Diabetes is now the most expensive chronic disease in the United States, with one in every seven health care dollars spent on diabetes expenses. The rising cost of treating diabetes largely tracks the rising cost of prescription insulin, write AAF’s Director of Human Welfare Policy Tara O’Neill Hayes and Josee Farmer. In new research, Hayes and Farmer analyze pricing trends for insulin and describes the factors — particularly rebates — that are contributing to such dramatic price increases.

Their central points:

- Insulin costs, before accounting for any rebates or discounts, comprise an estimated $48 billion (20 percent) of the direct costs of treating diabetes, but after rebates, insulin accounts for 6.3 percent of costs;
- The average list price of insulin increased 11 percent annually from 2001 to 2018, with average annual per capita insulin costs now nearing $6,000, leading to higher costs for patients because their out-of-pocket costs are typically based on the list price; and
- If the trends of the past decade continue, gross insulin costs in the United States could reach $121.2 billion in total spending (or $12,446 per insulin patient) by 2024, but if more recent trends of much slower price growth prevail, insulin spending could total $60.7 billion in 2024 (or $6,263 per patient).