



STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809

February 13, 2013

TO: The Honorable Della Au Belatti, Chair  
House Committee on Health

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 1293– RELATING TO DIABETES**

Hearing: Wednesday, February 13, 2013; 8:30 a.m.  
Conference Room 329, State Capitol

**PURPOSE:** The purpose of this bill requires the Department of Health, in collaboration with the Department of Human Services, to develop departmental plans to reduce the incidence of diabetes in the State and report to the Legislature annually on the effectiveness of those plans

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of this bill however we do not believe this bill is needed at this time. The DHS recognizes the burden of diabetes on quality of life and healthcare expenditures, and the DHS is already using national benchmarks and implementing measures to improve diabetes care and reduce complications.

The DHS has implemented numerous measures to improve diabetes-related healthcare. Not only does the DHS require is contracted health plans to report on diabetes care HEDIS measures, a national benchmark, which the DHS reports publicly, but the DHS has added financial incentives to the health plan contracts

based on the quality of diabetes care provided to its members. In addition, recognizing that patient self-management has a significant effect on diabetes outcomes, the DHS has added a requirement for contracted health plans to have a performance improvement project on improving diabetes self-management.

Information required by this measure are already available. For example, the prevalence of diabetes is reported by the Centers for Disease Control and Prevention (CDC) and is available at <http://apps.nccd.cdc.gov/DDTSTRS/default.aspx>, and the cost of diabetes is reported by the American Diabetes Association and available at: <http://www.diabetes.org/advocate/resources/cost-of-diabetes.html>. And the diabetes activities utilized are evidence-based, so expending funds to assess their effectiveness would be wasteful.

The impact of diabetes extends far wider into the four-fifths of Hawaii residents who are not Medicaid beneficiaries. The DHS and the Department of Health (DOH) coordinate activities in that the DHS funds diabetes healthcare to Medicaid recipients, and the DOH utilizes its CDC grant (concluding at the end of the year) as its sole source of funding for diabetes public health activities. Designating diabetes as a target condition for the Centers for Medicare & Medicaid Services State Innovation Model grant application may be beneficial.

Additionally, the DOH currently has a Diabetes Management Program and a 5-year Diabetes Management Plan.

Thank you for the opportunity to provide testimony on this bill.



February 13, 2013

The Honorable Della Au Belatti  
Chair, House Committee on Health  
Hawaii State Capitol, Room 331  
415 S Beretania Street  
Honolulu, HI 96813

## HB 1293 SUPPORT WITH AMENDMENT

Dear Chair Au Belatti:

I am grateful the Hawaii House Committee on Health scheduled time today to discuss HB 1293; legislation aimed to review and assess efforts in battling, controlling and preventing diabetes. My name is Tom Boyer and I am proud to represent Novo Nordisk, a global leader in diabetes care. Personal passion about the well-being of people with diabetes has always been at the heart of this company. Novo Nordisk's history reaches back 90 years to a man driven to find an innovative treatment for his wife, suffering from diabetes. This foundation steered our commitment over eight decades and across the globe to help people dealing with this disease.

HB 1293 has a wide range of interest from groups in Hawaii and across America including the National Association of Chronic Disease Directors (NACDD), which is ready to provide technical assistance to the state to help complete the action plan; Women in Government (WIG), which is running a national effort encouraging legislators to support the bill; the Council of State Governments (CSG), which highlights the bill known as a Diabetes Action Plan as suggested state legislation; and the National Conference of State Legislatures (NCSL), which featured this legislation in publications as a potential step in battling the reach and scope of diabetes. Also, the American Association of Diabetes Educators and others support this important legislation.

The legislation aims to establish collaboration among state agencies with a vested interest in containing the reach of the diabetes epidemic by directing them to develop a plan of action to confront the disease. The bill also empowers these agencies and the legislature to tackle diabetes via action in the near term.

## PREVALENCE OF DIABETES IN HAWAII: YESTERDAY, TODAY & TOMORROW

The reality is diabetes is a serious issue for Hawaii. Unlike other chronic diseases, diabetes is the only one with prevalence trends increasing. Diabetes knows no boundaries. It affects men and women, all races and ethnicities, age groups,

education levels and income brackets. However, research shows there are overwhelming disparities among the elderly, Asian and Pacific Islanders, and lower income and lower education levels.

We know that the numbers behind us are grim. The next questions to be asked are: what is the path ahead of us and what is the economic burden?

Beyond the drastic personal toll of diabetes, there is an unrecognized economic impact. Novo Nordisk recently commissioned the Institute for Alternative Futures to project what diabetes will look like in the years ahead. Our rationale involved needing a clear sense of what the future holds for diabetes rather than simply saying things are getting worse. Only with having awareness of the looming impact can we take more decisive action. The research findings highlight the legislative need while also sounding an alarm.

Since 1995 according to the CDC the prevalence of diabetes in Hawaii increased 117%. Today, more than 9.5% of Hawaiians or 130,000 in the state live with diabetes. An additional 341,500 residents live with pre-diabetes. Taken together, more than one in every three people in Hawaii today lives with diabetes or its precursor pre-diabetes. The burden of diabetes will only continue to grow. Projections are that in 2025 over 200,000 will live with diabetes here.

#### THE HUMAN TOLL OF DIABETES IN HAWAII

The prevalence numbers tell only part of the story. Diabetes, if it is not diagnosed, treated, and controlled, can lead to devastating complications such as visual impairment that can lead to blindness; kidney failure; and amputations of lower extremities. Compared with rates in 2010, projections suggest that in 2025, there will be a sizable increase in each of these complications seen in Hawaii testing the health system for decades to come.

Uncontrolled and inappropriately managed diabetes can shed years of productivity and increase chances of premature death. Hawaii residents with diabetes are twice as likely to report depression while also having increased rates of heart attacks and strokes, blindness, kidney failure and amputations. The heart attack risk alone for people with diabetes is four times greater than those living without the disease.

#### THE COST OF DIABETES TODAY AND TOMORROW

The total financial burden of diabetes in America reached \$299 billion in 2010, and diabetes and its complications today consume more than one in every 10 of America's health care dollars. The total estimated medical costs for diabetes in 2010 in Hawaii alone were over \$1.2 billion, while hospitalization costs totaled half this amount. According to 2025 projections, the cost of diabetes here will reach over \$2 billion – representing a 60% increase in health costs from today.

## HOW HAWAII ARRIVED HERE AND NEXT STEPS

Federal and state resources available to help Hawaii fight the diabetes epidemic are limited. The Centers for Disease Control and Prevention (CDC) in 2010 provided \$296,000 to Hawaii to fight diabetes. But, this was a cut of some 10% over the previous year's funding level. Compounding the problem are limited state dollars flowing to combat diabetes. Limited funding makes it more imperative for Hawaii state agencies with an interest in diabetes to coordinate their efforts and resources, as called for in this Diabetes Action Plan legislation.

Passing HB 1293 allows Hawaii to take the first step in recognizing the challenge of diabetes. A fundamental premise of the legislation is that state officials charged with safeguarding the health of Hawaiians are best equipped to assess current state activities, develop future plans and guide the legislature in structuring efforts to battle the epidemic. Legislation similar to that before you recently became law in Kentucky. Now, the Kentucky report is public and can serve as an effective guide for Hawaii to follow.

The law in Kentucky achieved its goal of developing a game plan to fight diabetes at no additional cost to the state. Again, let me repeat – the State of Kentucky developed its report at no cost to the state. It achieved this goal by directing necessary agencies to assess on-going activities in light of existing data readily available to the programs and departments.

The legislation aims to achieve many objectives including ...

1. Requiring state agencies and related entities that devote resources to battling diabetes to conduct biennial assessments of the impact of the disease on state programs;
2. Requiring agencies and entities that devote resources to battling diabetes to conduct detailed biennial assessments of the benefits of implemented programs and activities. Such assessments should also document the amount and source for any funding directed to the agency or entity for programs and activities aimed at reaching those with diabetes;
3. Requiring state agencies and entities that are charged with battling or paying for diabetes to develop and revise biennially detailed action plans for battling the disease. These plans should identify proposed action steps to reduce the impact of diabetes, pre-diabetes and related complications upon the program, taxpayers and state; and
4. Requiring state agencies and entities charged with battling diabetes or paying for health care services to care for people with diabetes to develop

a detailed budget blueprint identifying needs, costs and resources required to implement their biennial diabetes action plans.

#### PROPOSED AMENDMENT

As a means to ensure the impacted departments reach the bill's objectives, I offer one suggestion to improve the legislation. This change, which was recently suggested by impacted departments, is to make the report biennial with report submission occurring to the legislature immediately prior to the legislative session in each odd numbered year. The change will ensure the departments have enough time to assess the current reach of diabetes, assess ongoing activity, gauge the success of implemented activities, and provide the legislature with important recommendations to consider and implement in a timely manner.

#### CONCLUSION

Enacting the Diabetes Action Plan legislation is a reasonable first step in battling diabetes in Hawaii. Considering and passing this legislation will help turn Hawaii into a leader in the battle against diabetes and provide the public with an understanding of what the state is doing to combat the disease. Such plans and assessment tools will also greatly help legislators when prioritizing resources available to battle diabetes and its complications.

This bill offers options and opportunities you can seize today to ensure that the future health of Hawaii's children is not dictated by diabetes. Rather, by passing HB 1293, Hawaii can begin to dictate the terms by which its citizens will engage diabetes. The bill will bring together the best and the brightest in the government ranks to provide their best thinking on how to battle diabetes. It will allow them to map out a future battle plan so you can act upon these plans.

Thank you for the opportunity to comment during this important hearing. I look forward to working with you and all the supporting entities on any and all matters related to diabetes over the months ahead. I sincerely appreciate your time and appropriate consideration of my remarks.

Tom Boyer  
Director, Government Affairs  
Novo Nordisk Inc.

10 The department of health, in collaboration with the  
| 11 department of human services, shall submit ~~an~~ biennial ~~annual~~ report to  
12 the legislature no later than twenty days prior to the convening  
| 13 of each regular session in odd numbered years on the following:  
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