OBJECTIVES: The objectives of this study were to determine the prevalence and direct costs of anxiety disorders in the U.S. population. METHODS: Retrospective analysis was conducted of the 1999 Medical Expenditure Panel Survey (MEPS). The MEPS collected data from a nationally representative sample of 24,618 respondents and from respondents’ health care and insurance providers. Data extracted for this study included medical conditions and use and payments for medical care. Anxiety disorders were defined using the current Diagnostic and Statistical Manual of Mental Disorders (DSM-IV-TR) and were mapped to corresponding ICD-9-CM codes and included anxiety and panic disorders, stress disorders, obsessive-compulsive disorder, and phobias. Anxiety patients were identified using ICD-9-CM codes and direct costs were calculated using patient and third party payments for anxiety-related medical events by type of medical care. Sample estimates were weighted and projected to the population and 95% confidence limits were calculated using the Taylor expansion method. RESULTS: The prevalence of anxiety disorders was 4.04% or 11,163,423 individuals (95% C.L. = 3.64%, –4.44%). Total direct costs of anxiety disorders were $5,986,529,599. Prescription medications and office-based medical provider visits accounted for the largest proportions of direct costs, at $1,963,991,706 (mean = $58; 95% C.L. = $53, –$64) and $1,890,703,392 (mean = $67; 95% C.L. = $55, –$79), respectively. Inpatient stays represented $1,237,191,177 while home health care expenses were $708,555,879. Emergency department and outpatient services were each below $140 million. CONCLUSIONS: Affecting more than 11 million individuals with medical care costs of almost $6 billion, the impact of anxiety disorders was substantial. Prescriptions and medical provider visits were direct cost drivers, collectively accounting for more than 60% of total direct costs. However, expenditures on inpatient stays and home health care were sizeable, together representing nearly $2 billion or one-third of total direct costs. Additional measures should be considered to enhance diagnosis and treatment of anxiety and avert more costly medical care alternatives.