

**SUBJECT:** Diabetes education, outreach and medical benefits

**COMMITTEE:** Public Health — favorable, without amendment

**VOTE:** 7 ayes — Berlanga, Hirschi, Coleman, Davila, Delisi, Glaze, Maxey  
0 nays  
2 absent — Janek, Rodriguez

**SENATE VOTE:** On final passage, Local and Uncontested Calendar, March 10 — 31-0

**WITNESSES:** *(On House companion, HB 354)*  
For — Terry Boucher, Texas Osteopathic Medicine Association; Sandra Tovar, Texas Nurses Association; Greg Hosen, Texas Dietetic Association; Heather Vasek, Texas Association for Home Care; Tracy King, Texans for Quality Health Care  
  
Against — Jeff Kloster, Texas HMO Association; Will Davis, TAIIO and Texas Life Insurance Association  
  
On — Debra F. Owens, Texas Diabetes Council/Texas Department of Health; Cindy Alexander, Comptroller's Office

**DIGEST:** SB 162 would direct the Health and Human Services Commission to develop by November 1, 1997, a diabetes pilot program in selected counties with a high incidence of diabetes. The program would provide continuous care, nutrition counseling, and structured outpatient education to Medicaid recipients with diabetes-related conditions. In developing the program, the commission would have to consider a program operated by the state of Maryland in 1993 and 1994.  
  
The program would be administered by the Texas Diabetes Council under the direction of the commission. By September 1, 1998, the commission would have to submit an interim report on the effectiveness of the program to the speaker and the lieutenant governor. A final report would have to be submitted by September 1, 1999.

The insurance commissioner, in consultation with the Texas Diabetes Council, would have to adopt minimum standards for benefits to be provided by health benefits plans to people with diabetes. The benefits could not be subject to a higher deductible, copayment or coinsurance payment. The minimum benefits would have to be adopted by September 1, 1998.

SB 162 would require that public awareness programs conducted jointly between certain state agencies and the Texas Diabetes Council include a plan for the council to provide public awareness information through businesses, civic organizations and similar entities. The council also would be required to distribute information about diabetes to elementary and secondary school students and their parents. The State Board of Education would have to develop a diabetes education program for use in a school's health curriculum.

The bill would take effect September 1, 1997.

**SUPPORTERS  
SAY:**

SB 162 would help save thousands of lives and millions of dollars each year by creating programs aimed at preventing and caring for diabetes before serious health care problems arise. Education, prevention and early detection can prevent blindness, strokes, circulatory problems, and other serious health problems that can result when diabetes is not detected and controlled at an early stage.

Currently, diabetes ranks sixth among the 10 leading causes of death for Texans. More than 860,000 Texans — almost 7 percent of the adult population — have the disease, which disproportionately strikes Hispanics, African-Americans, women and older people. Diabetes cost Texas roughly \$4 billion in 1992 in direct medical costs and indirect costs of lost productivity, according to a report to the Texas Diabetes Council conducted by the LBJ School of Public Affairs. The cost to the state, including its share of Medicaid, was \$52 million.

SB 162 would take concrete steps to turn this trend. One of the key components in the campaign would be the pilot project. Several other states have established pilot programs and other efforts which prove that early prevention and education efforts can generate significant savings. Maryland, for example, received a Medicaid waiver in 1991 to establish a

diabetes care program as a managed care model. The aim was to provide, through a primary care provider, continuous care to Medicaid recipients who had been hospitalized for a diabetes-related condition and to reduce hospital admissions through improved prevention. Those enrolled in the trial had a 40 percent decreased risk of hospital admissions the first year and a 50 percent reduction the second year. The program promoted preventive services normally not provided by Medicaid, such as structured outpatient diabetes education, nutrition counseling, and case management to ensure patients received proper medical care and follow specific regimens to manage their illness. SB 162 would require that these elements be part of the Texas pilot program.

In an 18-month Maine study involving 813 patients, education and preventive efforts led to a savings of \$237,885 in health care costs. In a California program involving maternal/infant hospital care, the state saved \$3.19 in hospital charges for every \$1 spent on education.

SB 162 would build on these proven results by requiring health benefits providers to provide minimum health benefits established by the insurance commissioner. This would improve health care for diabetics and should reduce medical costs and save insurers money in the long run by preventing serious and expensive complications of the disease.

Because poor diet and health care in childhood can lead to the disease, the bill would direct schools to make diabetes education programs available as part of their health education programs. These programs would reach not only children but also to parents and others who might be at risk of contracting the disease.

SB 162 would generate no additional costs to the state. All expenses relating to the programs would be absorbed by current funding.

**OPPONENTS  
SAY:**

Even though diabetes is a serious health care problem, insurers should not be required to provide a minimum level of coverage. A legislative mandate to provide this benefit could raise the cost of insurance coverage for other policyholders. This session, the Legislature is considering a number of mandated benefits. If all of these benefits were required, the increased cost

of health insurance coverage could lead employers to drop their health insurance coverage altogether.

NOTES:

A related bill, SB 163 by Zaffirini, which would require health benefit plan coverage for supplies and services used for diabetes treatment, has been signed by the governor and will take effect September 1, 1997.