

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #: CS/HB 43

FINAL HOUSE FLOOR ACTION:

SPONSOR(S): Health & Human Services
Committee; Nunez and others

114 Y's 0 N's

COMPANION CS/CS/CS/SB 296
BILLS:

GOVERNOR'S ACTION: Pending

SUMMARY ANALYSIS

CS/HB 43 passed the House on April 16, 2015, as CS/CS/CS/SB 296.

The bill amends s. 385.203, F.S., to require the Diabetes Advisory Council in conjunction with the Department of Health, the Agency for Health Care Administration, and the Department of Management Services, to submit by January 10 of each odd-numbered year a report on diabetes in Florida to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must provide:

- The public health consequences and financial impact on the state of all types of diabetes and resulting health complications;
- A description and an assessment of the effectiveness of, funding of, and cost-savings associated with, state diabetes programs and activities;
- A description of the coordination among state agencies of their respective programs, activities, and communications designed to manage, treat, and prevent all types of diabetes; and
- A detailed action plan for reducing and controlling the number of new cases of diabetes, which must include proposed steps to reduce the impact of all types of diabetes, expected outcomes from implementing the action plan, and benchmarks for preventing and controlling diabetes.

The bill also revises the membership of the Diabetes Advisory Council, reducing the Council to 18 from 21.

The bill has an insignificant negative fiscal impact on the Department of Health and the Department of Management Services and no fiscal impact on local governments.

Subject to the Governor's veto powers, the effective date of this bill is July 1, 2015.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Current Situation

Diabetes is a group of diseases characterized by high blood glucose (blood sugar), due to the body's inability to produce insulin or inability to effectively use insulin. Uncontrolled glucose build up can lead to death or serious health complications, such as vision loss, kidney failure, and amputations of legs or feet. Diabetes is a major cause of heart disease and stroke, with death rates two to four times higher for adults with diabetes than those without.¹

The three common types of diabetes are:

- **Type 1** accounts for about 5 percent of all diagnosed cases. Type 1 is typically diagnosed in children and young adults. Currently, there are no known ways to prevent type 1 diabetes.
- **Type 2** accounts for about 95 percent of all diagnosed cases. Diagnosis among adults aged 65 years or older is 7 times higher than those aged 20 to 44 years. Research shows that healthy eating, regular physical activity, and medication if prescribed can control, prevent, or delay type 2 diabetes.
- **Gestational diabetes** develops and is diagnosed as a result of pregnancy in 2 to 10 percent of pregnant women. Gestational diabetes increases the risk of developing type 2 diabetes in both the mother and the child.²

Risk factors for diabetes include:

- Being over the age of 45;
- Being overweight;
- Having a parent or sibling with diabetes;
- Having a minority family background;
- Developing diabetes while pregnant; and
- Being physically active less than three times per week.³

Persons with any of the above risk factors are at risk of developing pre-diabetes. Pre-diabetes is a condition where blood sugar levels are higher than normal, but not high enough for a diagnosis of diabetes. Persons with pre-diabetes are 5 to 15 times more likely to develop type 2 diabetes, heart disease, and stroke.⁴ The Centers for Disease Control and Prevention (CDC) estimates that 37 percent of U.S. adults aged 20 or older have pre-diabetes.⁵

Nationally, the CDC estimates that 29.1 million people have diabetes.⁶ Of those estimated to have diabetes, only 21 million have been diagnosed.⁷ Men are slightly more likely to have diabetes than women.⁸ Minorities are at a greater risk of having diabetes than non-Hispanic white adults. Based on current trends, the CDC has projected that one in three U.S. adults could have diabetes by 2050.⁹

Economic Impact of Diabetes

¹ Centers for Disease Control and Prevention, *Diabetes Report Card 2012*, available at <http://www.cdc.gov/diabetes/library/reports/congress.html> (last visited April 24, 2015).

² *Id.*

³ Florida Dep't of Health, *Diabetes*, available at <http://www.floridahealth.gov/diseases-and-conditions/diabetes/> (last visited April 24, 2015).

⁴ *Id.*

⁵ Centers for Disease Control and Prevention, *National Diabetes Statistics Report, 2014*, available at <http://www.cdc.gov/Diabetes/data/statistics/2014StatisticsReport.html> (last visited April 23, 2015).

⁶ *Id.*

⁷ *Id.*

⁸ *Id.* (stating that 15.5 million men have diabetes compared to 13.4 million women).

⁹ Centers for Disease Control and Prevention, *Diabetes Report Card 2012*, *supra* note 1.

The American Diabetes Association estimates that the total cost of diagnosed diabetes rose 41 percent from 2007 to 2012 to \$245 billion, which includes \$176 billion in direct medical costs and \$69 billion in reduced productivity.¹⁰ Direct medical costs consist of hospital inpatient care, prescription medications, anti-diabetic supplies, physician visits, and nursing stays.¹¹ The largest factors attributing to reduced productivity costs are the absenteeism, inability to work due to disease related disability, and lost productive capacity due to early mortality.¹² The average diabetic patient spends about \$7,900 per year on diabetes costs, making a diabetes patient's average medical expenditures approximately 2.3 times higher than a non-diabetic person's.¹³

Diabetes in Florida

Diabetes is the 6th leading cause of death in Florida.¹⁴ In 2010, Florida's diabetes rate of 10.4 percent, ranked 7th highest among the states.¹⁵

Florida's population contains significant concentrations of groups at risk of developing diabetes. In 2013, 62.8 percent of adults were overweight or obese.¹⁶ In addition, Florida has over 3.5 million residents over the age of 65, one of the populations most vulnerable to diabetes.¹⁷ Florida's number of residents over the age of 65 is expected to rise to 24.3 percent by 2040 from 18.7 percent in 2013.¹⁸ Moreover, Florida's population is comprised of 40.3 percent of Hispanics and African Americans, two groups that have a higher risk of developing diabetes.¹⁹

Diabetes Prevention and Control

The Bureau of Chronic Disease Prevention (Bureau) within the Department of Health's (DOH) Division of Community Health Promotion serves to improve individual and community health by implementing social, policy and environmental changes that target reducing the impact of chronic diseases and disabling conditions, including diabetes. The CDC primarily funds the Bureau's chronic disease prevention and control activities.²⁰ Diabetes related activities of the Bureau include:

- Providing support to the Diabetes Advisory Council and the Florida Alliance for Diabetes Prevention and Care;
- Increasing access to diabetes self-management education;
- Compiling, analyzing, translating, and distributing diabetes data;
- Increasing access to diabetes medical care by advocating for the use of community health workers;
- Preventing diabetes in populations disproportionately affected by diabetes;
- Increasing diagnosis and treatment for pre-diabetes; and
- Managing the Insulin Distribution Program.

¹⁰ American Diabetes Association, *The Cost of Diabetes*, available at <http://www.diabetes.org/advocacy/news-events/cost-of-diabetes.html> (last visited April 23, 2015).

¹¹ *Id.* (noting that the hospital care accounts for 43 percent and medications account for 18 percent).

¹² *Id.*

¹³ *Id.*

¹⁴ Florida Dep't of Health, *Florida Mortality Atlas: 2011 Mortality Atlas*, available at <http://www.floridacharts.com/charts/MortAtlas.aspx> (last visited April 23, 2015).

¹⁵ Florida Dep't of Health, *Florida State Health Improvement Plan 2012 – 2015*, April 2012, at B14, available at http://www.floridahealth.gov/public-health-in-your-life/about-the-department/_documents/state-health-improvement-plan.pdf (last visited April 23, 2015) (compared to the 8.7 percent national rate).

¹⁶ Florida Dep't of Health, *2013 Florida's Healthiest Weight State Profile*, available at <http://www.floridacharts.com/charts/QASpecial.aspx> (last visited April 23, 2015).

¹⁷ U.S. Census Bureau, *State and County Quick Facts: Florida*, available at <http://quickfacts.census.gov/qfd/states/12000.html> (last visited April 23, 2015).

¹⁸ Florida Demographic Estimating Conference, February 2013 and the University of Florida, Bureau of Economic and Business Research, *Florida Population Studies, Bulletin 169*, June 2014, available at <http://edr.state.fl.us/Content/population-demographics/data/> (follow "Florida Census Day Population: 1970-2040" hyperlink) (last visited April 23, 2015).

¹⁹ *Supra* note 17 (citing population percentages of 23.6 Hispanic and 16.7 African American).

²⁰ Florida Dep't of Health, 2015 Agency Legislative Bill Analysis, HB 43, December 16, 2014 (on file with committee staff).

One of the top priorities for the DOH is the Healthiest Weight initiative, which strives to impact the prevention of Type 2 diabetes.²¹ The Healthiest Weight initiative is a public-private collaboration bringing together state agencies, not-for-profit organizations, businesses, and entire communities to help Floridians make better choices about healthy eating and active living.²²

The Office of Minority Health was established within the DOH in 2004 as the coordinating office for consultative services in the areas of cultural and linguistic competency, partnership building, program development and implementation, and other related efforts to address the health needs of Florida's minority and underrepresented populations statewide.²³ The Office of Minority Health administers multiple health promotion programs including the Closing the Gap grant program. The Closing the Gap grant seeks to improve health outcomes and eliminate racial and ethnic health disparities in Florida by providing grants to increase community-based health promotion and disease prevention activities, including diabetes prevention.²⁴

Diabetes Advisory Council

The Diabetes Advisory Council (Council) is an advisory unit to the DOH, government agencies, professional organizations, and the general public. The Council's purpose is to guide a statewide comprehensive approach to diabetes prevention, diagnosis, education, care, treatment, impact, and costs. The 26 members of the Council are appointed by the Governor, who is advised by the State Surgeon General. Members are comprised of health care professionals, associations, governmental agencies, and members of the public, three of whom must be affected by diabetes.²⁵ The Council meets quarterly through conference calls and makes recommendations to the State Surgeon General regarding the public health aspects of the prevention and control of diabetes.²⁶ The Bureau provides administrative support to the Council.

In 2010, the Council published a report that identified past successes of the Council's efforts and included a strategic plan to lower the diabetes disease burden in Florida. Successes reported by the Council included:²⁷

- An increase in adult diabetes self-management education,²⁸ resulting from activities that educate Florida seniors on available diabetes disease management services;
- An increase in diabetes screening activities; and
- Better educated school nurses, teachers, and other non-health professional school staff related to diabetes care for children in schools.²⁹

The Council's strategic plan included goals to:

- Recruit community partners to display and disseminate diabetes risk factor brochures;

²¹ Type 2 diabetes accounts for 90 to 95 percent of all cases of diabetes. *Id.*

²² *Id.*

²³ Florida Dep't of Health, *Minority Health*, available at <http://www.floridahealth.gov/%5C/programs-and-services/minority-health/index.html> (last visited April 23, 2015).

²⁴ Sections 381.7353 to 381.7356, F.S.

²⁵ The Governor must choose 21 members, one representative from the each of the following areas: nursing with diabetes educator certification; dietary with diabetes educator certification; podiatry; ophthalmology or optometry; psychology; pharmacy; adult endocrinology; pediatric endocrinology; the American Diabetes Association(ADA); the Juvenile Diabetes Foundation; the Florida Academy of Family Physicians; a community health center; a county health department; an ADA recognized community education program; each medical school in the state; an osteopathic medical school; the insurance industry; a Children's Medical Services diabetes regional program; and an employer. Section 385.203(3)(b), F.S.

²⁶ Section 385.203(1)(c), F.S.

²⁷ Florida Diabetes Advisory Council, Florida Diabetes Health System 2011 Strategic Plan and 2007-2013 Strategic Plan Status Report, available at <http://www.floridahealth.gov/provider-and-partner-resources/dac/reports-and-publications.html> (last visited April 23, 2015).

²⁸ The percent of Florida adults with diabetes who have had diabetes self-management education increased from 51.4 percent in 2007 to 55.1 percent in 2010. Florida Dep't of Health, *Florida Charts*, available at <http://www.floridacharts.com/charts/Brfss/DataViewer.aspx?bid=51> (last visited April 23, 2015).

²⁹ The Council's School Health Committee recently assisted with the update of the 2015 Nursing Guidelines for the Care and Delegation of Care of Students with Diabetes in Florida Schools. Email from DOH staff on January 26, 2015 (on file with committee staff).

- Develop and maintain a mini-grant program for a diabetes self-management education mentoring program; and
- Create a safe environment free of discrimination for children with diabetes by educating teachers and other non-health professional school health staff about diabetes care for children in a school setting.³⁰

Medicaid

Medicaid is a joint federal and state funded program that funds health care for low-income Floridians and is administered by the Agency for Health Care Administration (AHCA), pursuant to ch. 409, F.S. In 2011 the Legislature created the Statewide Medicaid Managed Care program which has two components, the Long-Term Care program and the Managed Medical Assistance program. Through these programs Medicaid recipients receive coverage for diabetes screening and if diagnosed, have access to primary and specialty care for treatment. In addition, some health plans in these programs offer diabetes disease management for their enrollees. In 2013-2014, AHCA identified 238,492 Medicaid recipients diagnosed with diabetes, including recipients enrolled in fee-for-service and managed care.³¹

Division of State Group Insurance

Under the authority of s. 110.123, F.S., the Department of Management Services (DMS), through the Division of State Group Insurance, administers the State Group Health Insurance Program (Program). The Program offers health insurance coverage for eligible state employees through HMO or PPO plans.³² These plans provide medical and prescription drug insurance benefits, as well as educational resources, for enrollees and their covered dependents diagnosed with diabetes. In the last 12 months, 30,467 enrollees filed insurance claims related to diabetes services.³³ The Program currently tracks:

- Non-HIPAA protected insurance claims information related to covered diabetes services;
- The number of persons diagnosed with diabetes and insured under the Program; and
- Descriptions of diabetes coverage offered.³⁴

Effect of Proposed Changes

The bill amends s. 385.203, F.S., to require the Diabetes Advisory Council, in conjunction with DOH, AHCA, and DMS, to submit by January 10 of each odd-numbered year a report on diabetes in Florida to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

The report must provide:

- The public health consequences and financial impact on the state from all types of diabetes and the resulting health complications;
- The number of persons with diabetes covered by Medicaid or the Division of State Group Insurance;
- The number of persons impacted by state agency diabetes programs and activities;
- A description and an assessment of the effectiveness of state agency diabetes programs and activities;
- The amount and source of funding for state agency diabetes programs and activities;
- The cost-savings realized by state agency diabetes programs and activities;

³⁰ *Supra* note 27.

³¹ Email correspondence with Agency for Health Care Administration staff, January 29, 2015 (on file with committee staff).

³² The program offers two different HMO plans, a high deductible and standard plan and two different PPO plans, a high deductible and standard plan. Email correspondence with Department of Management Services staff on January 29, 2015 (on file with committee staff).

³³ *Id.*

³⁴ The Department of Management Services, 2015 Agency Legislative Bill Analysis, HB 43, December 18, 2014 (on file with committee staff).

- A description of the coordination among state agencies of programs, activities, and communications designed to manage, treat, and prevent all types of diabetes; and
- The development of and revisions to a detailed action plan for reducing and controlling the number of new cases of diabetes and proposed steps to reduce the impact of all types of diabetes, including expected outcomes and benchmarks if the plan is implemented.

The bill revises the membership of the Council by requiring it to be composed of one member each from at least three medical schools in the state, and not more than 18 members from the list of diabetes-related professions, associations, governmental agencies, and programs in s. 385.203(3)(c), F.S. The bill allows only one member per each represented profession, association, governmental agency, or program. The list of current eligible members is revised to include the American Association of Diabetes Educators.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Although DOH and DMS will experience an increase in workload due to the amount of information required by the bill to be provided to the Council,³⁵ any expenses associated with such workload will be absorbed within current resources.^{36,37}

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

³⁵ The Agency for Health Care Administration has indicated that no additional costs will be incurred as a result of their data submission for this report. Agency for Health Care Administration, 2015 Agency Bill Analysis, HB 43, January 27, 2015 (on file with committee staff)

³⁶ *Supra* note 20.

³⁷ Email correspondence with Department of Management Services staff on March 10, 2015 (on file with committee staff).