

Testimony
Engrossed House Bill 1288 - Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chair

March 8, 2021

Chairman Lee and members of the Human Services Committee, I am Brendan Joyce, Administrator of Pharmacy Services for the Department of Human Services (Department). I appear today to provide testimony on Engrossed House Bill 1288.

The Department currently covers blood glucose test strips and very rarely continuous glucose monitors (CGM). The Department follows American Diabetes Association (ADA) guidelines for coverage of test strips.

The Department currently has 1,683 recipients receiving blood glucose test strips. The current net cost per year is \$170,000 (total dollars) per year. Roughly 53.5% of the volume is Medicaid Expansion, so \$90,950 (\$81,855 federal / \$9,095 state). The remaining \$79,050 is at the traditional Medicaid match rate.

If all recipients moved to continuous glucose monitors and all were compliant with the monitoring and process, the increased costs (net of rebates received through the multi-state pool in which the Department participates) would be \$1,777,470 (total dollars) per 12 months. For comparison purposes, one patient using a continuous glucose monitor for one year is equal in cost to another patient using blood glucose test strips for 3 years and 2 months.

For the purposes of the original fiscal note, we assumed only 40% of recipients would switch to continuous glucose monitors during the first fiscal year, and 60% of all recipients for the second fiscal year.

There are 104 recipients 18 years of age or less receiving blood glucose test strips, and only 16 of those testing 5 or more times per day. For the purposes of the updated fiscal note, we simply changed the original fiscal note by the proportion of recipients 18 years of age or under (104/1683 or 6.18%).

The following are statements for the record as any variance from below would require significant changes to the current fiscal note:

- Just like blood glucose test strips, preferred products will be selected yearly through the multistate rebate pool of which ND Medicaid is a member.
- Just like all other payers in North Dakota, there will be criteria for coverage of continuous glucose monitors based on national diabetes guidelines.
- The continuous glucose monitors will only be allowed through pharmacies as that is the only way to obtain the rebates.
- The Department will not pay for additional features or enhancements to continuous glucose monitors such as cell phones or other connected devices, nor will the Department be limited in its selection of continuous glucose monitors by different clinics' selection of insulin pump manufacturers.

This concludes my testimony, and I am happy to answer any questions you may have.