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The Crippling Costs of Diabetes: How Insurance Companies and Poor Diets are Worsening the Chronic Disease

For those unaware, diabetes is a disease affecting insulin production, a hormone produced by the pancreas for controlling blood sugar. After food is consumed, most of it is turned to sugar and released in the bloodstream, where insulin helps connect the blood sugar to the cells.

Without insulin, you will die. There are two general variations of it - a genetic condition, type 1, and an environmental condition, type 2. Together, the two conditions affect around ten percent of the US population, and it is estimated that half a billion people worldwide will have diabetes by 2040. That means the demand for insulin is staggering and becoming a necessity for public health. However, despite the growing necessity, obesity and insurance scams are two of the main reasons behind diabetes becoming so problematic.

OBESITY

Diabetes is composed of two different types, a genetic condition and an environmental condition. While there is no way to avoid type 1 diabetes currently, the environment most suited for developing type 2 is an inactive lifestyle with a diet rich in fat and sugar, as that lowers the sensitivity of blood cells to insulin [1](#) – which also happens to be how obesity develops. As such, obesity and diabetes are intimately connected. According to the CDC, 1 in 3 Americans have at least prediabetes,[2](#) while, according to the National Institute of Diabetes, 1 in 3 people are

overweight.³ The connection between obesity and diabetes becomes even more concerning when the CDC establishes that “Of all diagnosed cases, 5.8% were type 1 diabetes, and 90.9% were type 2 diabetes”.⁴ That means that nearly 90 percent of all diabetes is related in some way to obesity, that nearly 90 percent of all diabetes should be preventable and avoidable. The question then becomes how to solve obesity - a much larger, more complex issue.

People need to be educated about obesity and supported in changing their diet and activity level, rather than being given food and a gym membership. There is simply no way to guarantee success because diet and health are personal choices, and a freedom that can't be taken away. This war on obesity has been fought before, and while adult obesity would have to be looked at in a unique way, the movement would look very similar to the “Let's Move” program.

Started by Michelle Obama in 2010, the “Let's Move” program was designed to combat childhood obesity by providing young students with proper lunch meals and portions, with a focus on balancing different categories of nutrition – carbs, proteins, and vegetables. The results were met with mixed reviews, according to a 2014 study by the CDC: “Their data suggested that childhood obesity rates have been climbing through the years, jumping from 27.5 percent in 1999 to 33.2 percent in 2014.”⁵ Contrast that with the earlier data: “Only 8 percent of 2- to 5-year-olds were obese in 2012, down from 14 percent in 2004.”⁶ Although the CDD article claims that daycares have improved their “nutrition and physical activity”⁶, the potential success of the program is somewhat limited.

While it offered healthy school meals to students, the program didn't properly educate them about the meals that they were eating. It conditioned them to eat healthily rather than developing an understanding of how to plan healthy meals. Had there been proper education, the “Let's Move” campaign could have seen an even greater success of lowering obesity rates in

young adults. And because it was a school lunch program, there was no way of feeding kids outside of school. While the program lessened the burden, the financial responsibility of feeding kids healthy meals still fell on the parents.

However, with over 37 million people under the poverty level⁷, a proper diet becomes difficult – healthy food tends to be expensive. According to producepriceindex.com, fruit can be marked up as high as 300% the cost at a farm, with leafy greens like lettuce nearing the 500% mark⁸. However, as stated by Harvard University, a proper diet consists of vegetables, protein, and whole grains ⁹. While costs can vary depending on the store, the season, and the ingredients, an example dinner could be ¹⁰:

- Vegetables and fruit – half of the plate
 - Expected costs for a serving of corn: \$.68
 - Expected costs for applesauce: \$.34
- Protein – a quarter of the plate
 - Expected costs for a serving of chicken: \$2
- Whole grains – a quarter of the plate
 - Expected costs for a serving of brown rice: \$.80

Although the total cost is under \$4 per person, this is just a sample dinner. A study by the USDA from the February of 2022 found that a family of four can easily reach over \$300 a week trying to be healthy, with the (bare minimum) weekly costs ranging from \$33 to \$79 depending on the age of the individual¹¹. With \$30,858 as the median household income for Cleveland, Ashtabula, and Akron¹², families in urban areas often fail to reach those nutritional goals.

So, while healthy meals are not impossible, low income, high mark-ups, and a lack of nutritional knowledge are adding to the highest obesity rates ever recorded. For the rate of diabetes to be lowered, obesity must be challenged – and for obesity to be challenged, there needs to be a better support system for adults.

INSURANCE

By far, healthcare is the most complicated piece of diabetes treatment. While the government started Medicare and Medicaid as healthcare options for those who couldn't afford expensive insurance premiums, diabetes fails to be mentioned anywhere in their outlines. Medicare essentially covers those 65 and older or those who depend on Social Security Disability Insurance, while Medicaid tries to cover the emergencies for those not eligible for Medicare. [13](#) Both plans have basic rights that are outlined by the federal government, such as hospital visits and transportation, [14,15](#) but states can alter coverage so long as those basic rights are met. However, those basic requirements don't factor in diabetes, and as such, it falls on private insurance companies to cover the difference, often at a premium.

The three most profitable insurance companies – UnitedHealth, Anthem, and Centene [16](#) – made a combined 25.2 billion dollars in 2021 alone ([17,18,19](#)) causing their policies to be adopted by nearly all other insurance companies. The 2021 SBCs (Summary of Benefits and Coverage) are used as a guide for the customer to understand their coverage, and the SBCs for all three companies are nearly identical. ([20 21,22](#)) They all use an example man named Joe, who suffers from type 2 diabetes. Joe will be expected, on average, to:

- Have a yearly medical expense of \$5,600
- Require doctor's visits, blood work, insulin, and glucose monitoring

- Cover over 40% of the cost of insulin
- Pay an expected out-of-pocket cost of \$1,700

That example doesn't sound outrageous or impossible. While the out-of-pocket costs a total of around \$150 a month, diabetes can be managed. Realistically, however, the costs start to get complicated after that. Classified as a tier 3 drug, both Anthem and Centene only cover half of the cost, while UnitedHealth covers 70 percent – meaning that Joe might pay much more depending on what company he uses for insulin. According to the ADA,[23](#) Joe's story looks more like:

- A yearly cost of \$9,601
- Blood work represents 30% of yearly costs
 - Joe's out-of-pocket costs average 40% for blood work, totaling \$96 a month
- Insulin represents 30% of yearly costs
 - Joe's out-of-pocket costs average 45% for insulin, totaling \$108 a month
- Test strips and diabetic supplies represent 15% of yearly costs
 - Joe's out-of-pocket costs average 100% for supplies, totaling \$120 a month
- Doctor's visits represent 13% of yearly costs
 - Joe's out-of-pocket costs average 80% for doctor's visits, totaling \$83
- Joe's total monthly out-of-pocket costs total \$407 a month

Suddenly, Joe is in over his head. The coverage and guidelines that insurance companies provide are designed in such a way that appearances are deceiving, and a chronic condition like diabetes gets overlooked. The above example from the ADA is just that, an example. According to Forbes “Newer versions of insulin retail for between \$175 and \$300 a vial. Most patients with diabetes need two to three vials per month, and some can require more.” [24](#) Evenly divided per month,

the \$9,601 yearly cost clears \$800 - a single dollar away from the \$801 monthly cost of rent in Ohio [25](#) at the time the ADA's study. Despite offering more than the basic outlines for healthcare by the government, private insurance companies fail to support those with lasting conditions like diabetes.

HOPE

However, there are some silver linings to this problem. While coverage is usually limited to those with lower income, some states allow you to have access to Medicaid no matter your income – by a process known as “spending down”. Medicare.gov states that “The ‘spend down’ process lets you subtract your medical expenses from your income to become eligible for Medicaid. In this case, you're eligible for Medicaid because you're considered ‘medically needy.’”[15](#) No matter what income, an expensive procedure or surgery can cause strain on the budget, but by implementing the ‘spend down’ process, things that would be covered under the Original Medicaid are taken care of. It is another safety net for overly expensive healthcare.

Additionally, as of April 1st, 2022, the House of Representatives has passed the Affordable Insulin Act – an act that would see the cost of Insulin capped at \$35 monthly, so long as that person has insurance. According to WedMD, “The cost of insulin for patients with insurance ranges from \$334 to \$1,000 a month”[27](#), and the \$35 a month cap would help astronomically. The lowered costs of insulin will most likely be offset by raising premiums, the main reason the bill faced opposition - “Republicans in the House and Senate have generally opposed the insulin bill because it could raise insurance premiums for consumers and costs for insurers.”[27](#) While it is possible that mark-ups in other areas will occur, this is a major step in the right direction in making healthcare affordable for those with diabetes.

WHAT ALL THIS MEANS

While there is no debate that diabetes is a complicated issue, unnecessarily complicated and for-profit solutions make treatment unaffordable for most of those living with the condition. It is fatal if left untreated, yet millions of people living with it can't afford proper treatment because they can't afford proper insurance. High mark-ups in grocery stores limit the number of people that have access to healthy meals, and a lack of education about meal planning leads to unhealthy alternatives. The staggering numbers of those afflicted has brought notice to the world, and is slowly creating change, but in order to end the epidemic that is diabetes, the problems of both insurance and obesity would have to be addressed.

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