

How Expensive is Diabetes?

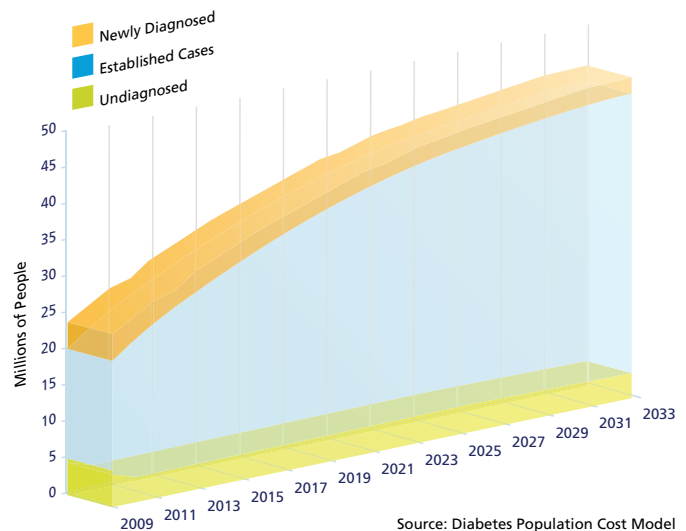
In a recent study published in the peer-reviewed journal *Health Affairs*, researchers from the University of Chicago predict that the diabetes population in the U.S. will almost double over the next 25 years and annual medical spending on the disease is projected to nearly triple, hitting \$336 billion, up from \$113 billion today. The population and costs associated with diabetes are expected to add a significant strain to our overburdened healthcare system unless we make changes in our public or private strategies. Increased screening and better access to care may require additional funding now, but these measures will significantly reduce the costs associated with disease treatment and complications in the long run.

How much will diabetes cost the U.S. over the next 25 years? Will the prevalence of diabetes escalate or will we see a significant decline in the disease? In a recent study published in the peer-reviewed journal *Health Affairs*, researchers tackled the question of its future costs and prevalence using a diabetes-based economic decision-making model. The model presents a realistic way for policymakers to understand the cost of diabetes by projecting future direct spending on diabetes. The "Diabetes Population Cost Model" is a computer simulation that integrates a diabetes progression model with publicly available data from a number of sources.

Created by Michael O'Grady, Senior Fellow at the National Opinion Research Center at the University of Chicago and his research team, this model shows annual expenses of a diabetes program at a cost of \$1,024 per patient are offset by 58% over 10 years, and when carried out to 25 years, are offset by 89%.

In a follow-up article published in the journal *Diabetes Care* in December 2009, the researchers show that the population and cost growth associated with diabetes are expected to add a significant strain to the already overburdened healthcare system in the U.S. unless we make changes in our public or private strategies. This news is not surprising when you compare the skyrocketing costs of healthcare against the growth of diabetes among Americans today.

Projects Distribution of Newly Diagnosed, Undiagnosed and Established Cases of Diabetes, 2009-2034



The study further contends that:

- The diabetes population in the U.S. will almost double over the next 25 years and annual medical spending on the disease is projected to hit \$336 billion, up from \$113 billion today.
- The number of Americans living with diabetes will rise from 23.7 million in 2009 to 44.1 million in 2034. For the Medicare program,

the increases over the next 25 years are even more dramatic.

- The number of Americans living with diabetes and covered by Medicare will rise from 6.5 million to 14.1 million, and Medicare spending on diabetes will almost quadruple, skyrocketing from \$45 billion this year to \$171 billion in 2034.

Projected Direct Spending on Diabetes and Its Complications for Different Cohorts, 2008-2033

