

Direct and Indirect Costs of Diabetes in the United States

- The total annual economic cost of diabetes in 2007 was estimated to be \$174 billion. Medical expenditures totaled \$116 billion and were comprised of \$27 billion for diabetes care, \$58 billion for chronic diabetes-related complications, and \$31 billion for excess general medical costs. Indirect costs resulting from increased absenteeism, reduced productivity, disease-related unemployment disability, and loss of productive capacity due to early mortality totaled \$58 billion. This is an increase of \$42 billion since 2002. **This 32% increase means the dollar amount has risen over \$8 billion more each year.**
- The 2007 per capita annual costs of health care for people with diabetes is \$11,744 a year, of which \$6,649 (57%) is attributed to diabetes.
- One out of every five health care dollars is spent caring for someone with diagnosed diabetes, while one in ten health care dollars is attributed to diabetes.

Related Links:

[American Diabetes Month eAlert Kit](#) (PDF) ([HTML](#))

[Economic Costs of Diabetes in the U.S. for 2007](#) (PDF)

[Diabetes Care Press Releases](#)

[ADA Launches CheckUp America](#)

[Public Service Announcements](#)

[Archived General Press Releases](#)

Contact:

media@diabetes.org

Medical Expenditures Attributed to Diabetes:

- Estimated at \$116 billion, including \$27 billion for care to directly treat diabetes, \$58 billion to treat diabetes-related chronic complications, and \$31 billion in excess general medical costs.
- People with diagnosed diabetes, on average, have medical expenditures that are approximately 2.3 times higher than those without diabetes. Diagnosed diabetes patients account for 5.8 percent of the total U.S. population.
- \$58.3 billion was spent on inpatient hospital care and \$9.9 billion on physician's office visits directly attributed to diabetes.
- Diabetes-related hospitalizations totaled 24.3 million days in 2007, an increase of 7.4 million from the 16.9 million days in 2002. The average cost for a hospital inpatient day due to diabetes is \$1,853 and \$2,281 due to diabetes-related chronic complications, including neurological, peripheral vascular, cardiovascular, renal, metabolic, and ophthalmic complications.

Indirect Costs of Diabetes:

- Estimated to be \$58 billion in 2007.
- In 2007, diabetes accounted for 15 million work days absent, 120 million work days with reduced performance, 6 million reduced productivity days for those not in the workforce, and an additional 107 million work days lost due to unemployment disability attributed to diabetes.
- Diabetes caused 445,000 cases of unemployment disability in 2007.
- The value of lost productivity due to premature death related to diabetes is \$26.9 billion.

Conclusions:

- The increase in the cost of diabetes reflects three causes:
 - the growth in diabetes prevalence;

- medical costs rising faster than general inflation; and
 - improvements made in the methods and data sources influencing cost estimates.
- The actual national burden of diabetes likely exceeds the \$174 billion estimate because it omits the social cost of intangibles such as pain and suffering, care provided by non-paid caregivers, excess medical costs associated with undiagnosed diabetes, and diabetes-attributed costs for health care expenditures categories not studied.
 - According to CDC, in 2007 23.6 million Americans had diabetes, with nearly a third undiagnosed. Another 57 million have pre-diabetes, and are likely to have the disease if they do not alter their living habits. The 23.6 million represents a 13.5% increase from the 20.8 million in 2005. Many factors contribute to this rise, including higher prevalence of overweight and obesity, changes in diagnostic criteria, improved or enhanced detection, decreasing mortality, a growing elderly population, and growth in minority populations in whom the prevalence and incidence of diabetes are increasing.