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MEDICARE'S COMPETITIVE BIDDING FAILS PATIENTS WITH DIABETES

**New Report in the Journal *Diabetes Care* Supports Findings of
Research Conducted in 2011 By AADE**

CHICAGO – MARCH 21, 2016 – A new report published online today by the journal *Diabetes Care* finds that the federal government's competitive bidding program for diabetes testing equipment and supplies has led to increases in in-patient hospital stays, higher costs and rates of death, due to patients who were not receiving appropriate testing supplies.

The study confirms and reinforces the early work and examination of this issue that AADE and its members have been providing since 2011. AADE created an initial study, which, over time, has led to the further advancement of this issue.

"Based on our findings, more effective monitoring protocols are needed to protect beneficiary safety," the report concluded. The study was led by the National Minority Quality Forum, based in Washington, DC.

The study population consisted of insulin users: 43,939 beneficiaries in the nine competitive bidding test markets and 485,688 beneficiaries in the non-test markets. The two cohorts were subdivided: those with full self-monitoring of blood glucose (SMBG) supply acquisition (full SMBG) according to prescription and those with partial/no acquisition (partial/no SMBG).

The study found that SMBG supply acquisition was disrupted in the TEST population, leading to increased migration to partial/no SMBG acquisition with associated increases in mortality, inpatient admissions, and costs.

"We are troubled that CMS failed to detect these "unintended" consequences and, instead, reported that the pilot program was a success."

"Because full SMBG acquisition was strongly associated with better clinical outcomes compared with partial/no SMBG acquisition, these findings are particularly concerning, given the predominant use of short-acting insulin and rapid-acting insulin analogs by Medicare beneficiaries, who are at significantly greater risk for hypoglycemia than younger individuals with insulin-treated diabetes," according to the report, whose lead author is Gary Puckrein, Ph.D., president and CEO of the National Minority Quality Forum.

The report reinforces findings of a survey of competitive bidding suppliers conducted by AADE in 2011 and found that certain products that should have been available to patients from suppliers contracted through the competitive bidding program were not accessible.

The competitive bidding program for mail-order suppliers of diabetes testing equipment was established in January 2011. Soon after, widespread anecdotal reports suggested that the suppliers were denying access to the specific brands and types of equipment that had been promised would be available on Medicare.gov.

The 2011 AADE survey found that the contract suppliers, on average, offered only 38 percent of the products that are listed on www.medicare.gov. In some cases, suppliers offered products that were not listed on www.medicare.gov. The results also demonstrated that beneficiaries in competitive bidding areas do not have access to most brands available in the market, or to brands most commonly prescribed by physicians and selected by beneficiaries. Of the 9 brands identified in a December 2010 report as the top mail order diabetes testing supply brands by percent of market share, contract suppliers offered an average of 1.44 brands (16%).

About the AADE:

AADE is a multi-disciplinary professional membership organization dedicated to improving diabetes care through education. With more than 14,000 professional members including nurses, dietitians, pharmacists, and others, AADE has a vast network of practitioners involved in the daily treatment of diabetes patients. Learn more: www.diabeteseducator.org.

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