

**DIABETES COST
REDUCTION ACT SUNSET
REVIEW**

BRIEFING REPORT 2000-1

REPORT DIGEST

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STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE

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DIABETES COST REDUCTION ACT

BACKGROUND

This briefing report is in response to a mandated sunset review of the Diabetes Cost Reduction Act. The Act was passed during the 1997 Legislative Session and became effective on January 1, 1998. It requires that health plans provide self-management education and training, and medically necessary equipment and supplies to patients with diabetes. Health plans have discretion over the kinds of education programs they offer.

MAJOR FINDINGS

Studies conducted nationally and abroad have shown that access to supplies and equipment, coupled with self-management training and motivated patients, can improve health outcomes for diabetics both in the short-term and the long-term. However, these improvements come at a cost. Some education and self-management strategies have been shown to produce or have the potential for cost-savings, but they depend on specific, prescriptive approaches.

Given the flexibility and discretion provided in Washington's Act, health plans have implemented the Act in different ways. Some plans may be achieving cost-savings while others may be experiencing cost increases.

The major clinical studies suggest that the full impact of Washington's Act might not be felt for six to ten years. Washington's Act did not go into effect until January 1998, and only one year of statewide data is currently available. Even this set of data is incomplete for measuring the impact of the Act.

RECOMMENDATION

The 2000 Legislature should rescind sunset termination of the Diabetes Cost Reduction Act so that the Act will continue; and direct the Washington State Department of Health to evaluate the impact of the Act and to present a final report by 2007 to the Joint Legislative Audit and Review Committee.