

Using Standardized Pricing Models to Learn More About T2DM Costs

Treating Type 2 Diabetes Mellitus (T2DM) in adults 65 years and older can result in high healthcare costs, but little is known as to why.

PurpleLab partnered with a healthcare organization to help them understand cost variations and healthcare resource utilization (HCRU) patterns in T2DM patients with at least 1 common comorbidity. Using standardized pricing models and real-world data, over a one year period, the study found:



Annual cost of care

The average cost was approximately \$12,500. Patients with chronic kidney disease had an additional cost burden of \$3,200 per year. Patients with cardiovascular conditions incurred an additional \$4,000 per year.

Service-related care costs

Hospitalizations made up 35% of the total cost, medications represented 28% of total costs, and outpatient visits comprised 20% of national cost average.



Regional care costs

In the Northeastern US, care costs were 12% higher than in the Midwest. In rural areas, the cost of outpatient services was relatively lower, while the cost of medications was slightly higher.

Emergency department costs

The data revealed that 18% of patients had at least 1 ED visit, with an average cost increase of \$2,150 per visit. Approximately 60% of these ED visits were deemed preventable.



Impact of preventable complications

The study identified that 22% of the hospitalizations for elderly T2DM patients were due to preventable complications. This contributed to an additional \$1.5 million in expenses annually.

Findings

As a result, the client was able to build a comprehensive knowledge base regarding the HCRU cost drivers for patients 65 and older with T2DM within the US.



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