Although the care of patients with pancreatitis-related complications is estimated to be much more resource-intensive than that provided to other critically-ill patients, information on the cost of acute pancreatitis is limited. OBJECTIVES: To examine trends in the incidence and cost of acute pancreatitis-related hospitalizations in the United States, and to ascertain patient disposition at discharge to evaluate the extent to which costs may extend beyond the initial hospitalization. METHODS: Data were obtained from the 1995–1997 Health care Cost and Utilization Project database. ICD-9-CM code 577.0 was used to identify hospitalizations with a primary or secondary diagnosis of acute pancreatitis. Patient demographics, length of stay (LOS), total charges (in constant 1995 dollars), and discharge status were assessed. RESULTS: Between 1995 and 1997, the number of acute pancreatitis-related hospitalizations increased by 9.1% from 241,178 to 263,136. During that period, the average LOS decreased by 9.5% from 8.4 days to 7.6 days and the mean hospital charges decreased by 4.9% from $19,222 to $18,280. Using LOS 15 days as a proxy for severity, severe acute pancreatitis-related hospital discharges decreased from 30,444 in 1995 to 27,839 in 1997. During that period, the average LOS remained constant (28.9–28.4 days) and the mean charges increased from $77,572 to $82,043. Nationwide, the projected pancreatitis-related inpatient charges have increased from $4.6 to $4.8 billion. Despite representing 12% of admissions, severe acute pancreatitis-related charges represented 49% of all acute pancreatitis-related inpatient charges. 38–41% of patients were discharged to another facility, suggesting that these cost estimates are conservative. CONCLUSIONS: Acute pancreatitis is a major financial burden on health care systems due to high inpatient costs and frequent need for medical care that extends beyond the hospital stay. Despite a reduction in charge per case, total inpatient charges of pancreatitis have increased to rising incidence.