

## **Assessing Needs to Support Sustainability: Pharmacy-Based Diabetes Self-Management Education and Support (DSMES) Services**

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U.S. CENTERS FOR DISEASE  
CONTROL AND PREVENTION

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### **Introduction**

More than 1 in 10 Americans are living with diabetes,<sup>1</sup> and the rates are higher in rural and other hard-to-reach communities.<sup>2</sup> Diabetes self-management education and support (DSMES) services have been shown to help people with diabetes prevent or delay complications, avoid emergency care, and reduce health care costs.<sup>3-6,7,8</sup> Yet DSMES remains vastly underutilized.<sup>9,10</sup>

Pharmacies are uniquely positioned to help close this gap in service utilization and support diabetes management. In fact, pharmacies are among the fastest-growing providers of DSMES services. Their accessibility and trusted relationships with patients make them especially important in medically underserved communities, where it can be hard to connect with services.<sup>11-16</sup> Further, pharmacy-based DSMES programs are effective—studies show that participants have reduced their A1C and improved self-management.<sup>15-17</sup>

Despite strong potential and demonstrated commitment to patient care, pharmacies are discontinuing DSMES services at a concerning rate. Pharmacy-based DSMES providers are relinquishing their accreditation or recognition status more often than other provider types.<sup>18</sup>

To better understand the challenges pharmacy-based DSMES services face, the Centers for Disease Control and Prevention's (CDC's) Division of Diabetes Translation conducted a formative needs assessment that included:

- A literature review and environmental scan.
- Interviews with five pharmacists offering DSMES and four subject matter experts who advise pharmacists on DSMES implementation.<sup>19</sup>

This white paper highlights findings on the sustainability of pharmacy-based DSMES services, challenges pharmacies face in delivering these services, and how to help programs become more sustainable.

### **Financial Sustainability of Pharmacy-Based DSMES Services**

Pharmacists and subject matter experts cite financial viability as a key challenge to sustaining DSMES services. Problems with insurance billing and reimbursement, policy restrictions, unbillable program operating costs, and other financial challenges can make it hard for pharmacies to break even on DSMES services, let alone turn a profit that would allow services to be maintained over time.

One study of 12 rural pharmacies in Colorado reported an average annual net profit of just \$1,810 per pharmacy.<sup>13</sup> This estimate does not account for the substantial unbillable labor hours—often performed by pharmacists themselves—that are required to deliver DSMES. This minimal profit would likely be wiped out if the unbillable labor of operating the program were included.

**Pharmacists and subject matter experts agreed: If barriers are not addressed, DSMES services are not likely to be financially sustainable for pharmacies that rely solely on insurance reimbursement.**

*“We are in the red all the time. We have been for the last 12 years.”*

*—Pharmacist*

*“I can tell you right now with certainty, if we are looking solely at generating revenue and excessive expenses, none of our pharmacies [in our program] are meeting that [sustainability] goal.”*

*—Subject matter expert*

Despite these significant operational and financial challenges, many pharmacists are highly motivated to offer DSMES services. They consistently expressed a strong desire to help their communities and expand access to health services.<sup>19</sup> Pharmacists already have training and education that make them well-suited to offer DSMES services, especially those who get certified as diabetes care and education specialists. They are also enthusiastic about expanding their role beyond dispensing medication to educate people with diabetes. Pharmacists reported they were willing to provide DSMES services even when it meant losing money.<sup>19</sup>

## Factors Impacting Sustainability

Several interrelated challenges contribute to the instability of pharmacy-based DSMES services, including insurance, staffing, and enrollment challenges.

### Insurance

**Restrictive policies and coverage limitations:** Insurance coverage of DSMES services and requirements for reimbursement vary by state and health insurance payers.<sup>19</sup> Many payers, including some state Medicaid programs, do not include pharmacy-based DSMES services as a covered benefit. When it is a covered benefit, payers typically have extensive restrictions, including:

- Requiring a referral from a physician or other primary care provider.
- Limits on the number of hours covered.
- Rules related to reimbursement for one-on-one vs. group-based DSMES services.

Pharmacy-based DSMES services often rely on Medicare as their main source of income due to lack of coverage from other payers.<sup>19</sup> However, even with Medicare (which uses the term diabetes self-management training [DSMT] instead of DSMES when defining the reimbursable benefit), getting reimbursed is sometimes challenging.

**Billing and reimbursement challenges:** Pharmacists and subject matter experts reported major difficulties navigating payers' billing systems and getting reimbursed for services provided.<sup>19</sup> Pharmacists identified multiple pain points when trying to bill for DSMES services, including:

- **Complex billing code requirements and related technology/software issues.** (Health care providers who offer DSMES services appear to have a simpler, less error-prone process.)
- **Unclear customer service** from Medicare Administrative Contractors, including information that was often incorrect or contradicted previous guidance.
- **Incorrectly denied and delayed payments** that can take up to 2 years to be resolved, even when paperwork is submitted correctly.

*"I've devoted I can't tell you how many hours being on the phone and sending emails and submitting applications and then submitting applications to deactivate applications. Still don't feel like I've gotten anywhere. Hopefully, at some point we'll get a paid claim. It takes a lot of time, a lot of energy that pharmacists just don't have."*

—Pharmacist

**Low reimbursement rates:** Even when DSMES services are a covered benefit and pharmacies can get costs reimbursed, the low reimbursement rates make it hard to turn a profit.<sup>11, 12, 14, 19-21</sup> As mentioned above, the amount that pharmacies get from a payer rarely covers the true cost of operating DSMES services. This presents a significant challenge to keeping programs going and makes maintaining required accreditation or recognition status hard to justify.

## Staffing

Delivering DSMES services requires considerable administrative and operational effort—documentation, billing, scheduling, and reporting—much of which is not reimbursable.

This work often falls on already overextended pharmacists, who often don't have additional support due to the low reimbursement rates they receive for DSMES. Pharmacists spend considerable time on unbillable labor—promoting services, recruiting participants, completing accreditation or recognition requirements, identifying funding sources, navigating billing challenges, and documenting and sharing patient outcome data.

## Enrollment

Pharmacists also reported difficulty maintaining sufficient enrollment in DSMES programs over time.

When payers require a referral from a health care provider, pharmacists must spend extensive time and resources promoting their DSMES services to providers to ensure they keep receiving referrals.

## Supporting Sustainability: Partner Organizations and Resources

A key to success is support from external organizations in setting up and implementing an accredited or recognized DSMES program.<sup>11, 13, 14, 19, 21</sup> Key partners mentioned by pharmacists and subject matter experts include:

**Professional organizations that credential DSMES services:** The Association of Diabetes Care & Education Specialists and the American Diabetes Association set the standards for implementing DSMES and ensure all accredited DSMES providers are following requirements. They are the only organizations authorized to accredit/recognize DSMES services. They provide guidance, ongoing training, and technical support (including answering billing questions), and individual feedback.

**Pharmacy organizations and networks:** Community Pharmacy Enhanced Services Networks (CPESNs), national pharmacy associations (e.g., National Community Pharmacist Association, American Pharmacists Association), and pharmacy consulting groups provide training, support, and turnkey resources specific to the needs of pharmacists offering DSMES services.

**CDC:** [CDC's DSMES Toolkit](#) offers extensive resources for setting up and delivering DSMES services as part of an accredited or recognized program. The toolkit features recommendations and promotional materials for marketing DSMES services to health care providers and people with diabetes. The [DSMES Medical Billing Playbook for Pharmacies](#) describes how to get Medicare reimbursement for DSMES.

**State health departments:** These organizations provide grants, promotional support (including marketing materials), and connections to other local resources and partners. Nearly every state has a CDC-trained DSMES State Specialist who provides technical assistance and support to DSMES service providers.

**Local partners:** Community organizations, local and state diabetes associations, and academic institutions offer resource and information sharing, support with outreach and promotion, and training opportunities. For example, Diabetes Management NC developed a [Pharmacy DSMES Toolkit](#) that gives pharmacists an overview of what's involved in delivering DSMES, along with links to additional resources for more in-depth information.

## Implications and Areas for Further Exploration

While pharmacy-based DSMES services hold great promise to help people with diabetes manage their condition, financial challenges remain the biggest barrier to sustainability of these programs. Pharmacists and subject matter experts suggested the following strategies and priorities to help improve the financial sustainability of these services:

**Foster a supportive payer environment:** Pharmacists noted that their DSMES services could be more sustainable if there were more supportive insurance coverage with fewer restrictions.

Given that Medicare accounts for the majority of reimbursement received by many DSMT (DSMES) providers, it might play a role in determining the financial viability of programs. Addressing Medicare challenges could significantly reduce the administrative burden on pharmacists, who spend many unbillable hours navigating billing challenges or appealing denials for qualified services.

Extensive eligibility criteria for DSMES benefits—including referral requirements, limits on the number of hours covered, and complex rules for coverage of one-on-one sessions—also could limit enrollment and reimbursement for DSMES services. Removing or relaxing referral requirements (e.g., expanding the types of health care providers who are eligible to refer, or allowing pharmacists to directly enroll patients) could help pharmacists enroll participants more easily and reduce the administrative burden.

Expanding the pool of payers to include employers, state Medicaid programs, and private insurers could help make DSMES services a covered benefit for more people with diabetes and open new funding streams for pharmacies. To improve sustainability, payers could increase reimbursement rates, reduce eligibility restrictions, and simplify the billing and reimbursement process for pharmacies.

*“I think the first thing [pharmacy-based DSMES providers need] is a payer landscape—whether that’s an employer, whether that’s a high Medicare area, managed care area—that allows pharmacies to bill for DSMES. Or Medicaid system that allows pharmacists to bill for that. – Subject matter expert*

*“I think number one, it has to be a reimbursable service. And not only one that’s reimbursable, but that is easy to get reimbursed—or at least doable.” –Pharmacist*

**Increase awareness of insurance coverage of pharmacy-based DSMES services:** State Medicaid programs and state agencies can review coverage and restrictions of pharmacy-based DSMES services and clearly communicate about coverage of these services to referring health care providers, pharmacists, and partner organizations. State health departments and others can explore opportunities to collaborate with local pharmacies and increase payments for pharmacy-based DSMES services to help them sustain their programs.

**Provide marketing support for pharmacy-based DSMES services:** Pharmacists need help connecting and maintaining relationships with health care providers who can refer patients to their DSMES programs and support enrollment. State health departments and other partners could play a more substantial role in promoting DSMES services to their local health care providers so the burden of time and resources does not fall solely on pharmacies. In addition to marketing to health care providers, direct-to-consumer advertising about the benefits of DSMES services could help increase awareness and enrollment.

**Leverage pharmacy networks for operational efficiency:** Pharmacy networks like CPESNs might reduce the burden on individual pharmacies by sharing infrastructure, tools, and technical support for delivering patient care like DSMES services. Pharmacy networks offer training; shared technical support and problem solving; and ready-to-use resources for curricula, billing, and program operations.



They can also help negotiate contracts with payers or complete credentialing paperwork on behalf of all pharmacies in the network. This collective approach improves efficiency and makes participation in care programs more sustainable.

While these strategies reflect insights from pharmacists and subject matter experts, their real-world feasibility and effectiveness have not yet been established. Pilot programs and evaluations may be needed to test and refine these approaches before broader implementation.

## Conclusion

Pharmacists are well-positioned to deliver DSMES services to help people with diabetes successfully manage their condition. Many are already doing so at a financial loss out of commitment to their communities. Without systemic changes, most pharmacies may be unable to sustain DSMES services. Despite growing interest in offering these services among pharmacies, the challenges of limited insurance coverage, strict eligibility requirements (e.g., requiring a referral from a primary care provider), insufficient reimbursement, billing challenges, and substantial unbillable labor could make it hard for pharmacies to operate their accredited or recognized DSMES program.

Improving insurance coverage, reducing billing burdens, increasing referrals, and providing technical and promotional support can help ensure that pharmacies are not only willing but financially able to offer DSMES over the long term. Investing in the sustainability of pharmacy-based DSMES services is not just a matter of supporting pharmacies—it's a strategy to expand access to effective diabetes care in communities across the United States. With the right support and infrastructure, pharmacies can play a powerful role in helping more people with diabetes live healthier lives.

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