



Diabetes & Medicare Advantage: Perspectives of Older Adults

Introduction

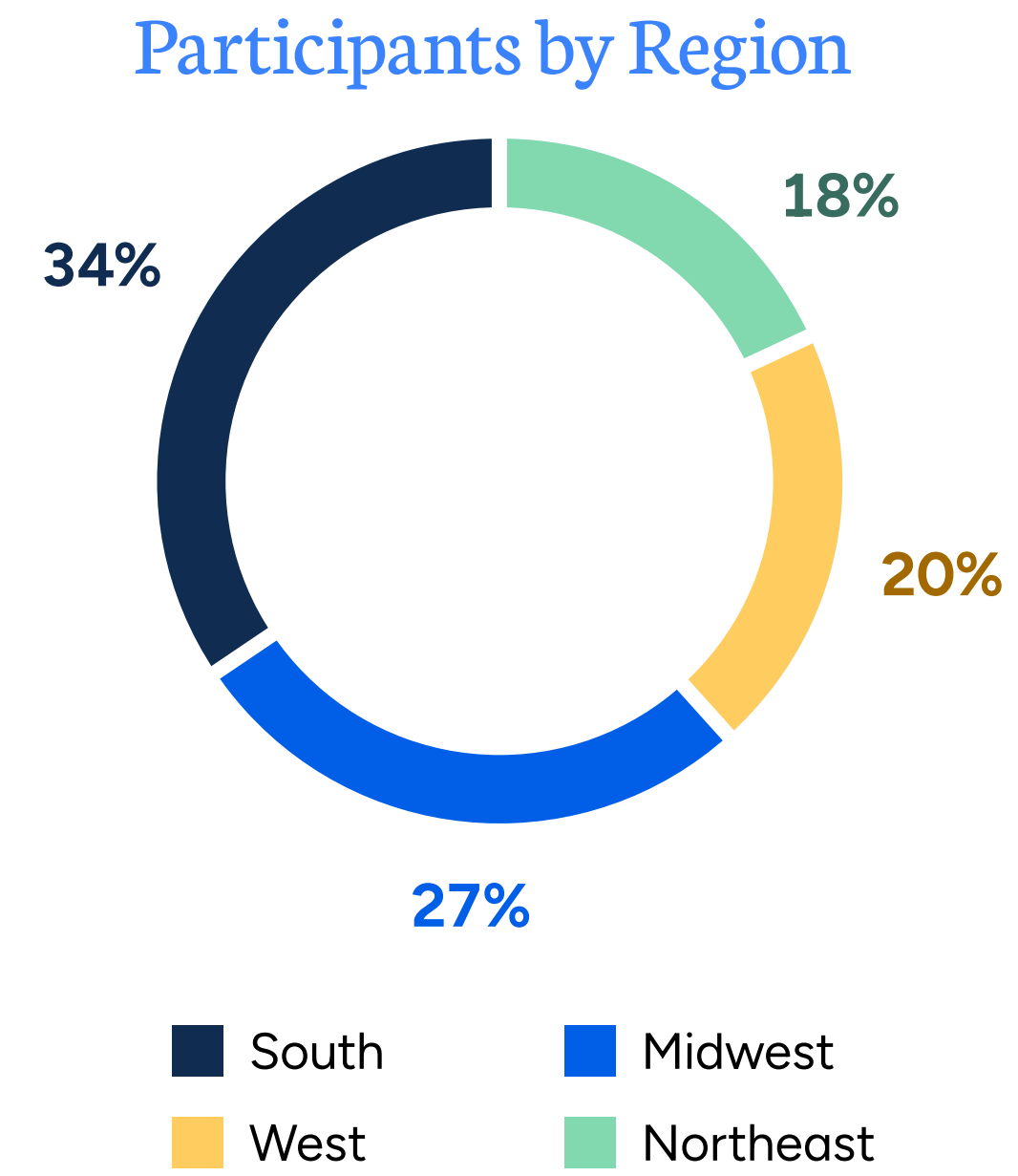
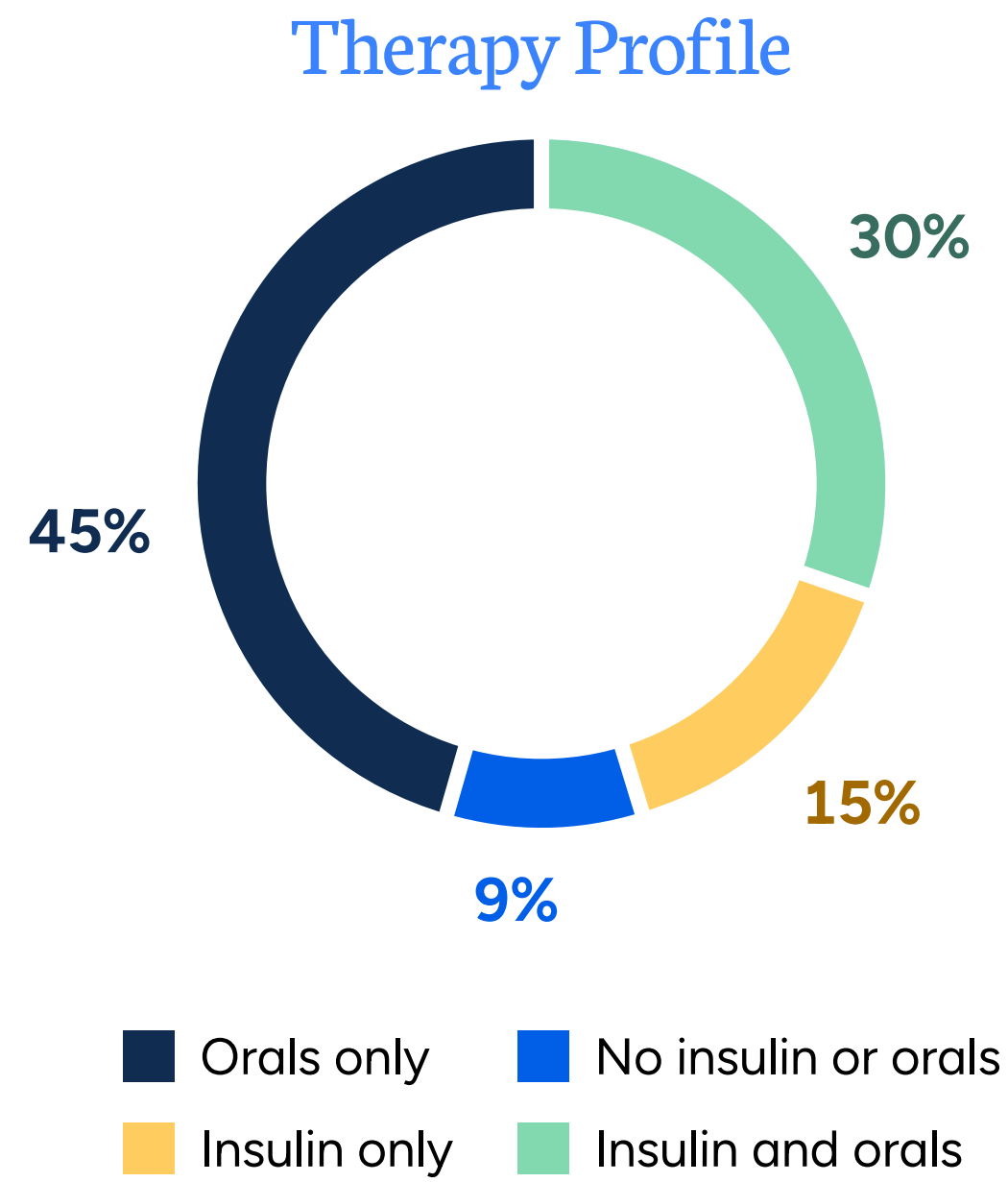
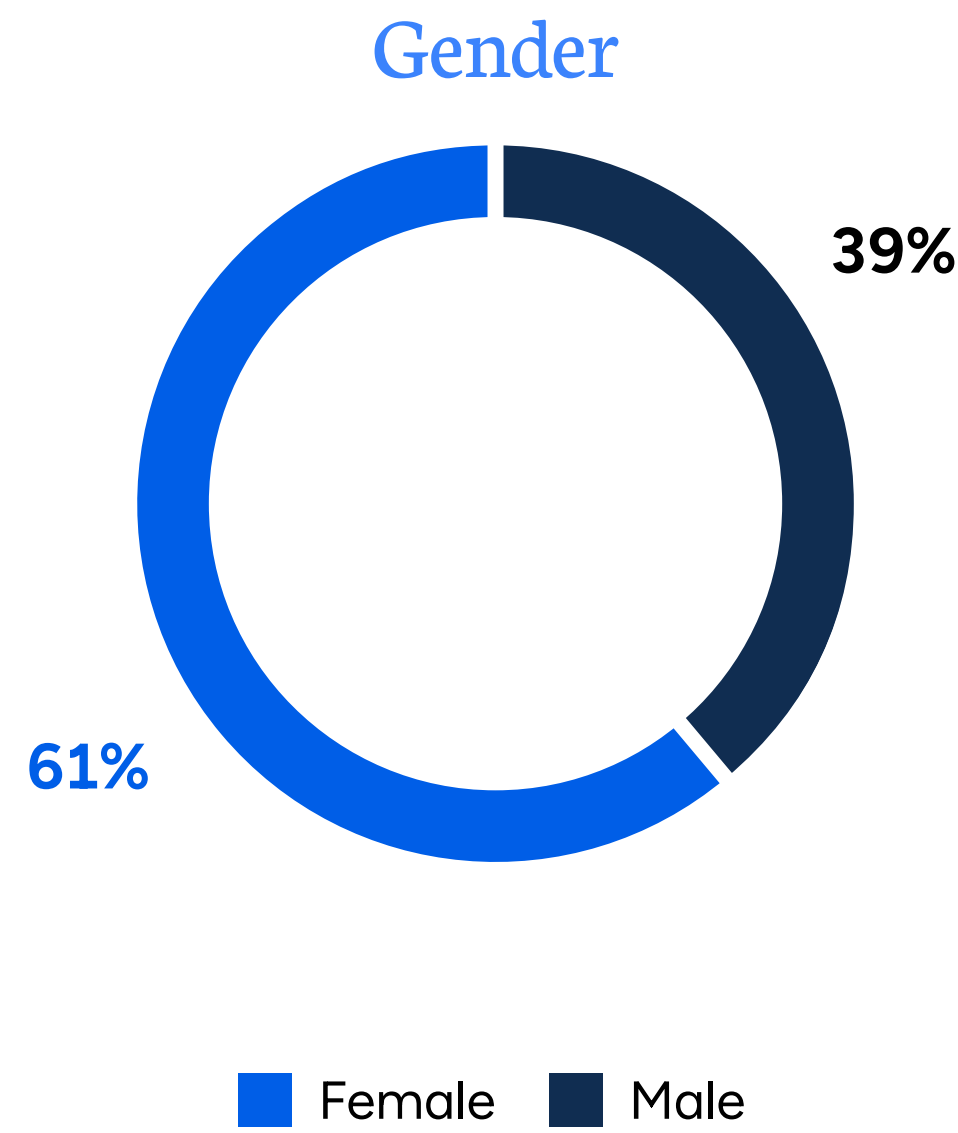
Almost 30% of Americans 65 or older have type 2 diabetes, and nearly half have prediabetes¹. And because older adults are at higher risk for diabetes-related comorbidities like kidney failure, heart disease, amputations, and other conditions, they're more likely to develop costly and life-altering complications than younger people. With Medicare enrollment projected to hit 80 million by 2030 as the last of the baby boomer generation turns 65², the so-called "silver tsunami" is fast approaching. Medicare and Medicare Advantage plans will need to absorb the high costs associated with type 2 diabetes, and must pivot to address the needs of an aging population and be an efficient steward of taxpayer dollars.

To help health plans understand the perspective of older adults with type 2 diabetes, we conducted a survey of nearly 1,000 Medicare beneficiaries. We wanted to understand a few key questions: how are they managing their diabetes and the cost of their medications? How do they make diabetes-related decisions? Do they know about options beyond traditional disease management, like diabetes reversal? How do diabetes-related benefits factor into their decision to renew or switch coverage? And what benefits would they like to see from Medicare or a Medicare Advantage plan to help support them into a healthier future?

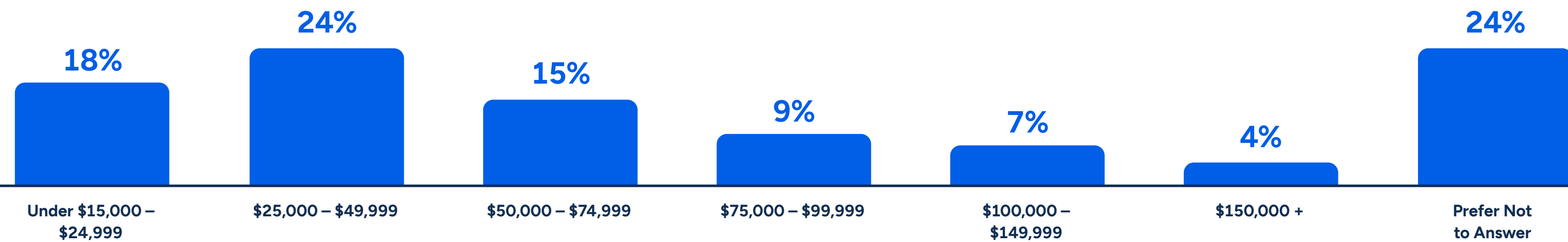
1. Manrique, Helard, et al. "Diabetes and Older Adults." Endocrine Society, 24 January 2022, <https://www.endocrine.org/patient-engagement/endocrine-library/diabetes-and-older-adults>. Accessed 10 November 2022.

2. MedPac June 2015 Report to the Congress: Medicare and The Health Care Delivery System, chapter 2 - <https://www.medpac.gov/document/http-www-medpac-gov-docs-default-source-reports-june-2015-report-to-the-congress-medicare-and-the-health-care-delivery-system-pdf/>

Demographics of the survey population (n=995)



Household Income



Average Age
72

Survey methodology

This survey was administered in September 2022 by dQ&A and resulted in 995 respondents with type 2 diabetes, including 557 in Medicare Advantage and 316 in traditional Medicare, most with supplemental coverage.

This study used a conjoint analysis methodology to replicate real-life behavior and randomize the options for the most accurate results.





Key findings

- 1** **82% of survey respondents pay out-of-pocket for diabetes medications** and about half report concerns about affording their medication.
- 2** **More than 50% reported that they are motivated to reverse their diabetes** and get off their diabetes medications, but don't fully understand it.
- 3** For 70% of those with Medicare Advantage coverage, **supplemental benefits were the primary reason they chose their plan** over traditional Medicare.
- 4** **If diabetes reversal were offered as a supplemental benefit, it would be the most desired offering today,** above popular benefits including enhanced vision and dental services.
- 5** **Medicare Advantage members said they would be significantly more satisfied with their plan if offered diabetes reversal,** and it would be a reason for 47% of them to switch plans.



The State of Diabetes Management in Older Adults

How do older adults manage diabetes and the cost of medications?

Older adults are typically at higher risk for developing type 2 diabetes and resulting complications, so we wanted to understand: how are they managing their diabetes? Are their medications covered by insurance or do they pay out-of-pocket? What's going well, and what's not going well?

A large majority of adults 65 and up are paying out-of-pocket for their diabetes medications. Between the squeeze of high inflation and plummeting markets impacting retirement income, half of older adults expressed some concern around affording their medication. Additionally, 30% of respondents say they have concerns about complications from their diabetes.

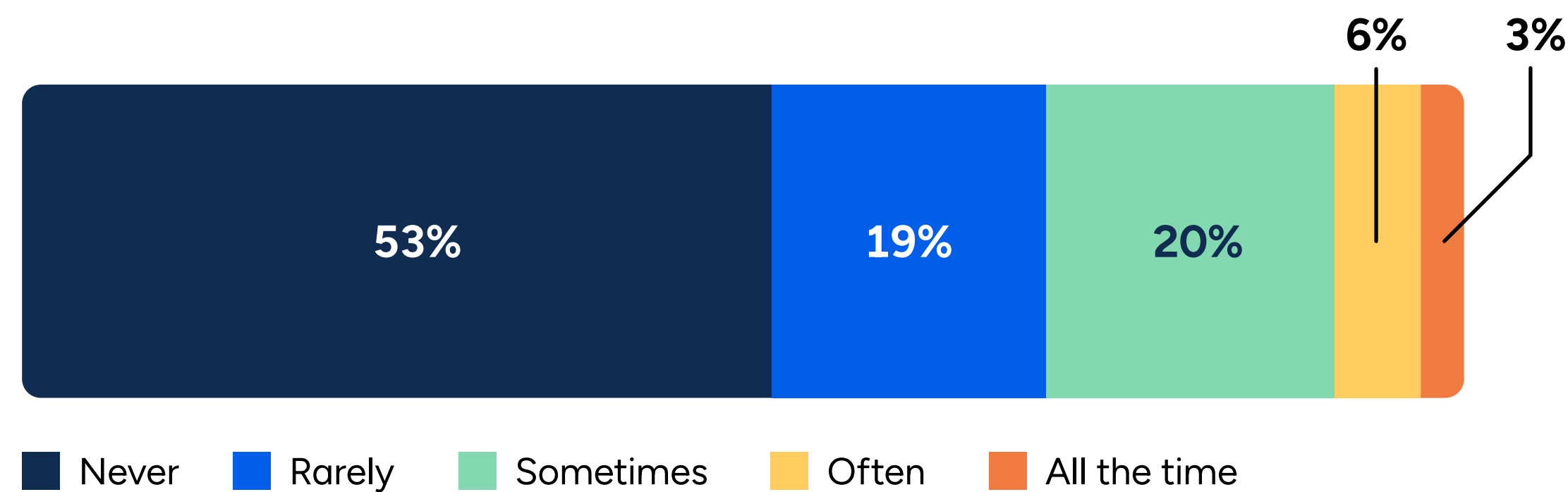
Respondents are generally satisfied with their primary care physicians and report quick response times on the whole, but see their doctor relatively infrequently, which makes it challenging to manage a chronic condition.



82% of respondents pay out-of-pocket for their diabetes medications

A vast majority of respondents pay out-of-pocket for at least a portion of their diabetes medications, with around half expressing concern about affording them. Of those who had to pay, the average monthly cost was **\$90 a month or \$1,080 a year.**

Nearly half of respondents have some concerns about affording diabetes medication (n=995).



★ Key learning

More than one million people with diabetes in the U.S. rationed their insulin in the past year. The growing popularity of GLP-1s, which treat diabetes and obesity, are estimated to cost \$10–15k annually and must be used in perpetuity.

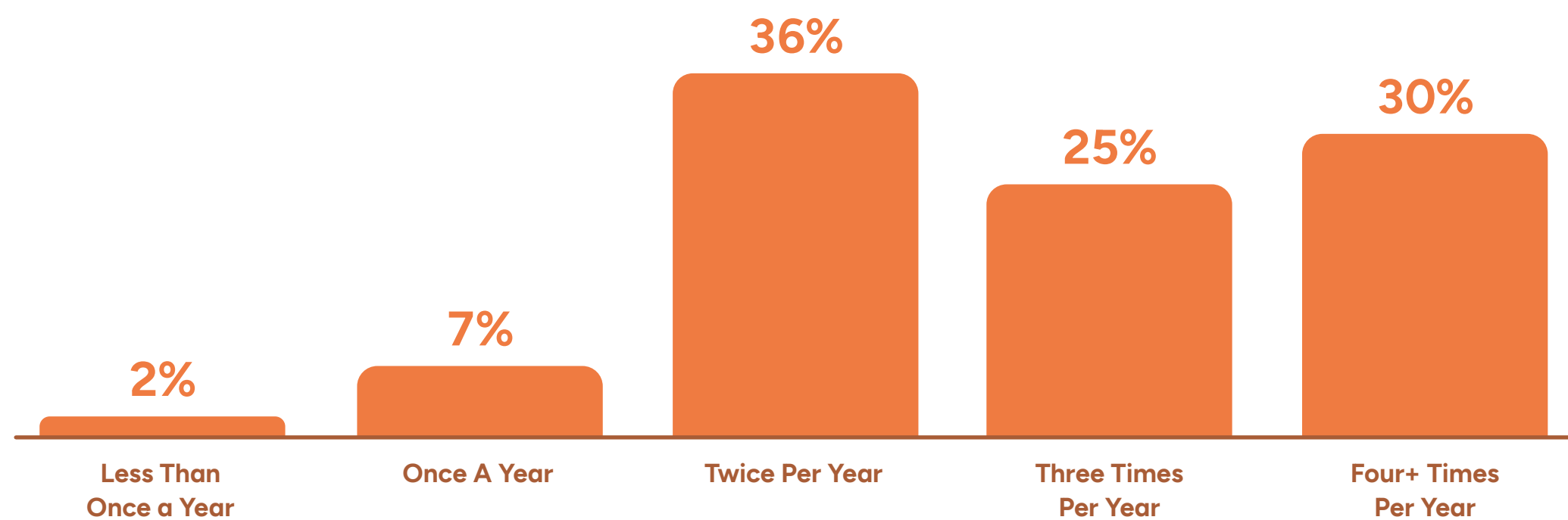
Encouraging beneficiaries to start with evidence-based lifestyle or diet interventions is one way that Medicare plans can combat the cost of prescription diabetes drugs.

Half of patients see their doctor twice a year or less

A majority of respondents report being satisfied with their diabetes care, and get quick responses from their doctors. But they don't go to the doctor very often—nearly half report twice a year or less.

Type 2 diabetes is a complex chronic condition. Patients need nutrition counseling, medication management, behavior change support, and assistance with related conditions. It is challenging for a Primary Care Physician to provide this level of support during short, infrequent visits.

Frequency of Health Care Provider Visits In One Year



★ Key learning

Medicare plans should consider tapping into new virtual care solutions to bridge the gap between primary care visits.

With older adults increasingly using technology to manage their health, virtual care models provide additional access for members and offer plans a more cost effective alternative.

Older adults want a healthy future free from type 2 diabetes

There's growing consensus around an alternate path for adults living with type 2 diabetes: one that goes beyond traditional management, where reversal and remission are very real possibilities.

But, while the consensus for diabetes reversal and remission grows, 91% of respondents have either never heard of diabetes reversal, or have heard of it but don't know what it is. Despite confusion about reversal and what it entails, many report that they are attempting it through changes in diet.

In general, people crave more support on their reversal journey. Respondents worry about the effort involved in reversal, and very few (10%) feel that they can do it on their own.

Diabetes Reversal vs. Management

Diabetes reversal

Goal is to return patients to sub-diabetic A1C levels and eliminate all diabetes-specific medications other than metformin, without surgery or other drugs

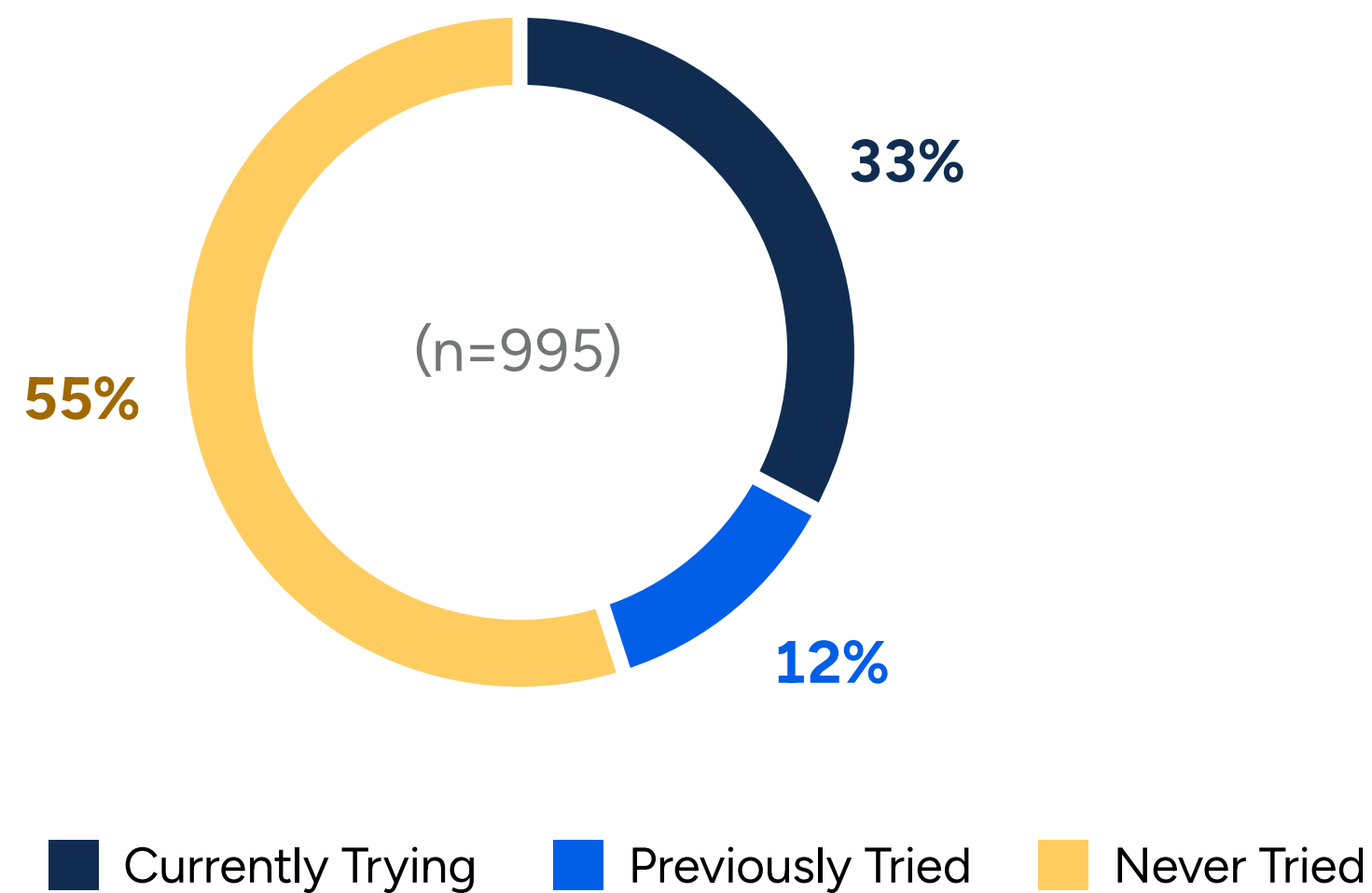
Diabetes management

Goal is to keep A1C levels in check by adjusting (often increasing) the amount of insulin or other diabetes medication taken, does not address the root cause of the disease, does not reduce type 2 diabetes Rx costs, medical costs or side effects

Upon better understanding of reversal, 1/3 of respondents report they are actively trying it right now

While 91% of older adults say they are unaware of or know very little about diabetes reversal, many report trying to rid themselves of their diabetes. Diet and blood glucose monitoring were the top methods reported by respondents who are trying to reverse their diabetes.

45% of Respondents Report Trying to Reverse Their Diabetes (n=995)



★ Key learning

With so many older adults attempting reversal on their own, Medicare plans should consider offering a formal diabetes reversal solution. One that includes provider oversight and personal coaching can better support members on this journey and ensure both patient safety and clinical success.

Better quality of life and less reliance on medication are the top perceived benefits of reversal

Older Americans with type 2 diabetes hope that reversal will help them reduce their need for medication, decrease their risk for related complications, and lead to a better quality of life.

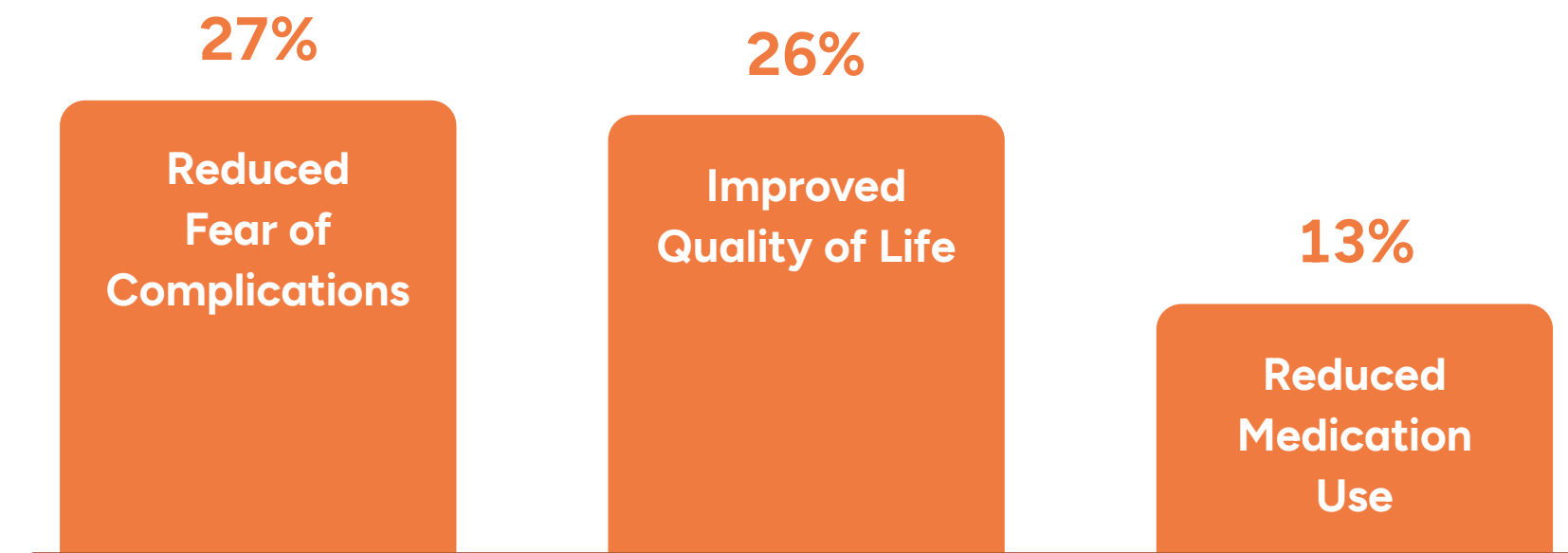
77% said reduced medication use would be top benefit of diabetes reversal



★ Key learning

Offering diabetes reversal not only supports member choice, it's also beneficial for the plan. An analysis of reversal shows that it can save \$503 in gross healthcare and Rx costs per member per month, or \$12,000 gross over the course of two years³.

"The best outcome of reversing my diabetes would be..."

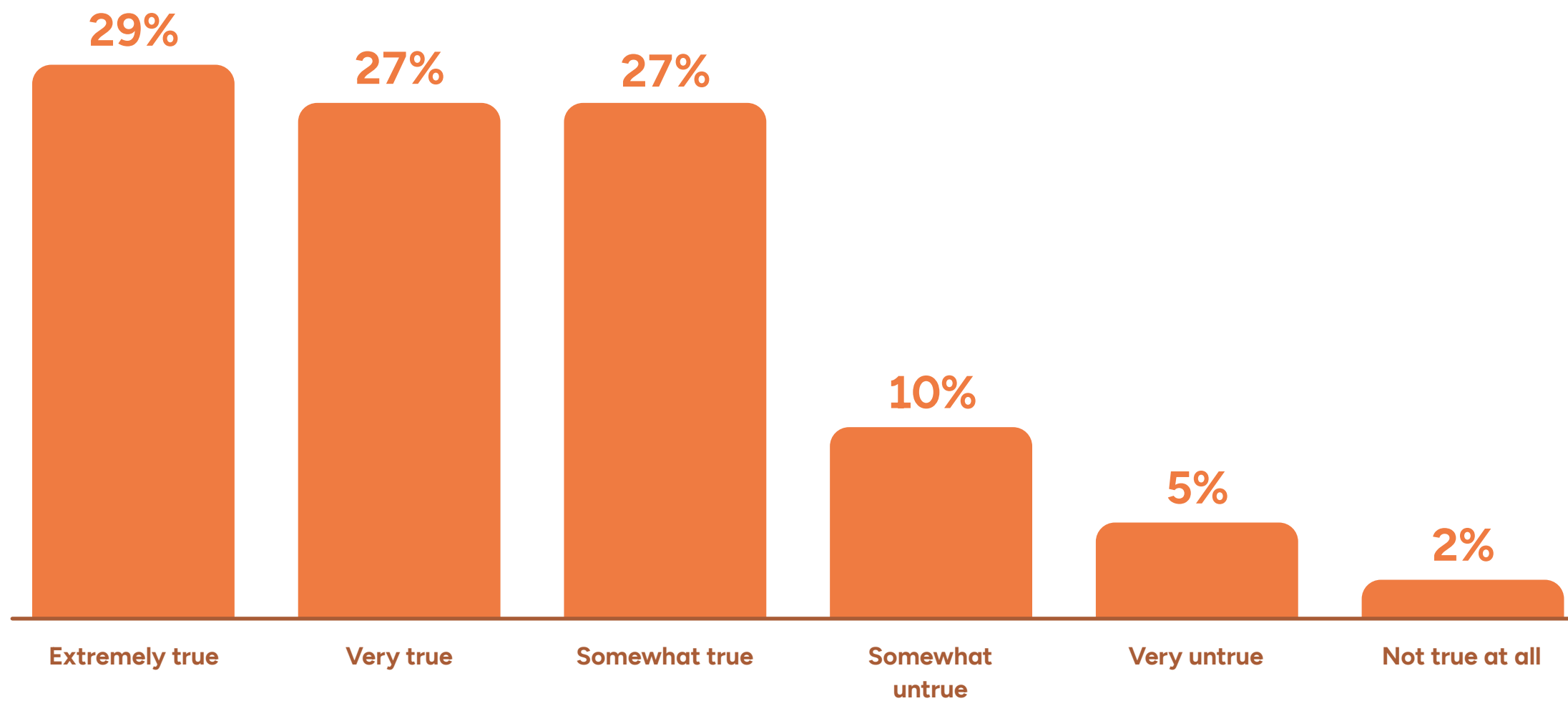


3. Virta Health, Analysis of Type 2 Diabetes Reversal Cost Savings, Sept 2021 (Virta); Trended 2 years using 6.5% for Medical and 8.8% for Rx

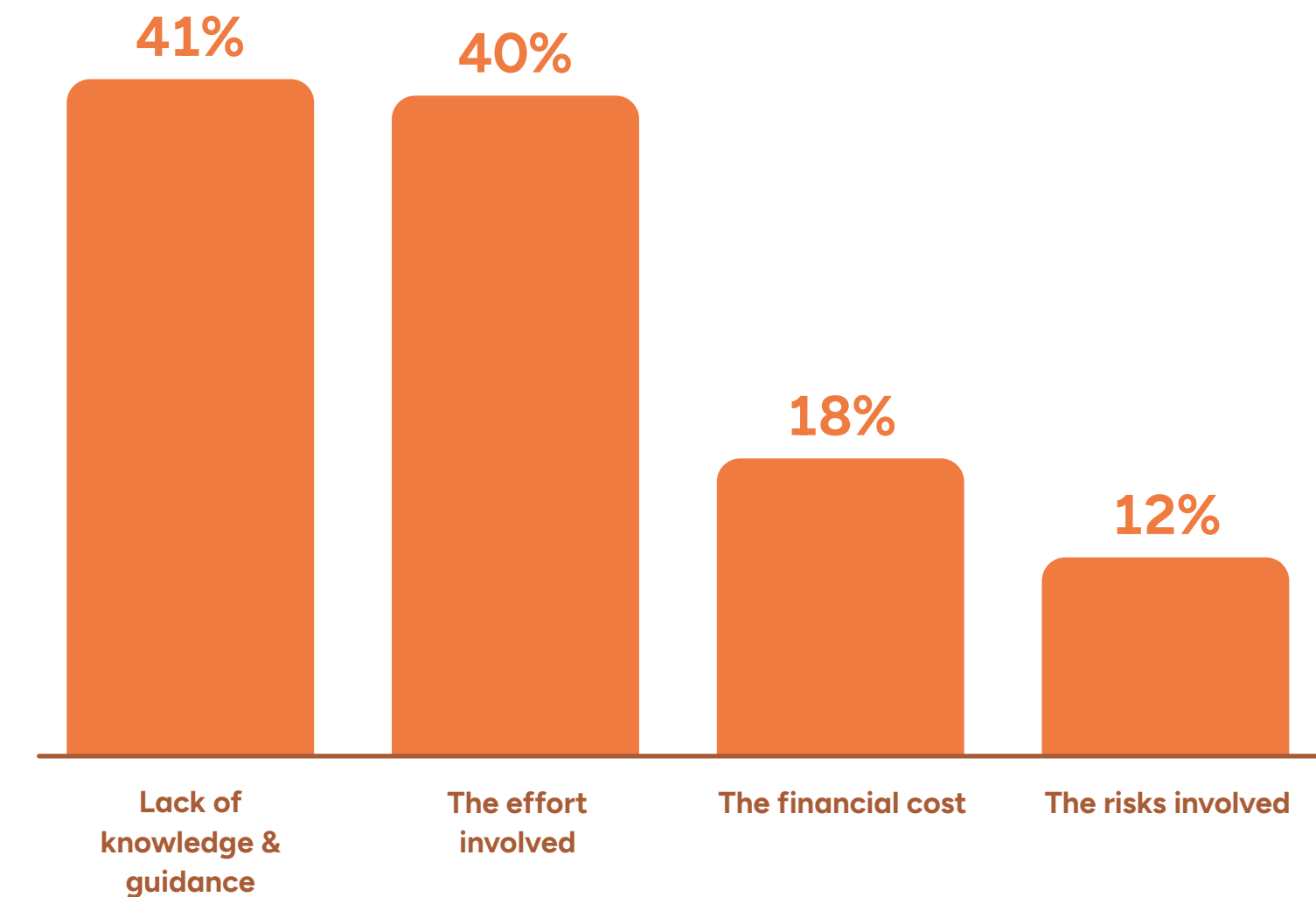
More than half of respondents are motivated to reverse their diabetes, but fear the effort involved

While older adults are highly motivated by reversal (more than 50% of Medicare Advantage members answered “very true or extremely true” to the statement, “I am motivated to reverse my diabetes”), they fear the effort involved. They crave more support—only 10% feel confident they can reverse their diabetes on their own.

“I am motivated to reverse my diabetes.”



What is challenging about diabetes reversal?



Members have positive reactions to a diabetes reversal benefit

"I would love to be able to reverse my diabetes. My life revolves around medication and food choices and exercising regularly every day. All things done to control complications. Diabetes affects my family life because we all need to always be aware of my diabetes."

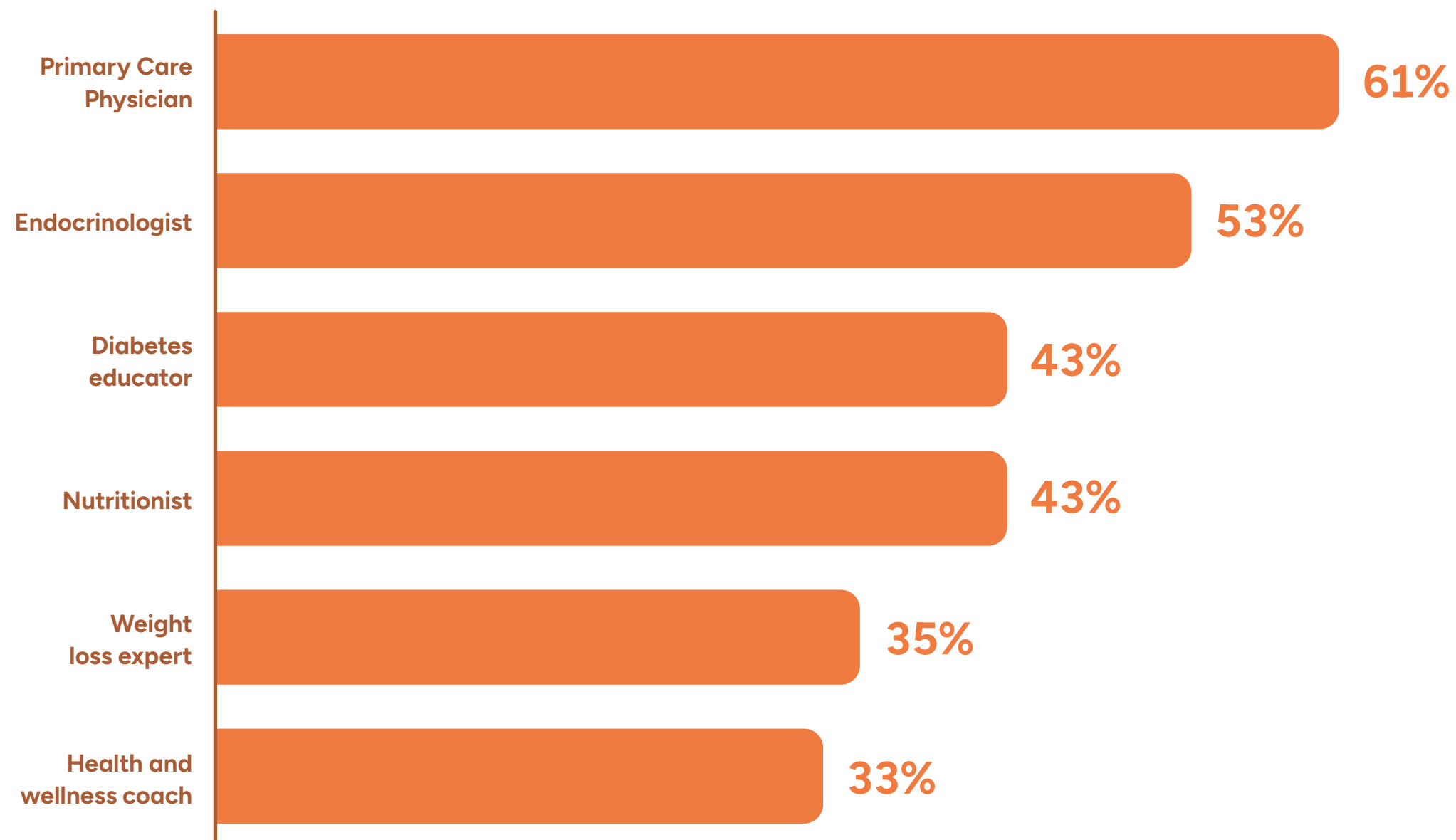
"Living with diabetes is a costly venture. My health coverage is outstanding for the cost and provisions I receive. Having the option to be assisted in reversing my diabetes would be 'icing on the cake.'"



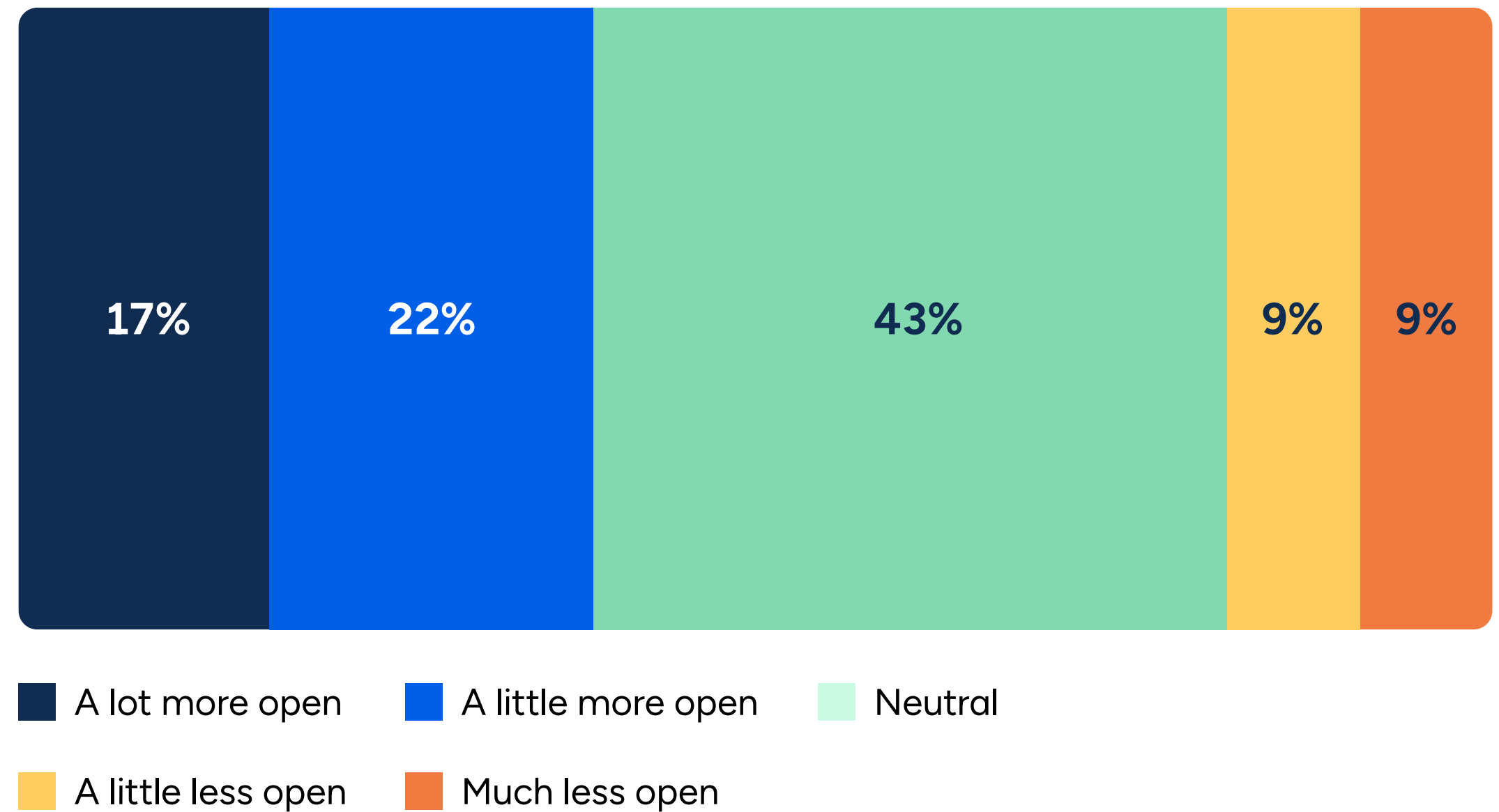
Older adults want to work with virtual providers

Older adults want their primary care physician, endocrinologist and health coaches as their reversal allies. And, despite stereotypes that they aren't tech savvy, many older adults would prefer a virtual reversal experience.

Who are respondents open to working on reversal with (n=995)



More than 1/3 (39%) are very open to a virtual reversal program and another 40% are neutral toward remote coaching (n=995)





What Older Adults with Type 2 Diabetes Look for in a Health Plan

Many older adults with type 2 diabetes look for additional services when choosing a plan

While over 50% of older adults say they are highly satisfied with their health plan, those on Medicare Advantage shop for a plan differently than those with traditional Medicare. There were also differences in the shopping habits of older adults who are on insulin versus those who are not. When choosing a plan, most cite additional services as a top reason for choosing Medicare Advantage over traditional Medicare.



Shopping habits differ between people with Medicare and people in Medicare Advantage

Medicare Advantage enrollees are more likely to consider other coverage options during open enrollment than those with traditional Medicare.

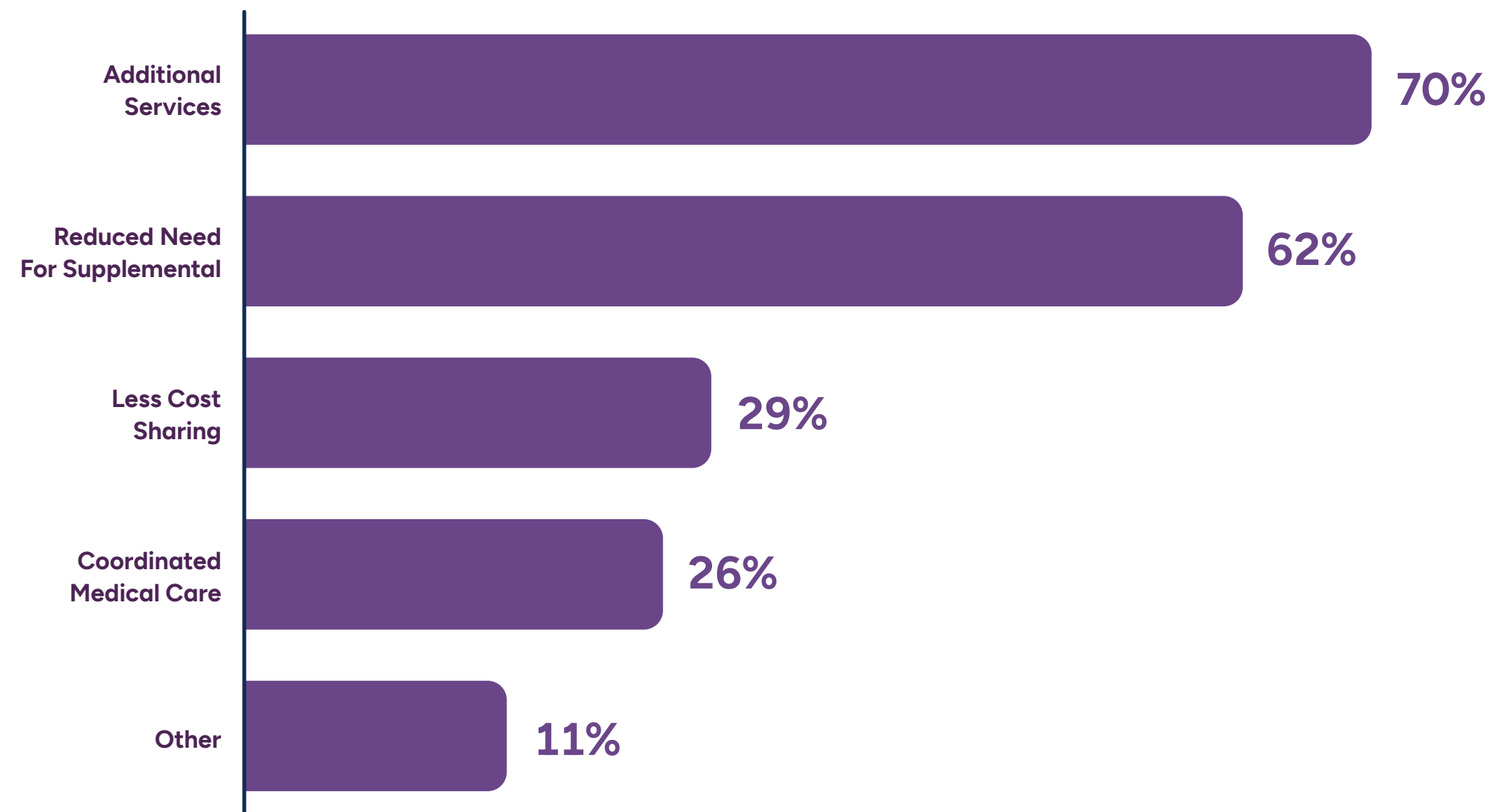


Most choose Medicare Advantage for additional services

Provider restriction is a top factor for those who don't select Medicare Advantage.
 Prior authorization and specialist referral also factored into decision-making.

Top reasons for choosing Medicare Advantage over traditional Medicare

(n=557, people in Medicare Advantage)



Top reasons for not choosing Medicare Advantage

(n=438, people not in Medicare Advantage)



Most adults 65+ are satisfied with their coverage

58% of respondents on Medicare Advantage and 57% of respondents on Medicare are satisfied with their health coverage plan. Here's what they have to say.

Medicare Advantage: Respondents are willing to trade extra benefits and lower costs for network restrictions

"It gives me the best coverage out of my choices, \$0 premium, usually reasonable copays, has extra benefits (OTC, dental, vision, i.e.), covers all my meds including insulins"

"Some of my doctors aren't on this plan. I'm paying co-pays that I didn't have with other plans. That being said, most co-pays are less than those I paid with my last plan so it probably evens out."

"Lately I have been having trouble getting timely care from my primary care physician and they often don't have any backup for her. The people who initially answer the appointment line seem to be rather new to the system and don't know how to help me get help."

Traditional Medicare: Respondents like broad provider network but worry about out-of-pocket costs

"Most needs are covered, although the deductible can be high. If I want full coverage I must separately purchase a Part D Rx plan and dental insurance. Hearing aids aren't covered."

"The plan has a lot of out-of-pocket payments, and although it is not classified as a high deductible, the total out-of-pocket before the 20% pay is still high. The prescription plan is very limiting, forcing changes in what I use for testing and medication for blood glucose control."

"It is widely accepted and I don't worry if I have to go to a doctor."



Type 2 Diabetes Reversal: an Important Benefit

Older adults with diabetes want reversal as a benefit

We know that many older adults with type 2 diabetes are interested in and motivated to try diabetes reversal. But how important is it as a covered benefit under their health plan?

When compared against other supplemental benefits, diabetes reversal comes out on top as the most desired one for both Medicare Advantage members and those with other coverage.

Reversal is more important to older adults than enhanced vision and dental services.



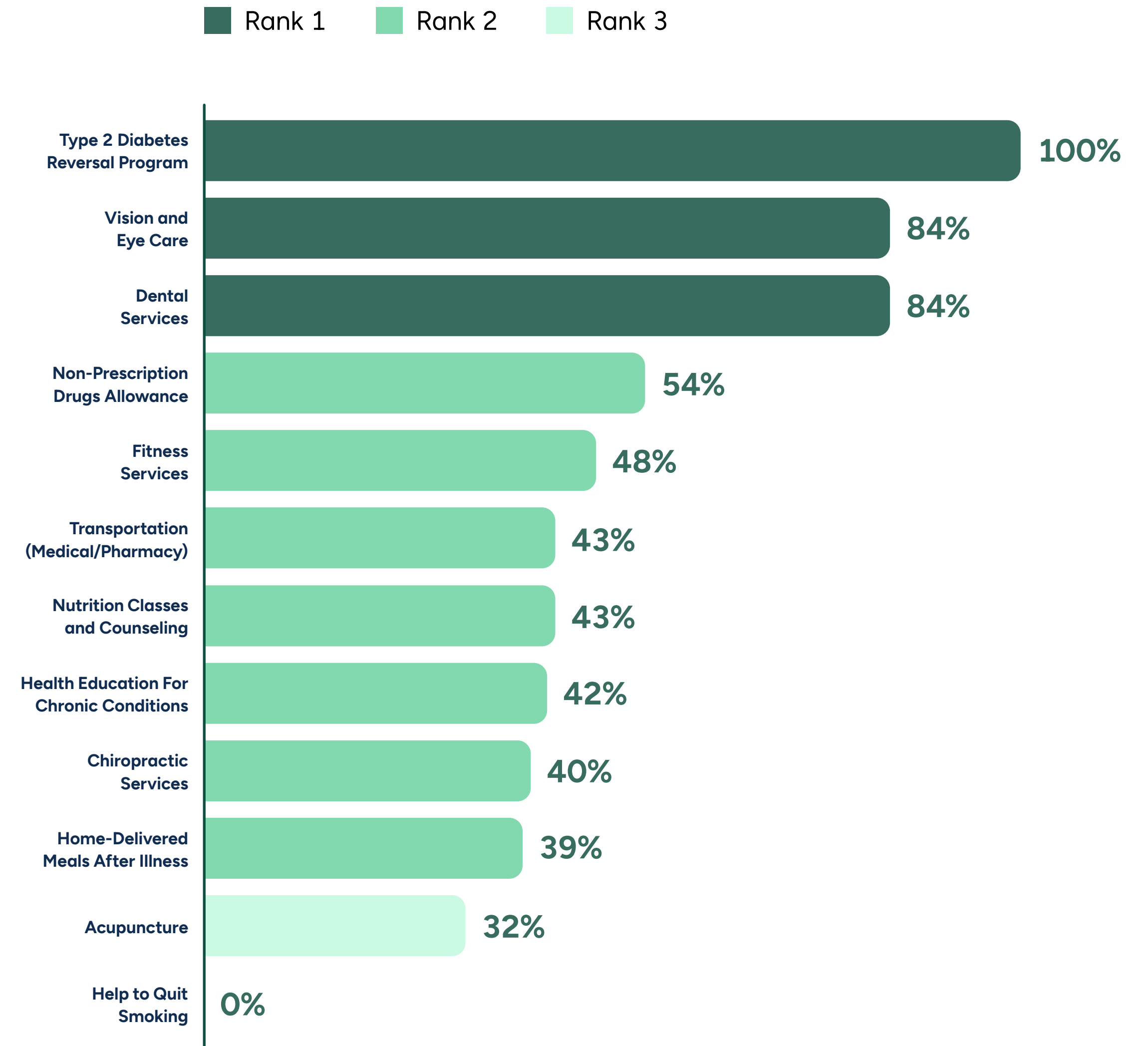
If offered, diabetes reversal is the most desired supplemental benefit

When comparing different bundles of supplemental benefits, respondents indicated that diabetes reversal is most important to them—ahead of enhanced vision and dental services.

Benefits in the same rank are not statistically different from one another. Importance scores have been ranked by statistical testing at the 90% confidence level. Importance is a relative measure of the range of level utilities for the benefit compared to all the other benefits.

For example, we can say that a type 2 diabetes reversal program is approximately two times more important than fitness services and three times more important than acupuncture.

Most Important Supplemental Benefits (n=995)



Diabetes reversal would be a reason to switch plans

Older adults with type 2 diabetes expressed significant interest in a diabetes reversal benefit. But would it materially impact their decision to choose a certain plan? Would it change their opinion of their plan if reversal was offered?

Most notably, a diabetes reversal benefit would be a reason for Medicare Advantage and original Medicare beneficiaries to switch plans.



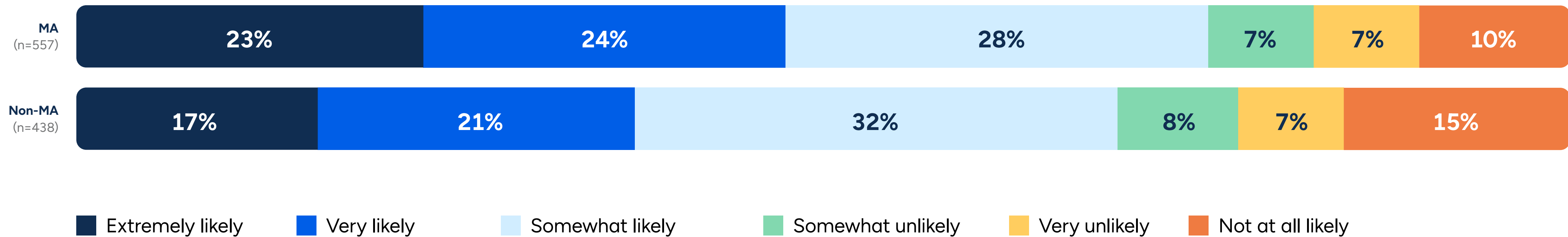
47% of Medicare Advantage beneficiaries would switch to a different health plan if it offered diabetes reversal

Diabetes reversal would not only increase plan satisfaction, but it would also be a leading factor for some beneficiaries to change coverage. Diabetes reversal would be a reason for 47% of current Medicare Advantage beneficiaries to switch plans. For beneficiaries on traditional Medicare, 38% would consider switching out of traditional Medicare to a Medicare Advantage plan if it offered diabetes reversal.

★ Key learning

Assuming cost and coverage does not change, 47% of Medicare Advantage and 38% of original Medicare beneficiaries would be extremely likely to switch to a plan that covers diabetes reversal

Likelihood to switch to a plan if it offered a diabetes reversal program



More positive reactions to diabetes reversal as a covered benefit

“My healthcare plan covers many things, but to my knowledge does not cover a diabetes reversal option. It would greatly improve my opinion of my current health plan to be able to stop taking metformin and stop pricking my fingers.”

“I need help getting the discipline to eat/exercise properly, and organize my life to fit it in. If my health plan could help with this big picture of my total life situation, that within which I am or am not successful, it would make all the difference in the world!”



In closing

More than half of older adults living with type 2 diabetes are motivated to reverse it.

Respondents report that they want to get off medication, have a better quality of life, and worry less about the potential for future complications. But many crave more guidance and support, and worry about reversing diabetes on their own. While traditional healthcare providers like primary care physicians and endocrinologists are seen as top allies in the journey to reversing type 2 diabetes, those 65+ also express a strong appetite for working with health coaches and participating in virtual programs.

They are also more likely to choose a plan and rate it highly if it offers reversal as a benefit. Given the demand in the MA population, offering diabetes reversal is a win for Medicare plans and older adults with type 2 diabetes. Reversal can reduce medical costs associated with type 2 diabetes, drive member growth and retention and support members' desire for a healthier future.



Additional detail on conjoint analysis

This study used a conjoint analysis methodology to replicate real-life behavior and randomize the options for the most accurate results. Our goals were to understand how much value do members place on individual benefits when choose between plans? What tradeoffs do members unconsciously make when selecting one set of benefits over another?

Conjoint Analysis Method

Participants were shown descriptions for 12 different benefits:

- Health education for chronic conditions
- Chiropractic services
- Type 2 diabetes reversal program
- Non-prescription drugs allowance
- Transportation for medical and pharmacy visits
- Fitness services
- Help to quit smoking
- Home-delivered meals after illness
- Enhanced vision and eye care services
- Enhanced dental services
- Additional acupuncture
- Nutrition classes and counseling

Participants were shown two separate packages of possible MA benefits and selected which option was best for them.

Benefit Package A	Benefit Package B
Select	Select

All 12 benefits were randomly assigned between two unique groups of six for each package.

Participants repeated this activity 10 times, with the set of benefits different each time.

By randomizing the benefits list and having participants repeat the exercise, we eliminated any possibility of diabetes reversal consistently appearing with other favorable options.

About Virta

Virta Health helps people reverse type 2 diabetes and other metabolic conditions. And reversal means more than a reduced A1C, deprescription, and weight loss. Our patients also tell us they feel empowered and are retaking control of their lives.

Learn more at virtahealth.com or email partner@virtahealth.com to offer Virta to your Medicare population.

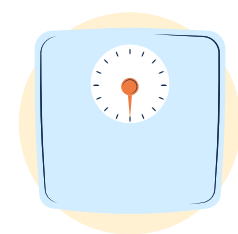
Older adults are reversing their diabetes with Virta⁴

After one year (n=184)



A1c Reduction:
0.7 from 6.8% to 7.5%

(n = 61)



Weight Loss:
23 lbs



Diabetes Medication Elimination: 58%

(excluding metformin)



Retention:
74%



"I would tell anyone with type 2 diabetes who is considering joining Virta to prepare for a life-changing journey."

Sheila, 68



"My Virta doctor and health coach work together to closely supervise my treatment. I never have to wonder if I am doing the right thing safely."

Ron, 72



"My Virta care team helped me understand my personal reason for wanting to reverse diabetes. I did it for my family, for my husband and my children."

Retha, 68



"I have increased energy and better sleep. I can now keep up with my two grandchildren, who are both under 3!"

Eileen, 74

4. Clinical outcomes among real-world patients age 65 or older and with type 2 diabetes at enrollment treated one year, March 2021. Weight utilizes 3d average carried forward from last recorded in case of missing data at one year. Med Rx elimination is the percentage of non-metformin diabetes medications at baseline discontinued one year into treatment; if a patient was prescribed multiple insulins, all insulins had to be deprescribed to consider the medication eliminated.

