



DSMES

Budget Projection

Template Instructions

Introduction

Diabetes self-management education and support (DSMES) is an evidence-based program to help people with diabetes manage blood sugar, improve overall health, foster healthy coping strategies, and prevent or delay diabetes-related complications. DSMES participants have been [shown](#) to have better diabetes-related outcomes, including reductions in A1C and all-cause mortality and improvements in quality of life and self-efficacy (see additional studies that highlight the benefits of DSMES [here](#), [here](#), and [here](#)). DSMES and diabetes self-management training (DSMT) refer to the same program, where DSMT refers to the recognized term for the specific services covered by Medicare. We will refer to the program as DSMES/DSMT in this document.

This document, the *DSMES Budget Projection Template Instructions*, is meant to be used alongside the *DSMES Budget Projection Template* to help the DSMES/DSMT providers and other interested parties identify the decisions and data needed to estimate the total potential revenue for offering DSMES/DSMT services to a certain group and within a specific time period. This document also explains how to interpret the results of the *DSMES Budget Projection Template*.

The *DSMES Budget Projection Template* can also be used by a payer to develop a budget when considering adding DSMES/DSMT as a newly covered benefit. The results may be used to determine an estimated return on investment (ROI).

This *DSMES Budget Projection Template* is structured based on Medicare's DSMT benefit. It contains one tab for the "Initial Training Period" and a separate tab for the "Follow-Up Period" (training received by program participants in subsequent years after the initial training period). It can be customized to calculate costs for most state Medicaid benefits, many of which are based on Medicare's allowable session limit and reimbursement structure.

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Step #1: Determine Total Reimbursement Per Participant by Session Type

Determining Reimbursement Amounts

An estimate of total reimbursement per participant is found by inputting the total reimbursement amount per 30-minute unit and the number of allowable hours. Follow the instructions below to determine this total for the initial training period and follow-up period.

$$\text{Total reimbursement per participant} = [\text{Reimbursement amount per 30-min}] \times 2 \times [\text{Number of allowable hours}]$$

There is one row for individual hours, and a second row for group-based hours. DSMES/DSMT providers receive different reimbursement amounts for individual sessions and group-based sessions, and typically there are a certain number of allowable individual hours and a different number of allowable group hours.

Please note: Calculation accuracy relies on the user entering valid data; please refer to payer fee schedules when inputting reimbursement rates and allowable individual or group hours.

Initial Training Period

Medicare and many Medicaid benefits cover up to ten hours of initial training (one individual session and up to 9 group-based sessions). In Step #1 in the *Budget Projection Template*, pictured in the image below, the user may fill in reimbursement amounts of their choice. The 2025 DSMT National Rates are included in the first column “Reimbursement Category” for reference. The Template includes auto-filled values for the number of allowable sessions to align with Medicare’s DSMT benefit. These values can be customized manually.

Reimbursement Category	Reimbursement amount/30 mins	# of allowable hours	Total cost by session type
Individual (CPT G0108) (2025 DSMT National Rate is \$53.05)		1	\$0.00
Group (CPT G0109) (2025 DSMT National Rate is \$15.20)		9	\$0.00
Total Reimbursement Per Participant (if participant completes all hours)			\$0.00

Follow-Up Period

In Medicare and in many Medicaid benefits, two hours of follow-up DSMT in group or individual sessions are allowed each year after the initial DSMT (except Federally Qualified Health Centers (FQHCs) which must provide all DSMT sessions as individual sessions). Follow-up DSMT requires a new physician referral. CMS guidance states that “For beneficiaries who start the initial DSMT in one year and complete it in the following year, the follow-up may start in the month after the initial DSMT is completed. The two hours of follow-up per year can then be furnished on a calendar year basis. For beneficiaries who start and complete the initial DSMT in one year, the follow-up may start as of January of the following year. Any unused follow-up hours will be forfeited.”

The Follow-Up Period tab of the *DSMES Budget Projection Template* is structured similarly to the Initial Training Period Tab. Users will enter their context-specific reimbursement amounts per 30 minutes and the number of allowable sessions. **The Template includes auto-filled values for the number of allowable sessions to align with Medicare’s DSMT benefit for the Follow-Up Period. These values can be customized manually.**

Reimbursement Category	Reimbursement amount/30 mins	# of allowable hours	Total cost by session type
Individual (CPT G0108) (2025 DSMT National Rate is \$53.05)		1	\$0.00
Group (CPT G0109) (2025 DSMT National Rate is \$15.20)		1	\$0.00
Total Reimbursement Per Participant (if participant completes all hours)			\$0.00

Step #2: Determine Estimated Enrollment

The second step in the *DSMES Budget Projection Template* is estimating the number of individuals who will be enrolled and retained throughout the program. This requires an estimation of the 1) number of program-eligible beneficiaries, 2) number of beneficiaries who will enroll after recruitment efforts, and 3) rate of retention.

Initial Training Period

Program-Eligible Individuals

The number of program-eligible individuals is an estimation of adult individuals who meet the eligibility criteria and is the largest number of enrollees possible for the program. It is entered in Step 2a of the *DSMES Budget Projection Template*, pictured below.

Step #2: Determine Estimated Enrollment in Initial Training Period

a. Enter the number of program-eligible individuals.

Note: if choosing to focus on the highest-risk individuals instead of all potential eligible participants, this should be reflected here.

There are two suggested methods to calculate this number:

- **State Medicare or Medicaid claims or Electronic Health Records (EHR) data extraction.** Through data extraction, the user can pull the exact number of Medicare or Medicaid-eligible beneficiaries in their state who meet the eligibility criteria. This is the most accurate method to estimate the total number of eligible beneficiaries. Helpful suggestions on how to use this method are found on the [Screening and Identification for Medicaid Agencies and MCOs](#) page of the Coverage Toolkit.
- **12% of the adult population.** When state-specific Medicare or Medicaid claims data or EHR data is inaccessible, the user may use a substitute calculation of 12% of the adult (18+) population in the area they are planning to offer DSMES services. 12% is the [approximate rate of the national adult population who has diabetes](#). Because the Medicare population may be more likely to have diabetes than the non-Medicare population, this calculation may underestimate the total number of eligible beneficiaries for Medicare. However, it may still be used as an estimate.

Enrolled Beneficiaries

Although recruitment efforts will be made to enroll the greatest number of program-eligible beneficiaries as possible, not all will enroll. There are many strategies states can use to maximize enrollment. Some strategies include reaching patients through multiple avenues, such as mailings, phone calls, emails, text messages, community events, newsletters, or local advertisements. Other strategies include creating relationships with primary care physicians to secure support and referrals. For additional tips on participant recruitment and enrollment, see the [DSMES](#) page and [Recruitment and Referral](#) page of the Coverage Toolkit.

b. Enter the percent of eligible individuals who will enroll in the program.

In Step 2b of the *DSMES Budget Projection Template*, shown above, users will enter an estimate of the percent of the eligible individuals identified in Step 2a who will enroll in the program. Enrolled beneficiaries are those individuals who attend the DSMES/DSMT program at least once. When estimating this number, the following estimations may be used:

- **User Choice.** Given the user’s understanding of the population to which they want to deliver DSMES services, they may be able to estimate the percentage of beneficiaries who will enroll in a year-long lifestyle change program after recruitment efforts have been made.
- **Proportion of beneficiaries that ultimately enroll:**
 - [CDC data](#) indicates that less than the **5%** of Medicare beneficiaries with diabetes and **6.8%** of privately insured people with diabetes have participated in DSMES within the first year of diagnosis.
 - A [study](#) of one primary healthcare federally qualified clinic and two area hospitals found that out of 105 adult patients recently diagnosed with diabetes, 53% were referred to DSMES. Of those who were referred, **34%** received at least some DSMES.

Rate of Retention

The rate of retention is the percentage of individuals who remain active participants in the program. Retention will have an impact upon the total reimbursement as well as the benefits gained by participants. For individuals at higher risk complications related to diabetes, steadier participation in the program will result in a higher rate of diabetes cost avoidance over time. To learn about retention best practices, please see the [Retention](#) page of the Coverage Toolkit.

d. Fill out the retention rates in the table below, in decreasing order.

Attendance	Percent Retention
Individual Sessions	100%
Group Session 1	
Group Session 2	
Group Session 3	
Group Session 4	
Group Session 5	
Group Session 6	
Group Session 7	
Group Session 8	
Group Session 9	

In Step 2d of the *DSMES Budget Projection Template*, pictured in the image above, users will estimate what percentage of enrolled individuals will attend each session. Retention rates vary depending on a number of factors. Users should review the following factors that impact retention and come to consensus on the retention rates that make the most sense for their organization or program.

- **Retention rate falling over time**: In a study of one primary health care federally qualified clinic and two area hospitals, out of the individuals who were referred to DSMES after a new diabetes diagnosis, **17%** received 1-hour assessment, **4%** received partial DSMES, and **13%** received 8 or more hours of DSMES.
- **Mean retention rate of MCO* beneficiaries**: In a survey of 12 Managed Care Organizations (MCOs) in Texas offering DSMES and National DPP lifestyle change program services, the mean estimated retention rate for program participants was **46%**.
- **Delivery method**: Research has indicated telehealth delivery may result in improved retention in the DSMES intervention. Based on a literature review of 15 relevant articles that assessed DSMES retention, interventions that took place in the participant's home (either via phone or in-person with a provider) had an average retention rate of **80%** compared with the same intervention that required the participant to travel to an office (**72%**).
- **Length of session**: As mentioned above, DSMES/DSMT providers can tailor the length of their sessions to their preference, as long as the total number of hours does not exceed the maximum allowable hours as stipulated in the benefit language per the payer being billed. The length of the sessions can impact the retention rates. For example, in a retrospective analysis using a convenience sample of 2017-2021 DSMES data at two local health departments in Eastern North Carolina, two 4-hour sessions was shown to have a higher completion rate than four 2-hour sessions (**19.2% vs. 12.3%**).

* There are unique considerations for Medicare and Medicaid populations that could impact projected retention rates. For example, the eligible Medicaid population is younger and more diverse than the Medicare population, and experiences higher rates of unemployment and partial employment than the general population. To achieve retention rates comparable to the Medicare population, organizations delivering DSMES to Medicaid beneficiaries may need to tailor programs to specific cultural communities and address health-related social needs (HRSN) like childcare, transportation, and mobility issues.

The *DSMES Budget Projection Template* assumes 100% retention for all individual sessions, but customized retention rates can be entered for up to 9 group sessions. **If the number of allowable group sessions is less than 9, the user must enter 0% as the retention rate for all sessions above the number of allowable group sessions.**

Follow-Up Period

Users will follow a similar process for Step #2 of the *DSMES Budget Projection Template* on the Follow-Up Period tab. Users should review their organizational data to determine the total number of eligible individuals (step #2a) and enrollment rate (step #2b).

The Follow-Up Period tab only permits calculations for up to two individual and two group sessions. If the number of allowable follow-up sessions is less than two individual and two group sessions, **the user must enter 0% as the retention rate for all sessions above the number of allowable sessions.**

d. Fill out the applicable retention rates in the table below, in decreasing order.

Attendance	Percent Retention
Individual Session 1	
Individual Session 2	
Group Session 1	
Group Session 2	

Step #3: Budget Projection Results

Initial Training Period and Follow-Up Period

Once the *DSMES Budget Projection Template* has been filled out, the results calculated are the total estimated reimbursement for providing the program and the estimated average reimbursement per participant. The “Output” sections from the Initial Training Period and Follow-Up Period are shown in the image below. These two outputs would need to be added together by the user to get a total revenue or cost estimate for both the initial training period and follow-up period.

Output: Total Estimated Reimbursement of Initial Training Period

Sessions	Cost
Individual Sessions	\$0.00
Group Session 1	\$0.00
Group Session 2	\$0.00
Group Session 3	\$0.00
Group Session 4	\$0.00
Group Session 5	\$0.00
Group Session 6	\$0.00
Group Session 7	\$0.00
Group Session 8	\$0.00
Group Session 9	\$0.00
Total Estimated Reimbursement	\$0.00

Estimated Average Reimbursement Per Participant

\$0.00

Output: Total Estimated Reimbursement of Follow-Up Period

Sessions	Cost
Individual Session 1	\$0.00
Individual Session 2	\$0.00
Group Session 1	\$0.00
Group Session 2	\$0.00
Total Estimated Reimbursement	\$0.00

Estimated Average Reimbursement Per Participant \$0.00

The total estimated reimbursement and the estimated average reimbursement per participant can help DSMES/DSMT providers project potential revenue for offering the program. The *DSMES Budget Projection Template* can also be used by payers to develop their budget when adding the program as a newly covered benefit. The results may be used to determine an estimated ROI.

Please note that some potential costs to payers have not been included in this estimate, such as administrative costs to get the program up and running, and the cost of program supports used to encourage retention.

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