



# City of San Antonio

## Agenda Memorandum

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**Agenda Item Number:** 2

**Agenda Date:** May 25, 2022

**In Control:** Governance Committee Meeting

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**DEPARTMENT:** Health Department

**DEPARTMENT HEAD:** Claude Jacob

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Response to Council Consideration Request filed on January 27, 2022, by Councilman Jalen McKee-Rodriguez (District 2) and Councilwoman Adriana Rocha Garcia (District 4) requesting city staff to determine the feasibility and establish a fund (e.g., cost-share program) to help San Antonio residents cover the cost of insulin.

**SUMMARY:**

Metro Health staff will present recommendations for responding to the Council Consideration Request filed on January 27, 2022, by Councilman Jalen McKee-Rodriguez (District 2) and Councilwoman Adriana Rocha Garcia (District 4) that directs City staff to determine the feasibility and establishment of a cost-share program to help San Antonio residents cover the cost of insulin.

**BACKGROUND INFORMATION:**

On January 27, 2022, Councilmembers Jalen McKee-Rodriguez and Adriana Rocha Garcia filed a Council Consideration Request (CCR) directing City staff to determine the feasibility and establish a fund (e.g., cost-share program) to help San Antonio residents cover the cost of insulin.

Insulin therapy and supplementation can be a critical part of helping people with diabetes manage their blood sugar and prevent diabetes complications. Approximately 7.4 million Americans with diabetes use insulin as a part of their treatment. Those with diabetes experience insulin resistance or insulin deficiency and may be dependent on supplementation to live and manage symptoms. Individuals with Type 1 Diabetes must use insulin to supplement what their body is not producing. Individuals with Type 2 Diabetes may be prescribed insulin, usually after other treatments are ineffective in controlling blood sugar levels. About 30% of people with diagnosed diabetes take insulin, according to the American Diabetes Association.

Over 288,000 Bexar County residents (14.4%) reported being diagnosed with diabetes in 2019. The incidence is higher among Black and Hispanic residents. Geographically, a higher incidence of diabetes is found in San Antonio's near east, west and south sides, particularly in Districts 1-7. Bexar County incidence rates are higher than both state and national averages.

Mirroring the incidence rates in Bexar County, hospitalizations due to diabetes complications are also higher in Bexar County (252.3 cases per 100,000 residents) than the state average (223.8 cases per 100,000 residents). The highest hospitalization rates are found among Blacks and Hispanics and the geographic pattern of hospitalizations due to diabetes complications is similar to that of incidence. Complications from uncontrolled diabetes include visual impairment/blindness, limb amputation, kidney disease/failure, nerve damage and gum disease.

Diabetes is the seventh leading cause of death in Bexar County. Bexar County's diabetes mortality rate increased by almost 15% from 2019 to 2020. This mortality rate (32.2 per 100,000 residents) is higher than the state (26.7 per 100,000 residents) and national average (24.8 per 100,000 residents) rates for diabetes. Bexar County has the highest mortality rate for diabetes among the five largest counties in Texas. Black and Hispanic residents experience even higher rates of diabetes mortality, with Black mortality rates twice the rate of non-Hispanic Whites.

In 2013, Metro Health created the Diabetes Prevention and Control program. This program provides prevention and self-management diabetes education throughout Bexar County, reaching 400-500 residents annually. The program offers three different workshop series – Diabetes Prevention, Diabetes Self-Management, and Health & Wellness. These specific programs have been chosen by Metro Health based on research that shows that prevention and self-management diabetes education have been effective in reducing the incidence of Type 2 diabetes, reducing healthcare costs, reducing individual A1C scores and improving clinical, lifestyle and psychosocial outcomes.

As a part of Metro Health's SA Forward initiative, the Diabetes Prevention and Control program has expanded its team and its reach into the community. The program added three new health educators at the beginning of 2022 and now has a team of seven educators, with four bilingual educators. The program has identified Council Districts 1-7 as targets for increased engagement based on incidence and hospitalization data. The diabetes program will host 21 workshops in these target districts during FY22 and increase outreach to clinics, businesses, and restaurants to serve

as partners and workshop hosts.

## **ISSUE:**

Almost a third of all Americans living with diabetes (36 million Americans) require insulin to manage their disease. Insulin prices and individual expenditures can vary based on type of insulin and health insurance coverage, ranging from \$0 to \$1,500/year. Nearly 16% of those who require and use insulin pay the full price for their insulin prescription annually. The average medical costs for an individual with diabetes totals \$16,752 annually, 2.3 times higher than the average costs for those without diabetes.

Currently, bipartisan legislation is moving through the U.S. Senate to address insulin prices. Senate Bill 3700, introduced on February 17, 2022, by Senator Raphael Warnock, would cap insulin prices in private health insurance at the lesser of \$35 or 25% of the plan's negotiated price, beginning on January 1, 2023. For the Medicare prescription drug plan, insulin products would be capped at \$35 from October 1, 2022, to January 1, 2024, and then the lesser of \$35 or 25% of the plan's negotiated price thereafter. A similar measure, H.R. 6833, the Affordable Insulin Now Act, was passed by the U.S. House of Representatives on March 31, 2022. Approval by the Senate for both measures is pending.

On June 14, 2021, Texas became one of 19 states to legislatively address insulin prices. The new law, Texas Senate Bill 827, limits out-of-pocket co-pays to \$25 for each insulin prescription per month for insured Texans on state-regulated health plans. The law does not assist those who are uninsured. Texas HB 18 was passed by the state legislature on May 29, 2021, and signed by the governor on June 15, 2021, and established the Texas Cares Rx Program, a prescription drug savings program for the uninsured and directs the Texas Health and Human Services Commission (HHSC) to negotiate with drug manufacturers on behalf of uninsured Texans. The bill has the potential to lower the cost of drugs such as insulin by up to 70%.

Almost 283,000 San Antonio residents are uninsured. Adequate and affordable health insurance is important for people with diabetes to help them access supplies, medications, education, and health care to manage their diabetes and prevent complications. More than 1.8 million Texans signed up for health insurance in 2022 under the Affordable Care Act (ACA), up 42% from 2021, providing more than 500,000 Texans with marketplace health coverage. Despite record ACA enrollment numbers, Texas remains the state with the highest uninsured rate in the nation and the most uninsured residents. Roughly 1,000 Bexar County residents were hospitalized for Type 1 diabetes in 2020 alone, and of these, more than 1 in 5 had no insurance. Additionally, those uninsured were disproportionately Hispanic.

Diabetes prevention education and diabetes self-management are research-based interventions that reduce the chances of developing diabetes by 58% and help people with diabetes manage their symptoms and care. Self-Management programs significantly reduce individual medical costs, improve A1c scores and glycemic control, increase health self-efficacy and reduce diabetes-related hospitalization rates.

An insulin cost sharing program would allocate funds to specific locally owned pharmacies, University Health (which operates the Texas Diabetes Institute), and Federally Qualified Health Centers, to cover co-pays and deductibles on behalf of patients. This initiative would cost \$1.5 million annually and would only cover 1,000 people. This would not be a feasible or sustainable option for the City of San Antonio due to the lack of funding and limited impact.

Metro Health Staff have identified the following options to address this Council Consideration Request:

- Option 1: Increase lobbying efforts and support for legislation at the state and national level that would cap insulin prices and expand Medicaid coverage in Texas. Through the support of City Council and Metro Health, this item would be formally added to the CoSA legislative agenda and advocacy campaign in partnership with the CoSA Department of Government Affairs.
- Option 2: Hire directly or subcontract three patient navigators to help individuals enroll in pharmaceutical discount programs for insulin (for example, \$99/month insulin program) and enrollment into ACA Marketplace plans. This one-year pilot program would serve an average of 1,000 residents. Cost: The pilot program would cost roughly \$200,000, which would include salaries for three, full-time navigators, equipment, and training. The main advantage of this option is that individuals with diabetes can benefit from enrollment into ACA and obtain services beyond what is needed for diabetes care. A disadvantage is that this may still be cost prohibitive and not affordable for many individuals even at the manufacturer reduced price.
- Option 3: Secure general funding for diabetes prevention and diabetes self-management education and a team of eight diabetes health educators. These programs have proven effective in reducing healthcare costs for individuals, delaying or preventing a diabetes diagnosis and helping individuals avoid the serious complications of the disease. These educators would partner with the patient navigators (from option 1), creating a holistic intervention of education, individual support and targeted resources. General funding would create a consistent funding source for the diabetes program and support program continuity. The estimate of funding the program would be \$650,000 for eight, full-time educators, equipment, and training.

#### **FISCAL IMPACT:**

none at this time

#### **ALTERNATIVES:**

This item is for briefing purposes only.

#### **RECOMMENDATION:**

Staff recommends further research and pursuit of all three options presented above for maximum benefit and recommends referring this item for further in-depth consideration to the Community Health, Environment and Culture Committee.

