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Diabetes Australia | “Counting the Cost” Economic research project

Project overview
September 2025

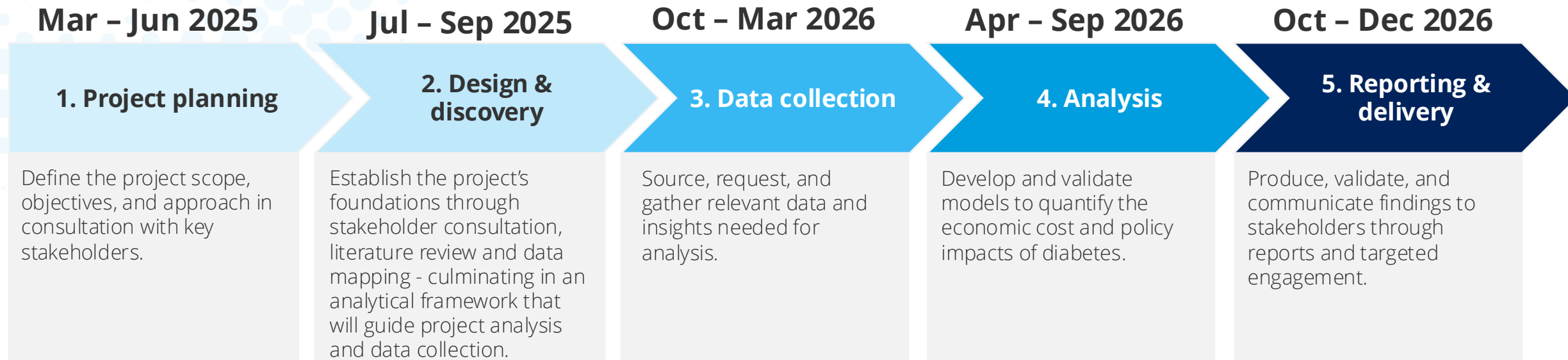
Diabetes Australia response

Our objective is to **answer** the Federal Inquiry and **build** national capability by delivering two complementary economic workstreams.

	 1) Economic impact of diabetes	 2) Policy evaluation model
Description	Quantifies the <i>current</i> direct and indirect economic costs of diabetes in Australia in FY 2024-25 (societal & payer perspectives).	Estimates the life-time incidence, costs and health outcomes of Australians due to diabetes (Type 1, 2 and GDM) under alternative diabetes policies and models of care. We will aim to adapt a existing model to the Australian context.
Key research questions answered	• How much did diabetes cost Australia in FY 2024-25, and who paid (e.g. government, private insurance, out-of-pocket etc.)? • What is the cost breakdown by direct cost component (e.g. hospital, primary care, private specialist care, medicines, devices, patient travel costs et.c) and by indirect cost component (e.g. productivity loss, informal carer)? • How do costs vary by diabetes type and sub-populations?	• What impact do current models of care have on costs, incidence, prevalence and morbidity? • How would alternative policies change future costs, incidence, prevalence and health outcomes? • Which policy mix delivers the greatest health gain per dollar spent?
Project outputs	• An economic impact / cost data set that should be publicly available. • Peer-reviewed articles, presentations & PhD thesis. • Public-facing, Diabetes Australia branded reports.	• Internal simulation model + user guide. • Open-source code. • Peer-reviewed articles, presentations & PhD thesis • Public-facing, Diabetes Australia branded reports.

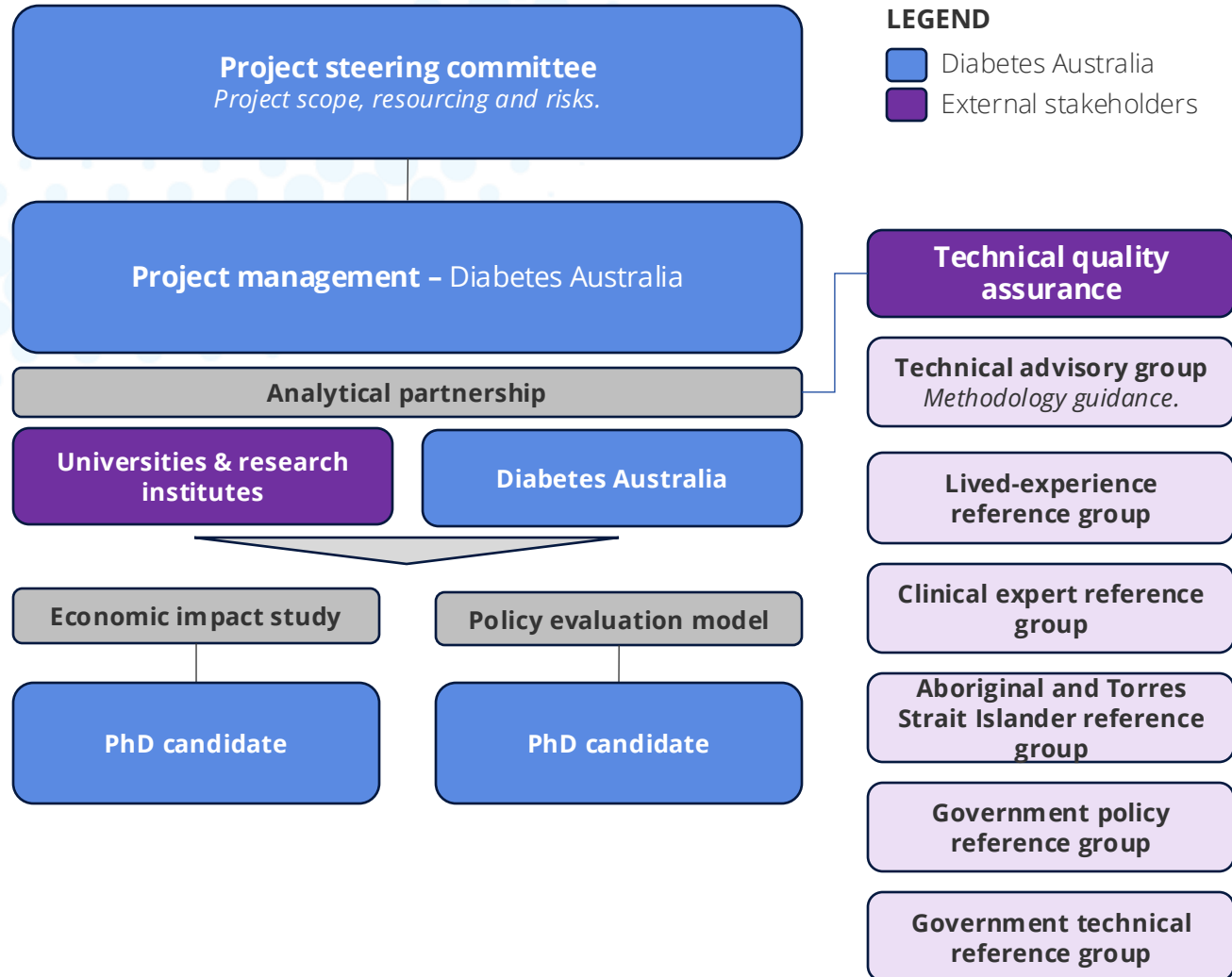
Project activities & indicative timeline

We aim to deliver this project over the next 18 months.



Our team structure

Diabetes Australia will deliver this project in collaboration with a broad range of stakeholders across the government and research sectors.



Indicative impact framework

Economic impacts of diabetes

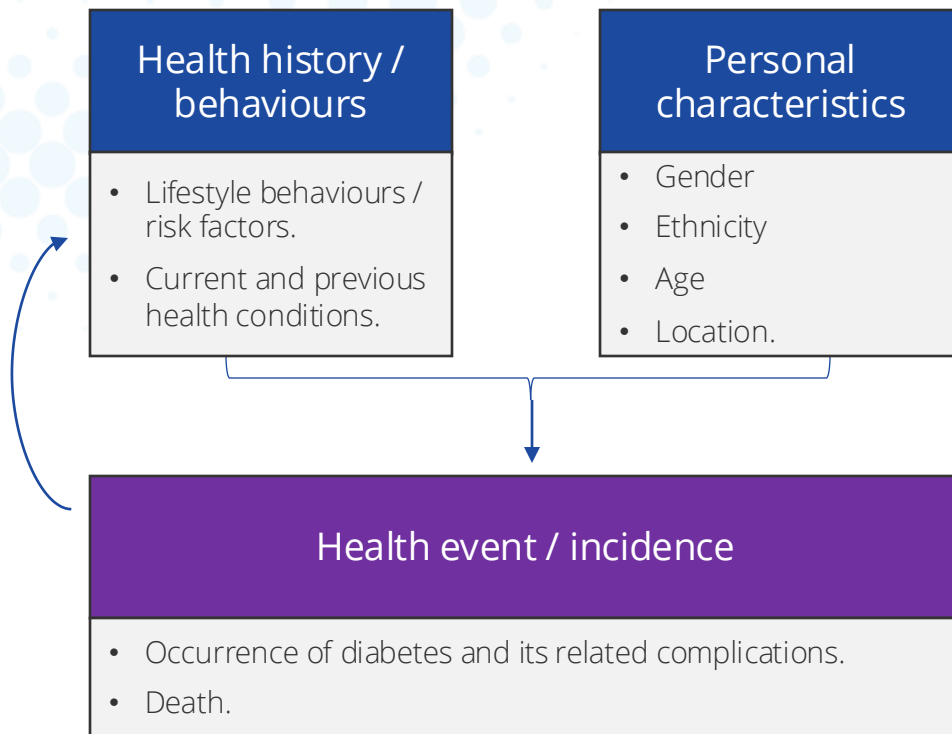
1) Direct health care / social support	2) Other direct costs	3) Indirect workforce impacts	4) Wellbeing
i. Out of hospital care	i. Diabetes support & education	i. People with diabetes	a) Disability-adjusted life years lost due to diabetes
a) GP (visits & virtual)	a) Diabetes support / education programs	a) Absenteeism	
b) Private specialist care (visits & virtual)	ii. Medical-related costs	b) Presenteeism	
c) Dental	a) Patient travel	c) Underemployment	
d) Allied health (visits & virtual)	b) Lifestyle consumables to manage condition	d) Unemployment	
e) Other community health care	c) Informal care	e) Early retirement	
f) Pathology		f) Reduced earnings due to lower education attainment	
g) Diagnostic & imaging		ii. Carers	
h) Ambulance		a) Absenteeism	
ii. Hospital care		b) Presenteeism	
a) Admitted hospital care		c) Underemployment	
b) Emergency Department		d) Unemployment	
c) Outpatient care		e) Early retirement	
iii. Pharmaceuticals & consumables		f) Reduced earnings due to lower education attainment	
a) Pharmaceuticals			
b) Medical consumables / wearables			
iv. Aged care & disability care			
a) Aged care			
b) Disability care			

Indicative policy Evaluation Model Structure

The model will be based on a microsimulation structure, which will simulate how a population's characteristics and health history result in different levels of health service use, economic participation and quality of life over time.

1. Health outcomes

Each year, health outcomes are determined by a combination of personal characteristics and health history / behaviours:

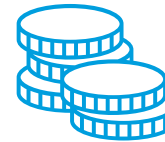


2. Impacts

Annual impacts are caused by a combination of health events, personal characteristics and a person's health history and behaviours:



Health service use



Economic participation



Quality of life

Examples of policy evaluation model outputs

An example of how a prevention policy can be evaluated through the proposed policy evaluation model.

