

Facing the Diabetes Cost Crisis: **A Guide for Employers**

Diabetes is not just a personal health issue, it's a major economic burden that significantly impacts businesses across the United States. The latest data reveal the staggering costs associated with diabetes and underscores the urgent need for employers to address this issue proactively.

The Economic Impact of Diabetes

The economic burden of diabetes in the U.S. is substantial, with the total estimated cost of diagnosed diabetes reaching approximately \$412.9 billion in 2022. This figure includes both direct medical and indirect costs.

The Impact on Employers

Diabetes and prediabetes have a profound impact on the workplace:

- **Rising health care costs:** Employers face escalating premiums due to diabetes-related claims, and employees with diabetes incur more than twice the medical expenses compared to those without the condition. This includes costs associated with managing diabetes, complications, and related conditions. Those with prediabetes are at high risk of developing type 2 diabetes.
- **Absenteeism and presenteeism:** Unmanaged diabetes can lead to frequent absenteeism due to medical appointments or illness. Even when present at work, employees may experience fatigue or cognitive difficulties that reduce productivity.
- **Workforce morale and retention:** A supportive approach to diabetes and prediabetes care can positively affect employee morale. Employees who feel their employer cares about their health are more likely to stay with the company, improving retention and attracting talent.

What Employers Can Do

Employers are in a unique position to mitigate the economic impact of diabetes and improve employee wellbeing through the following strategies:

1. Offer comprehensive diabetes management and diabetes prevention programs:

- Provide access to diabetes self-management education and support (DSMES) services for employees with diabetes and prediabetes.
- Provide access to the National Diabetes Prevention Program (National DPP) to help those at risk make lifestyle changes that reduce their likelihood of developing type 2 diabetes by up to 58%.

2. Focus on prevention:

- Offer wellness programs that include nutrition counseling, fitness programs, and weight management initiatives. Incentivize participation in the National DPP to help employees prevent type 2 diabetes and improve long-term health outcomes.

3. Enhance health benefits:

- Review and improve health benefit offerings to ensure affordable access to essential diabetes medications, continuous glucose monitoring devices, and insulin pumps. Reducing out-of-pocket costs for these services helps employees manage diabetes and reach their health targets.

4. Create a supportive work environment:

- Foster a supportive environment with flexible work schedules and healthy food options. This approach supports overall wellbeing and productivity in the workplace.

The Business Case for Employer Action

Investing in diabetes prevention and management offers significant cost-saving opportunities. Given that employees with diabetes incur health care costs that are **2.6 times higher** than those without the disease, these programs can significantly reduce overall expenses. A study funded by the CDC and the National Institutes of Health revealed an average cost saving of \$129 per participant after three years. Given that diabetes can cost approximately \$13,700 annually per person, with about \$7,900 attributable directly to the disease, the National DPP program offers a significant opportunity to reduce these costs. By offering access to DSMES services and the National DPP, employers can mitigate these expenses while improving workforce health.

Resources and Support

The American Diabetes Association® provides resources to support employers in addressing diabetes and prediabetes in the workplace. Through the State of Diabetes toolkit, employers can access educational materials, information on DSMES services and the National DPP, and partnerships to implement these initiatives. Employers are encouraged to explore these resources to foster a healthier workforce and improve employee engagement.