The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Health and Human Services

BILL:	CS/CS/SB 296
INTRODUCER:	Governmental Oversight and Accountability Committee; Health Policy Committee; and Senator Garcia and others
SUBJECT:	Diabetes Advisory Council
DATE:	March 10, 2015 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Lloyd	Stovall	HP	**Fav/CS**
2.	Peacock	McVaney	GO	**Fav/CS**
3.	Brown	Pigott	AHS	**Pre-meeting**
4.			FP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 296 creates a process for ongoing assessment of the state's diabetes-related activities. The bill directs the Diabetes Advisory Council, in conjunction with the Department of Health (DOH), the Agency for Health Care Administration (AHCA), and the Department of Management Services (DMS), to prepare a report regarding the impact of diabetes on state-funded or operated programs, including Medicaid, the State Group Insurance Program, and public health programs.

The report is due to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 10 of each odd-numbered year.

The bill also modifies the composition of the Diabetes Advisory Council to include one member from at least three of the medical schools in the state and adds a representative of the American Association of Diabetes Educators to the list of possible members.

The bill has an indeterminate fiscal impact.

The bill provides for an effective date of July 1, 2015.

II. Present Situation:

Diabetes is a group of diseases in which the body produces too little insulin,[1] is unable to use insulin efficiently, or both. When diabetes is not controlled, glucose and fats remain in the blood and eventually cause damage to vital organs.

The most common forms of diabetes are:

- **Type 1**: Sometimes known as juvenile diabetes, type 1 is usually first diagnosed in children and adolescents and accounts for about five percent of all diagnosed cases. Type 1 diabetes is an autoimmune disease in which the body's own immune system destroys cells in the pancreas that produce insulin. Type 1 may be caused by genetic, environmental, or other risk factors. At this time, there are no methods to prevent or cure type 1 diabetes, and treatment requires the use of insulin by injection or pump.
- **Type 2**: Sometimes known as adult-onset diabetes, type 2 accounts for about 95 percent of diagnosed diabetes in adults and is usually associated with older age, obesity, lack of physical activity, family history, or a personal history of gestational diabetes. Studies have shown that healthy eating, regular physical activity, and weight loss can prevent or delay the onset of type 2 diabetes or eliminate the symptoms and effects post-onset.
- **Gestational diabetes**: This type of diabetes develops and is diagnosed as a result of pregnancy in 2 to 10 percent of pregnant women. Gestational diabetes can cause health problems during pregnancy for both the child and mother. Children whose mothers have gestational diabetes have an increased risk of developing obesity and type 2 diabetes. [2]

Complications of diabetes include: heart disease, stroke, high blood pressure (hypertension), blindness and other eye problems, kidney disease, nervous system disease, vascular disorders, and amputations. Death rates for heart disease and the risk of stroke are about two to four times higher among adults with diabetes than among those without diabetes. Diabetes and its potential health consequences can be managed through physical activity, diet, self-management training, and, when necessary, medication.[3]

People with "pre-diabetes" are at high risk of developing type 2 diabetes, heart disease, and stroke. Their blood glucose levels are higher than normal but not high enough to be classified as diabetes. Although an estimated 33 percent of adults in the United States have pre-diabetes, less than 10 percent of them report having been told they have the condition. Thus, awareness of the risk is low. People with pre-diabetes who lose five to seven percent of their body weight and get at least 150 minutes per week of moderate physical activity can reduce the risk of developing type 2 diabetes by 58 percent.[4]

[1] Insulin is a hormone that allows glucose (sugar) to enter cells and be converted to energy.
[2] U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, *Diabetes Report Card*, 1 (2012), *available at* http://www.cdc.gov/diabetes/pubs/reportcard.htm (last visited Jan. 20, 2015).
[3] U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, *Diabetes Latest* http://www.cdc.gov/features/diabetesfactsheet/ (last visited Jan. 20, 2015).
[4] *Supra* note 2, at 4.

Risk factors for type 2 diabetes include:[5]

- Being over the age of 45;
- Being overweight;
- Having a parent or sibling with type 2 diabetes;
- Having a minority family background;
- Developing gestational diabetes;
- Giving birth to a baby weighing nine pounds or more; and
- Being physically active less than three times per week.

Persons with any of the above risk factors are also at risk of developing pre-diabetes. Individuals with pre-diabetes are five to 15 times more likely to develop type 2 diabetes, heart disease, and stroke.[6] The Centers for Disease Control estimates that as many as one out of every three American adults has pre-diabetes and half of all Americans aged 65 years and older have pre-diabetes.[7]

Minorities have a higher prevalence of diabetes than whites, and some minorities have higher rates of diabetes-related complications and death. Non-Hispanic black, Hispanic, and American Indian/Alaska Native adults are about twice as likely to have diagnosed diabetes as non-Hispanic white adults.[8]

In 2013, the American Diabetes Association released a report updating its earlier studies (2002, 2007) estimating the economic burden of diagnosed diabetes. In 2012, the total estimated cost of diagnosed diabetes in the United States was $245 billion, including $176 billion in direct medical costs and $69 billion in reduced productivity. This represents a 41 percent increase over the 2007 estimate. The largest components of these costs are hospital inpatient care (43 percent) and medications to treat complications (18 percent). People with diagnosed diabetes incur average medical costs of about $13,700 per year, of which about $7,900 is attributed to diabetes. Care for people with diagnosed diabetes accounts for more than one in five dollars spent on health care in the United States, and more than half of that is directly attributable to diabetes. Overall, average medical expenses for a person with diabetes are 2.3 times higher than they are for a person without diabetes.[9]

Diabetes in Florida

Diabetes was the sixth leading cause of death in 2012 in Florida.[10] The prior year, diabetes had been the seventh leading cause of death. As a percent of total deaths in the state, diabetes

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[5] Florida Department of Health, *Diabetes, Warning Signs and Risk Factors* http://www.floridahealth.gov/diseases-and-conditions/diabetes/warning-signs.html (last visited Feb. 4, 2015).
[6] Florida Department of Health, *Prediabetes, What is Prediabetes?*, http://www.floridahealth.gov/diseases-and-conditions/diabetes/prediabetes.html (last visited Feb. 4, 2015).
[7] *Id.*
[8] *Id.* at 1.
[9] American Diabetes Association, *Economic Costs of Diabetes in the U.S. in 2012*, Diabetes Care 36: 1033 – 1046, 2013, *available at*, http://care.diabetesjournals.org/content/36/4/1033.full.pdf+html (last visited Jan. 20, 2015).
[10] Florida Department of Health, *Florida Mortality Atlas: 2012 Major Causes of Death*, http://www.floridacharts.com/charts/SpecReport.aspx?RepID=7226&tn=33 (last visited Feb. 4, 2015).

accounted for 2.9 percent of all deaths, and over a three-year period (2011-2013), diabetes had an age-adjusted death rate per 100,000 of 19.6 or 15,317 deaths.[11]

Florida's population base also includes large concentrations of groups that have been identified as at risk for diabetes. In 2013, only 35 percent of Floridians were at a healthy weight, with 25 percent identified as obese and the remaining 40 percent classified as overweight.[12] If Floridians follow the current trend, by 2030, almost 60 percent of the population will be obese.[13]

Florida has a number of other demographic characteristics that match the high risk factors, such as:[14]

Risk Factor	Florida Population (2013)
Persons Over Age 65	18.7% of population
Black or African American	16.7% of population
Hispanic or Latino	23.6 % of population
Total FL Population:	**19,552,860**

Diabetes Advisory Council

The Diabetes Advisory Council (council) has been established to guide statewide policy on diabetes prevention, diagnosis, education, care, treatment, impact, and costs.[15] It serves in an advisory capacity to the DOH, other agencies, and the public. The council consists of 26 members appointed by the governor who have experience related to diabetes.[16] Twenty-one of the members are representatives of a broad range of health and public health-related interests. Current law requires the governor to appoint these 21 members based on specific requirements related to employer, education, or professional relationships.[17] The remaining five members are representatives of the general public, at least three of whom are affected by diabetes.[18] The council meets annually with the state surgeon general to make recommendations regarding the public health aspects of the prevention and control of diabetes.[19]

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[11] Florida Department of Health, *Florida Charts: Diabetes Deaths - Three Year Trends* http://www.floridacharts.com/charts/DataViewer/DeathViewer/DeathViewer.aspx?indNumber=0090 (last visited Feb. 4, 2015).
[12] Florida Department of Health, *Healthy Weight - Healthiest Weight Florida*, http://www.floridahealth.gov/programs-and-services/prevention/healthy-weight/index.html (last visited Feb. 4, 2015).
[13] *Id.*
[14] United States Census Bureau, *State and County Quick Facts: Florida*, http://quickfacts.census.gov/qfd/states/12000.html (last visited Feb. 4, 2015).
[15] Ch. 1980-62, Laws of Fla. (reinstating the Diabetes Advisory Council into Chapter 381, F.S., pertaining to health.) The council had previously been located under ch. 241, F.S., relating to education and had been repealed by the 1979 Legislature. *See Florida Legislature - 1980 Summary of General Legislation*, p. 145, http://www.law.fsu.edu/library/collection/FlSumGenLeg/FlSumGenLeg1980.pdf (last visited Feb. 12, 2015).
[16] Section 385.203(3), F.S.
[17] Section 385.203(3)(b), F.S.
[18] Section 385.203(3)(a), F.S.
[19] Section 385.203(1)(c), F.S. The 2013 recommendations of the Council are on file with the Senate Health Policy Committee.

Florida Diabetes Prevention and Control

The Bureau of Chronic Disease Prevention and Health Promotion (bureau) within the DOH was established in 1998 to improve individual and community health by preventing and reducing the impact of chronic diseases and disabling conditions, including diabetes. Diabetes-related activities of the bureau include:

- Providing support to the Diabetes Advisory Council and the Florida Alliance for Diabetes Prevention and Care;
- Compiling, analyzing, translating, and distributing diabetes data;
- Increasing access to diabetes self-management education;
- 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.[20]

The Office of Minority Health administers the Closing the Gap grant program, which 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.[21]

Medicaid

Medicaid is a joint program of the federal and state governments that provides health care for low income individuals. Florida's Medicaid program is administered by the AHCA and financed with federal and state funds. Over 3.7 million Floridians are currently enrolled in Medicaid, and the program's estimated expenditures for Fiscal Year 2014-2015, are approximately $23.3 billion.[22] The statutory authority for the Medicaid program is contained in ch. 409, F.S.

State Group Insurance Program

Section 110.123, F.S., creates the State Group Insurance Program. As implemented by the DMS, the program offers four types of health plans from which an eligible employee may choose: a standard statewide Preferred Provider Organization (PPO) Plan, a Health Investor PPO Plan, a standard Health Maintenance Organization (HMO) Plan, and a Health Investor HMO Plan. In Fiscal Year 2013-2014, the State Group Insurance Program covered 171,908 members at a cost of $1.96 billion.[23]

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[20] Florida Department of Health, *Resource Manual for the Florida Department of Health* (Fiscal Year 2012-2013) (on file with the Senate Committee on Health Policy).
[21] Sections 381.7353 – 381.7356, F.S.
[22] Office of Economic and Demographic Research, *Social Services Estimating Conference, Medicaid Caseloads and Expenditures, June 27, July 22, and August 4, 2014, Executive Summary*, http://edr.state.fl.us/Content/conferences/medicaid/medsummary.pdf (last visited Jan., 2015).
[23] Florida Department of Management Services, Division of State Group Insurance, *State Employees' Group Health Self-Insurance Trust Fund, Report on the Financial Outlook* (January 14, 2015), http://edr.state.fl.us/Content/conferences/healthinsurance/HealthInsuranceOutlook.pdf (last visited February, 27 2015).

III. Effect of Proposed Changes:

The bill directs the Diabetes Advisory Council, in conjunction with the DOH, the AHCA, and the DMS, to submit a report by January 10 in each odd-numbered year to the Governor, the President of the Senate, and the Speaker of the House of Representatives, regarding the impact of diabetes on state-funded or operated programs. Specifically, the report must include:

- Information on the public health consequences and financial impact of diabetes and its complications on the state, including the number of persons covered by Medicaid and the State Group Insurance Program, and the number of persons impacted by state diabetes programs and activities;
- A description and assessment of the effectiveness of diabetes programs and activities implemented by the agencies, the amount and sources of their funding, and the cost savings they achieve;
- A description of the coordination among the agencies of programs, activities, and communications related to diabetes prevention and treatment; and
- A detailed action plan for reducing and controlling the number of new cases of diabetes, including actions to reduce negative impacts, expected outcomes of the plan, and benchmarks.

The Governor's authority to appoint members to the Diabetes Advisory Council is modified to require the Governor to appoint one member each from at least three of the medical schools in the state, not more than 18 members, and not more than one each from specific employer, education, and professional relationships. In addition, the qualifying relationships for members of the council are expanded to include the American Association of Diabetes Educators.

The bill has an effective date of July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

CS/CS/SB 296 will have no fiscal impact on the DOH in its capacity as staff to support to the Diabetes Advisory Council. While the creation of the biennial report may require significant DOH staff time to generate, the DOH reports that such time may be absorbed within existing resources.[24]

The DMS reports an indeterminate fiscal impact.[25]

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 385.203 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Health Policy on February 17, 2015:
The committee substitute identifies who *may* serve on the Diabetes Advisory Council rather than *must*, and adds a representative of the American Association of Diabetes Educators to the list of possible members.

CS by Governmental Oversight and Accountability on March 4, 2015:
The governor's authority to appoint members to the Diabetes Advisory Council is modified to require the Governor to appoint one member each from at least three of the medical schools in the state, to appoint not more than 18 members, and not more than one each from specific employer, education and professional relationships. In addition, the qualifying relationships for members of the council are expanded to include the American Association of Diabetes Educators.

[24] Florida Department of Health, *Senate Bill 296 Analysis* (Jan. 12, 2015) (on file with the Senate Committee on Health Policy).
[25] Florida Department of Management Services, *Senate Bill 296 Analysis* (Jan. 9, 2015) (on file with the Senate Committee on Health Policy).

B. Amendments:

None.