IMPROVING LIVES. CURING TYPE 1 DIABETES.

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Health Reform Principles

STATEMENT OF PRINCIPLES

All people with type 1 diabetes (T1D) require access to affordable health insurance that covers necessary care related to the treatment of their diabetes. In order to survive, individuals with T1D rely on daily access to insulin and the tools necessary to properly dose this lifesaving medication. The current healthcare law put in place important health insurance market protections for people with T1D and other chronic diseases that should be preserved. As further reform is considered, JDRF strongly supports and will advocate for the following principles that will help children and adults living with type 1 diabetes.

For this reason, any changes to the Affordable Care Act (ACA) should:

- <u>Preserve protections for those with pre-existing conditions</u>: Individuals with pre-existing health conditions should have access to comprehensive health insurance at rates similar to their counterparts without pre-existing health conditions.
- <u>Allow young adults to stay on their parent's insurance until the age of 26</u>: Young adults should be allowed to stay on their parent's health insurance plan until the age of 26.
- <u>Prohibit yearly and lifetime dollar limits for essential health benefits (EHBs)</u>: Insurance companies should not be allowed to set annual or lifetime dollar limits on their spending for an individual's covered benefits.
- <u>Close the donut hole in Medicare Part D</u>: Provisions should remain in place to close the Medicare coverage gap for prescription medicines, known as the "donut hole," by 2020, which will help Medicare beneficiaries afford insulin and other needed drugs.

JDRF is committed to working with a variety of stakeholders to ensure these principles are considered in any repeal and replace of the ACA that may take place in 2017.

WHY IT MATTERS

<u>Protections for Those with Pre-Existing Conditions</u>

Among adults 55 to 64 years of age, nearly 50 percent have a diagnosed pre-existing health condition, and approximately 20 to 30 percent of adults 18 to 44 years of age have some type of pre-existing condition.[1] During consideration of health reform in 2010, there was broad bipartisan support for protecting people with pre-existing conditions. The ACA includes provisions to ensure that these individuals cannot be denied coverage, be charged significantly higher premiums, or have their benefits curtailed by insurance companies. This is an extremely important issue for the approximately 1 million Americans living with T1D who need health insurance coverage to access the drugs and devices they use daily to survive. Before the passage of the ACA, those with private coverage were facing the constant

[1] *Families USA*. http://familiesusa.org/blog/2014/03/demographics-people-pre-existing-health-condition.

threat of being dropped from their carrier or not being able to afford their coverage due to their type 1 diabetes diagnosis. In coverage transitions—such as young adults aging off their parents' policy, and people accepting a new job or starting a business—insurance companies were able to deny coverage or restrict coverage for those with pre-existing conditions.[2] To help ensure individuals with type 1 diabetes, and the millions of other Americans living with serious and chronic conditions, are able to access the care they need, any changes to the healthcare law must preserve protections for those with pre-existing conditions.

Allowing Young Adults to Remain on Their Parents' Health Insurance until 26 Years of Age

Under current health law, young adults are able to join or stay on their parent's health insurance plan until they are 26 years of age. Allowing children to remain on their parents' insurance plan until the age of 26 is extremely important and helpful to children and young adults with diabetes who have much greater healthcare expenditures than their counterparts without diabetes. People with diagnosed diabetes, on average, have medical expenditures approximately 2.3 times higher than what expenditures would be in the absence of diabetes.[2] Allowing young adults to be on their parents' insurance until the age of 26 is a critical provision that continues to have broad bipartisan support, and ensures young adults have consistent and affordable access to supplies and medications necessary to manage their chronic disease.

Prohibitions on Yearly and Lifetime Dollar Limits for EHBs

Prior to the passage of the ACA, insurance companies were able to set dollar limits—either annually or for the entire time of enrollment—on their spending for an individual's covered benefits. For individuals with chronic illness, annual and lifetime caps on EHBs can present a wide array of problems and worry. This is especially true when considering access to insulin—a prescription medication—for individuals with T1D who rely on daily access to this drug in order to survive.

Closing the Donut Hole in Medicare Part D

It is extremely important to ensure that individuals who are enrolled in Medicare are able to afford their prescription medications. As it stands today, the healthcare law includes important developments to reduce expenditures for Medicare beneficiaries in the donut hole and closing the gap altogether by 2020. Currently, most Medicare prescription drug plans have a coverage gap (also known as the donut hole) during which there is a temporary limit on coverage for drugs. Since passage of the ACA in 2010, more than 9.4 million people with Medicare have saved over $15 billion on prescription drugs.[3] Protections need to remain in order to ensure the approximately 200,000 to 300,000 people with T1D enrolled in Medicare are able to afford their prescription medications.

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[2] American Diabetes Association. Economic Costs of Diabetes in the US in 2012. *Diabetes Care* 2013 Apr; 36(4): 1033-1046. http://care.diabetesjournals.org/content/36/4/1033.
[3] http://www.ncpssm.org/PublicPolicy/Medicare/Documents/ArticleID/1161/Closing-the-Medicare-Part-D-Donut-Hole