

NLWJC - Kagan

DPC - Box 028 - Folder 012

Health - Diabetes [2]

MEMORANDUM

August 8, 1997

TO: Bruce Reed, Elena Kagan
FR: Chris J. and Sarah B.
RE: Paper for Diabetes Event

Attached is the paper for today's diabetes event which includes:

- (1) Fact sheet on four diabetes initiatives (new diabetes Medicare benefit, \$150 million for research for Type I diabetes, \$150 million for prevention and treatment for Native Americans, and a public/private effort to assure and improve high quality care);
- (2) Background fact sheet on diabetes;
- (3) Q&As on initiatives; and
- (4) Supportive Quotes

Please call with any questions or comments.

NEW DIABETES INVESTMENTS TO IMPROVE TREATMENT, PREVENTION, AND RESEARCH FOR AMERICANS WITH DIABETES

Today President Clinton highlighted a set of four initiatives that will improve the lives of the at least 8 million Americans who have been diagnosed with diabetes. Three of these initiatives were included in the balanced budget the President signed into law on Tuesday. The President also emphasized that this new investments emerged as a result of a strong bipartisan partnership with Speaker Gingrich. The American Diabetes Association (ADA) stated that "taken together, these new investments in diabetes, announced by President Clinton today, are as important for people with diabetes as the discovery of insulin in the 1921." The President announced:

- (1) **An important new Medicare benefit** which will help pay for the critically necessary supplies and self-management instruction which will help the 3.2 million older Americans who suffer from diabetes better manage their treatment.
- (2) **A new \$150 million investment in diabetes research to prevent and cure Type I (often known as juvenile) diabetes**, to be allocated by Health and Human Services Secretary Donna Shalala.
- (3) **A new \$150 million investment for prevention and treatment of diabetes among Native Americans**, who are almost three times as likely to suffer from the disease as others in the U.S. population;
- (4) **A new public/private effort to assure and improve high quality care for Americans with diabetes**. This effort will review current treatments for diabetes to determine the degree to which they are effective, to recommend alternative approaches that ensure high quality care, and to develop more consistent quality measures for diabetes patients, health plans, and health providers across America.

A New Medicare Benefit to Help People With Diabetes Better Manage Their Care.

The balanced budget expands Medicare's coverage of benefits for people with diabetes by \$2.1 billion over five years. In so doing, it expands the number of people able to take advantage of self-management tools will increase the number of Americans who properly manage their diabetes, thereby helping to prevent the debilitating and costly complications too often associated with the disease. Under the new balanced budget, Medicare will cover self-management training offered by physicians and other certified providers rather than only in hospital-based programs as it traditionally has. This will help ensure that more beneficiaries with diabetes can access the necessary education to manage this disease. In addition, Medicare will make blood glucose monitors (including testing strips) available to all beneficiaries with diabetes, whereas Medicare currently covers only insulin-dependent patients. Ensuring Medicare beneficiaries have access to these supplies will help improve their treatment and has great potential to reduce costs. This new legislation was introduced and strongly advocated by Rep. Furse, Rep. Nethercut, and Senator Breaux.

A New \$150 Million Investment to Help Research a Cure for Type I (Juvenile) Diabetes.

The HHS Secretary is allocated \$30 million annually for five years for research to help find the cure for diabetes. Americans with Type I diabetes with this disease often suffer severe consequences, even when they receive the best treatment and care. The HHS Secretary will have discretion to target the new funds to the best scientific opportunities. This represents the largest single new investment in Type I diabetes.

\$150 Million Investment to Help Prevent and Treat Diabetes Among Native Americans. The HHS Secretary is allocated \$30 million annually for five years to be used to provide services for diabetes prevention and treatment for Native Americans. The death rate from diabetes is almost three times higher in the Native American population than in the U.S. population as a whole. This new funding will go to help improve prevention efforts (such as improved diet, exercise and other factors that reduce the likelihood of diabetes) and help identify the disease as early as possible. It will also help more Native Americans with diabetes get the necessary information about managing diabetes, for example, by improving linkages between families, public health services, schools, and nutrition programs. Moreover, it will expand access to affordable treatment so that more Native Americans get the care they need to help reduce costly and extensive complications. IHS will work in partnership with Tribes, Urban Indian Health Centers Facilities, and other agencies within HHS, such as the CDC.

A New Diabetes Quality Improvement Project.

Numerous studies by organizations such as the ADA and National Committee on Quality Assurance (NCQA) have shown that many patients are not receiving the medical care known to reduce diabetes complications such as blindness and amputation. In fact, an NCQA study shows that the rate of an annual eye exam in managed care plans averages less than 40 percent. The multiplicity of report cards, each with their own measures, has created confusion and made it difficult to compare and improve care across all delivery systems.

The President announced a major year-long collaborative effort to review current treatments for diabetes to determine the degree to which they are effective, to recommend alternative approaches that ensure high quality care, and to develop more consistent quality measures for diabetes patients, health plans, and health providers across America. Such measures will monitor whether proper care was delivered (for example, an annual eye exam) or health outcomes were achieved (such as appropriate blood glucose levels).

The performance and outcome measures are being developed by a coalition of four organizations: HCFA, the largest purchaser of health care for the diabetic population; the ADA, the largest voluntary health agency dedicated to improving the lives of people with diabetes; NCQA, which develops and maintains a set of standardized performance measures used by more than 90 percent of health plans; and the Foundation for Accountability (FACCT), an organization dedicated to ensuring that consumers have adequate information to make health care decisions. Together, these organizations will work to ensure that millions of consumers, purchasers, and health care providers utilize this new information to improve care.

FACTS ON DIABETES

There are 8 million Americans diagnosed with diabetes. Another 8 million are believed to have, but have not been diagnosed, with this disease. Over 3 million Americans diagnosed with diabetes are adults age 65 and over. Approximately half of all diabetes cases occur in people older than 55 years of age. African-Americans have diabetes at nearly double the rate of other Americans.

Diabetes is the seventh leading cause of death. Middle-aged Americans with diabetes have death rates twice as high as other Americans. The death rate from diabetes is nearly 3 times higher in the Native American population than in the U.S. population.

People with diabetes are more likely to suffer from heart disease, high blood pressure, and strokes. People with diabetes are 2 to 4 times more likely to suffer from cardiovascular disease, and 2 to 4 times more at risk for a stroke. High blood pressure affects nearly two-thirds of people with diabetes.

Diabetes is the leading cause of end-stage renal disease (ERSD), non-traumatic amputations, and blindness. Diabetes accounts for 36 percent of new ERSD cases (kidney disease) -- about 20,000 cases each year. In addition, 54,000 amputations are performed on diabetics each year, and up to 24,000 adults are blinded each year from diabetes.

The American Diabetes Association estimates that we spend \$92 billion per year on diabetes care. Of the total, costs directly attributable to diabetes total \$45 billion, while indirect medical costs, such as work loss, disability, and premature death total \$47 billion.

DIABETES AND MEDICARE

Medicare pays for ERSD for the non-elderly population as well. About 20,000 Americans develop this disease through diabetes each year, and Medicare expenditures on kidney dialysis for each of these people averages nearly \$40,000 annually.

TYPE I DIABETES

Between 700,000 and 1 million Americans have Type I diabetes and as many as half of these are children. Each year about 30,000 Americans are diagnosed with Type I diabetes.

Almost all Americans with Type I diabetes will likely suffer from at least one of the many complications arising from diabetes, including serious eye disease (e.g. blindness), amputation, heart disease, or kidney disease.

NATIVE AMERICANS AND DIABETES

Diabetes occurs at rates dramatically higher among Native Americans than in the general U.S. population. One third to one half of adults in certain tribal groups have diabetes.

Native Americans develop Type II diabetes at a younger age -- as young as age eight -- and suffer higher rates of complications including blindness, amputation, and kidney disease.

DIABETES Q&As

Q: WHY ARE YOU INVESTING \$30 MILLION ANNUALLY OVER FIVE YEARS IN TYPE I DIABETES WHEN ONLY A SMALL PORTION OF THE DIABETES POPULATION HAS THIS DISEASE?

A: Increasing our research efforts for Type I diabetes will actually help improve our knowledge about all types of diabetes. In fact, currently NIH does not even distinguish between their research dollars spent on Type I and Type II diabetes.

This initiative, which allows the HHS Secretary to allocate \$30 million annually for five years to research a cure for Type I diabetes, however, could make a significant difference in how scientists understand this disease. We have talked to scientists at NIH who believe that an intensified effort on diabetes could lead to some important breakthroughs in our understanding of how we can cure diabetes.

There are between 700,000 and one million Americans who suffer from Type I diabetes, as many as half of whom are children. These Americans -- even those who receive the proper treatment -- are likely to develop at least one of severe diseases associated with diabetes, such as blindness, heart disease, or kidney problems later in life. We will not be able to eliminate the serious consequences and costs of this disease until we develop a cure.

Q: WHY IS ARE YOU SUPPORTING AN APPROACH THAT IS OUTSIDE THE NORMAL APPROPRIATIONS PROCESS THAT SUPPORTS THE NATIONAL INSTITUTES OF HEALTH (NIH)?

A: The \$150 million allocated by the HHS Secretary for Type I diabetes will be given out by the Secretary -- with the help of the top scientists at HHS -- to the most promising research scientific research projects. NIH is currently in the process of administering a clinical trial for Type I diabetes and is making significant progress in research on Type I diabetes. Scientists at NIH believe that this new intensified effort will provide more resources in a tight budget to take the next steps in understanding this disease.

Q: DO YOU PLAN TO ALLOW THE HHS SECRETARY TO ALLOCATE GRANTS FOR OTHER DISEASES AS WELL?

A: This is an intensified effort to help research a cure for one of our nation's most costly diseases and to help reduce the impact of diabetes on Native Americans since it is devastating this population. There are not currently any plans to extend this kind of allocation to other diseases.

Q: WHY ARE WE FOCUSING SO MUCH OF THIS EFFORT ON DIABETES CARE FOR NATIVE AMERICANS?

A: The death rate for Native Americans with diabetes is nearly three times that of other Americans. In some tribes more than one-third of the population suffers from this dreadful disease. Native Americans are also far less likely to receive adequate treatment to manage this disease and therefore are more likely to get some of the serious complications associated with diabetes, such as kidney disease and heart disease more frequently.

This disease is devastating this population, and it is important that we make a concentrated effort to eliminate some of its damaging effects. We believe that this significant investment in preventing, treating, and researching diabetes in Native Americans will take a significant step towards improving this serious problem.

Q: WHY IS THE NEW MEDICARE BENEFIT FOR PEOPLE WITH DIABETES SO IMPORTANT? DON'T MOST BENEFICIARIES GET THEIR DIABETES CARE PAID FOR BY SUPPLEMENTAL INSURANCE?

A: Many older Americans with diabetes -- even many of those with supplemental insurance - - are not getting the proper care they need to prevent the costly devastating complications associated with diabetes. Medicare beneficiaries report that they are unsure how to properly manage their diabetes care.

Moreover, Medicare does not currently cover some of the most critical services that beneficiaries with diabetes need to manage their disease. It does not pay for blood glucose monitors or for the strip tests that people with diabetes need to monitor their blood sugar.

The balanced budget expands Medicare's coverage of benefits for people with diabetes by \$2.1 billion over five years. In so doing, it expands the number of people able to take advantage of self-management tools will increase the number of Americans who properly manage their diabetes, thereby helping to prevent the debilitating and costly complications too often associated with the disease.

Q: WILL WE BE ABLE TO CURE DIABETES WITH THIS INVESTMENT?

A: No investment in research can guarantee that a cure can be discovered. However, scientific researchers are making significant progress in the area of diabetes and scientists at NIH say that this new investment will help these important efforts.

**QUOTES SUPPORTING PRESIDENT CLINTON'S ANNOUNCEMENT ON
UNPRECEDENTED DIABETES INITIATIVE**

"President Clinton's announcement today ends an extraordinary week in the history of diabetes in America. Because of the President's support of bi-partisan initiatives, nearly \$3 billion of new money will be invested into research and treatment. Finally, diabetes is getting the recognition it deserves as a major public health problem facing America."

"By investing now in the tools and services that can help seniors manage their diabetes, we anticipate that Medicare can help reduce the enormous human and financial cost that accompanies diabetes complications. This is a dramatic step forward since Medicare traditionally has paid for diabetes-related hospitalizations, but not for the means that would help keep seniors out of the hospital."

American Diabetes Association

"With the tremendous human and economic tolls taken by this devastating disease and its complications, it is more than appropriate that a full frontal attack on diabetes be launched by the federal government. This long awaited increase contains a significant infusion of new funds for research into Type I diabetes, and provides renewed hope for millions of Americans."

"We know that this extraordinary initiative [announced by the President today] will help attract the attention of our leading scientists, and encourage them to apply their knowledge to the complex and myriad problems of diabetes in new and imaginative ways."

-- Juvenile Diabetes Foundation International

"Insulin is not a cure. With this initiative, we can capitalize on years of research progress and start to move advances out of the laboratories to the bedsides of our loved ones."

-- Mary Tyler Moore
International Chairman
Juvenile Diabetes Foundation International

"President Clinton is to be commended for providing leadership in improving the quality of life for the 16 million Americans who suffer from Diabetes. This significant development is a positive step forward in expanding the life expectancy for the millions of African Americans who have been victims of this dreaded disease."

-- The National Caucus and Center on
Black Aged, Inc.

"For the approximately 3 million African Americans affected by diabetes and who suffer a disproportionate burden from its complications, the initiatives announced by President Clinton will prompt a shift in the quality of care and access to services that can improve outcomes. The National Medical Association feels strongly that this is a health initiative that will strike a major blow to the debilitating effects of a silent killer in high-risk minority communities, and reduce the enormous drain on human and fiscal resources caused by diabetes."

"The National Medical Association enthusiastically applauds President Clinton for the provisions in the balanced budget package directed towards cure of Type I diabetes, more intense preventive services and treatments for Native Americans, and improved coverage for self-management of older and other high-risk populations. For the almost 3 million African Americans with diabetes, who suffer higher rates of amputations and kidney failure, these initiatives signal a major shift in the direction of bringing much of our new knowledge to bear on relief of a costly and debilitating disease, while hastening our quest to eradicate it completely."

-- National Medical Association

"President Clinton is the first President to understand the importance of diabetes to so many people. We know that the President's diabetes initiative will improve the quality of life for the 1.3 million Hispanic diagnosed with this chronic disease. As Hispanics are twice as likely as the general population to have diabetes we know that our communities welcome this major step from the President."

-- Jane L. Delgado, Ph.D.
President and CEO
National Coalition of Hispanic Health and
Human Services Organizations (COSSMHO)

"The National Council on Aging, Inc. Supports the President's Initiative on Diabetes. Better screening is essential to make sure cases are correctly diagnosed. NCOA [The National Council on Aging, Inc.] strongly supports efforts to develop and disseminate diabetes guidelines to health professionals for appropriate disease management."

-- The National Council on Aging, Inc.

THE WHITE HOUSE
WASHINGTON

August 7, 1997

DIABETES EVENT

DATE: August 8, 1997
LOCATION: Georgetown University Medical Center
BRIEFING TIME: 10:00 am - 10:30 am Oval Office
EVENT TIME: 10:50 am - 11:50 am
FROM: Bruce Reed/Chris Jennings

I. PURPOSE

To highlight the significant investment in diabetes research and treatment within the balanced budget.

II. BACKGROUND

You will be announcing an unprecedented national commitment to fighting diabetes in an address to leaders from the diabetes activist and research communities; Native-American, African-American, Hispanic, and Senior health care organizations; and families affected by diabetes. You will be making the following four announcements:

- **Expanding Medicare to Help People With Diabetes Better Manage Their Care**
The balanced budget provides \$2.1 billion over five years to expand Medicare coverage of diabetes self-management education, which is an essential component of diabetes care. Medicare previously covered this training only in hospital-based programs; it now will cover training furnished by physicians and other certified providers as well.
- **A New \$150 Million Investment in Research for Type I (Juvenile) Diabetes.**
This new investment provides \$30 million annually for five years for research to help find the cure for diabetes. Secretary Shalala will have discretion to target these funds to the most promising scientific opportunities. This new initiative increases HHS's annual funding for diabetes research by about 10 percent.
- **A New \$150 Million Investment for Native American Prevention and Treatment.** This new investment provides the Indian Health Services \$30 million annually for five years for diabetes prevention and treatment. The death rate from diabetes among Native Americans is almost three times higher than in the population as a whole.

- **A New Diabetes Quality Improvement Project**
You will announce an unprecedented new collaborative effort to develop standards for the treatment of diabetes. The partners in the effort are: HCFA; the American Diabetes Association; NCQA, which develops and maintains a set of standardized performance measures used by more than 90 percent of health plans; and the Foundation for Accountability (FACCT). Such measures could detail the care that should be delivered (for example, an annual eye exam) or health outcome that should be achieved (such as appropriate blood glucose levels). Studies have documented that many physicians are not delivering the care known to reduce diabetes complications, such as blindness and amputations. Those new standards will help ensure that doctors have the necessary information to provide patients with high-quality diabetes care.

III. PARTICIPANTS

Briefing Participants:

Erskine Bowles

Bruce Reed

Chris Jennings

Event Participants:

Sam W. Wiesel, (WEE-ZEL) Executive Vice President for Health Services at Georgetown University Medical Center

Mary Delaney, D.C. Medicare patient

Chief Joyce Dugan, Principal Chief, Eastern Band of Cherokee Indians

Sandra Puczynski, Mother of a child with juvenile diabetes

Also Seated on Stage:

Mary Tyler Moore, International Chairman of the Juvenile Diabetes Foundation International

Stephen Satalino, Chair of the Board of the American Diabetes Association

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- Upon arrival, you will briefly meet and greet stage participants and their families.
- You will be announced onto the stage accompanied by stage participants.
- **Dr. Sam Wiesel**, V.P. Georgetown University Medical Center, makes welcoming remarks.
- **Mary Delaney**, Medicare patient, makes remarks and introduces Chief Dugan.
- **Chief Joyce Dugan**, Principal Chief, Eastern Band of Cherokee Indians makes remarks.
- **Sandra Puczynski**, parent of child with diabetes, makes remarks and introduces you.
- You will make remarks and then depart.

VI. REMARKS

Remarks Provided by June Shih in Speechwriting.