Context for This Session

- Diabetes is a serious and costly illness both in human and economic terms.
- The burden is expected to grow even more substantial in the future.
- The prevalence of diabetes and extent of complications are to some extent preventable.
- What are we learning about ways to shift the paradigm? What stands in the way of greater progress?

Illustrating the Challenges from the 60,000 Foot Level: Federal Programs, Policy and Spending Relevant to Diabetes

- The logic model
- Federal department roles and responsibilities relevant to diabetes
- Federal spending on treatment and disability payments for those with diabetes (compared to those without)
- Other relevant spending: prevention, research and regulation, food assistance

Acknowledgements and Caveats

- Work funded with support of Novo Nordisk’s National Changing Diabetes Program
- Large team of staff from MPR
- To “think big” we had to make simplifying assumptions
- Results likely to be “roughly right” in overview but details may lack precision and comprehensiveness.

Diabetes Contributes Substantially to Federal Costs

- $79.7 billion in extra federal medical spending and $2.5 billion in SSDI/SSI disability payments
- We estimated the extra medical spending is 12 percent of all federal health spending in FY 2005 (one in eight dollars)

Diabetes Treatment Related Costs by Agency

Source: MPR analysis using cost of illness approach.
Note: Excludes any spending on prevention and screening that is the same for those with and without diabetes.
Because of the epidemiology of diabetes, federal programs (especially covering aged and disabled) bear a disproportionate share of fiscal burden of diabetes.

The federal government has many ways in which programs can influence the development and progression of diabetes.

However many activities go under-recognized and uncoordinated, e.g., CDC’s budget is only 11 percent of total relevant prevention funds.

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Ongoing treatment of diabetes and support for people who have impaired functioning due to diabetes

Individual, health system, and social/environmental system variables influence success and ability to avoid disability and other adverse outcomes (including disability and death)

Programs that account for different subgroups of the population at special risk

Context: overall policy and social environment, level of knowledge (research/surveillance)

Federal Activity Relevant to Diabetes - I

Prevention, Education and Assistance Programs: Diabetes focused work concentrated in CDC, NIH, and the Indian Health Service. Broader efforts at disease prevention and health promotion are more widely distributed (HHS, USDA, DOT, HUD, DOI, etc.) and not specific to diabetes.

Medical Treatment and Disability Compensation: Medicare, Medicaid/EGRP, Veterans Health Administration, DoD’s TRICARE, FEHBP, Indian Health Service, Social Security Administration and others.

Distribution of Prevention Spending

Table 4 $3.9 Billion, including $2.2 Billion in other programs relevant to physical activity, diet, and obesity.

*NIH (various Institutes); USDA, Family and Medical Leave Act and disability policy (DOL); health claims and advertising (FTC); food and drugs (FDA); personal and business income tax policy (IRS).

*Other HHS agencies, USDA, VA, and DoD; national data systems (NCHS, AHRQ, Census Bureau, Labor and others); and FDA and other regulatory efforts.

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$3.1 Billion in Federal Funds Supports Research, Monitoring, and Regulation Relevant to Diabetes

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (in billions)</th>
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<tbody>
<tr>
<td>Research</td>
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<td>NIH diabetes related research</td>
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<td>NIH research on related risk factors for diabetes</td>
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<td>Other relevant research in HHS (ARID, CMS, CDC)</td>
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<td>Statistical Systems to Support Monitoring</td>
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<tr>
<td>Related regulation (e.g., FDA, FTC, Commerce)</td>
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Federal Spending on Food Assistance Programs

- About $48.9 billion is spent, mainly by USDA, on food programs (in addition to nutrition guidance).
- $16.5 billion is directly for food and $32.4 billion is spent on food stamps.
- Key programs include Food Stamps, WIC, Child Nutrition Programs (e.g., School Meals), HHS Nutrition Services for Older Persons, and others.

Opportunities at Multiple Points

- Integrate prevention and effective care into treatment programs to reduce complications.
- Leverage families, communities, schools, and the workplace to encourage prevention, detection, and early treatment of diabetes.
- Use existing federal funds in housing, transportation, and other programs to build environments that encourage physical activity.
- Draw upon the large amount spent on food assistance programs to promote healthy eating and physical activity.

Areas for Future Consideration

1. The federal government should take steps to get the most out of current spending in medical and treatment programs.
2. The federal government should lead by example and effectively promote the health of its workforce.
3. The federal government should enhance interdepartmental coordination and more effectively apply its resources to reduce the risk factors for and complications of diabetes within the U.S. population.

Where to get information:


Reports
- “Study of Federal Spending on Diabetes: An Opportunity for Change” (June 2005)
- “Study of Federal Spending on Diabetes: An Opportunity for Change—Executive Summary” (June 2007)
- “Study of Federal Spending on Diabetes: An Opportunity for Change” (PowerPoint presentation, June 2007)

White Paper
- "Federal Medical and Disability Program Costs Associated with Diabetes, 2005 - 2010" (February 2007): Provides baseline data at the conclusion of the FY 2005 baseline estimates for medical and disability costs that were then used in the main study.

Logic Model for Diabetes Presentation