Management



# Services in CHIP

---

- Services that clients with diabetes are likely to use:
  - Physician services, inpatient and outpatient hospital, lab and x-ray, prescription drugs, diabetic supplies
  - Enhanced case management for children with special health care needs



# Services by Podiatrists

---

HB 2292 eliminated the statutory mandate for the provision of certain optional Medicaid services for adults over age 21, including services provided by podiatrists.

- Projected biennial savings from discontinuing services provided by podiatrists
  - \$3.2M GR (HB1)
- Cost to restore services provided by podiatrists
  - \$2.4M GR for 18 months (6 mos. of FY04; 12 mos. FY05)





# Preferred Drug List

---

HB 2292 requires HHSC to enter into supplemental rebates or comparable program benefits for prescription drugs.

- Overall goals include:
  - Establish a cost-effective Preferred Drug List (PDL)
  - Require prior authorization for reviewed drugs that are non-preferred
  - Base decisions on clinical efficacy, safety, cost effectiveness
- Status of project
  - Rollout in phases based on most frequently utilized drugs
  - Prior authorization implementation begins February 23, 2004 for Phase 1



# Preferred Drug List

---

Status of Therapeutic Drug Classes specific to diabetes:

- Therapeutic Drug Classes reviewed January 17, 2004
  - Hypoglycemics, Meglitinides
  - Hypoglycemics, TZDs
  - Hypoglycemics, Insulins
  - Prior authorization for non-preferred drugs will be implemented 3/29/04
- Therapeutic Drug Classes on agenda for review on February 25, 2004
  - Hypoglycemics, Alpha-Glucosidase Inhibitors
  - Hypoglycemics, Metformins
  - Hypoglycemics, Sulfonylureas



# Disease Management

---

HB 727 requires HHSC to contract with vendor(s) to implement Disease Management in fee-for-service.

- Overall goals include:
  - Increased focus on preventive care
  - Increased compliance with physician guidelines
  - Decreased unnecessary hospital and outpatient services
- Status of Initiative
  - Focus on diabetes, coronary artery disease, congestive heart failure, asthma, chronic obstructive pulmonary disease.
  - In discussion for tentative award with LifeMasters Supported SelfCare, Inc. and McKesson Health Solutions, LLC



# Disease Management

---

Includes clients diagnosed and clients at-risk for development of diabetes

- Approach for clients diagnosed:
  - Focus on self-management techniques and compliance with treatment plan of physician (for example, training on use of blood glucose monitors)
- Approach for clients at-risk:
  - Target youth to identify through precursors to diabetes such as obesity
  - Focus on multiple modes of education



# Disease Management

---

HB 1735 requires disease management in managed care

- Overall goal:
  - Build on existing health plans' case management programs
- Status of Initiative
  - Focus on asthma as initial targeted disease
  - Review of current health plans' disease management activities