

ALZHEIMER'S DISEASE TO COST UNITED STATES \$20 TRILLION OVER NEXT 40 YEARS

Washington, D.C., May 19, 2010 – A new report from the Alzheimer's Association, "*Changing the Trajectory of Alzheimer's Disease: A National Imperative*" shows that in the absence of disease-modifying treatments, the cumulative costs of care for people with Alzheimer's from 2010 to 2050 will exceed \$20 trillion, in today's dollars. The report, which examines the current trajectory of Alzheimer's based on a model developed by the Lewin Group for the Alzheimer's Association, also shows that the number of Americans age 65 and older who have this condition will increase from the 5.1 million today to 13.5 million by mid-century.

"We know that Alzheimer's disease is not just 'a little memory loss' - it is a national crisis that grows worse by the day," said Harry Johns, President and CEO of the Alzheimer's Association.

"Alzheimer's not only poses a significant threat to millions of families, but also drives tremendous costs for government programs like Medicare and Medicaid."

Total costs of care for individuals with Alzheimer's disease by all payers will soar from \$172 billion in 2010 to more than \$1 trillion in 2050, with Medicare costs increasing more than 600 percent, from \$88 billion today to \$627 billion in 2050. During the same time period, Medicaid costs will soar 400 percent, from \$34 billion to \$178 billion. One factor driving the exploding costs by 2050 is that nearly half (48 percent) of the projected 13.5 million people with Alzheimer's will be in the severe stage of the disease – when more expensive, intensive around-the-clock care is often necessary.

Changing the Current Trajectory

The new report is not all bad news, however, as it shows that Medicare and Medicaid can achieve dramatic savings – and lives could be significantly improved – with even incremental treatment improvements. Based on the same Lewin Group model, the report explores two alternate scenarios: one in which a disease-modifying treatment could delay the onset of Alzheimer's by five years, and another in which a hypothetical treatment could slow the progression of this condition.

"Today, there are no treatments that can prevent, delay, slow or stop the progression of Alzheimer's disease," said Johns. "While the ultimate goal is a treatment that can completely prevent or cure Alzheimer's, we can now see that even modest improvements can have a huge impact."

Impact of a Hypothetical Treatment Delaying Onset: A treatment breakthrough that delays the onset of Alzheimer's by five years – similar, perhaps, to the effect of anti-cholesterol drugs on preventing heart disease – would result in an immediate and long-lasting reduction in the number of Americans with this condition and the cost of their care. A breakthrough that delays onset by five years and begins to show its effect in 2015 would decrease the total number of Americans age 65 and older with Alzheimer's from 5.6 million to 4 million in 2020.

Assuming the breakthrough occurred in 2015:

- The number of people age 65 and older with Alzheimer's would be reduced by 5.8 million in 2050 – 43% of the 13.5 million Americans who would have been expected to have the condition in that year would be free of the conditions.
- In 2050, the number of people in the severe stage would also be much smaller with the treatment breakthrough – 3.5 million instead of the expected 6.5 million.
- Annual Medicare savings compared to current trends would be \$33 billion in 2020 and climb to \$283 billion by mid-century, while annual Medicaid savings would increase from \$9 billion in 2020 to \$79 billion in 2050.

Impact of Hypothetical Treatment Slowing Progression: A treatment breakthrough that slowed disease progression – much as we have managed to do with HIV/AIDS and several cancers – would result in far fewer people with Alzheimer's disease in 2050 in the severe stage when care demands and costs are greatest. Assuming the breakthrough occurred in 2015:

- In 2020, the number of people age 65 and older with Alzheimer's disease in the severe stage would drop from 2.4 million to 1.1 million. In 2050, the number of people in the severe stage would decline from an expected 6.5 million to 1.2 million.
- Annual Medicare savings compared to current trends would be \$20 billion in 2020 and jump to \$118 billion in 2050, while Medicaid savings would be \$14 billion in 2020 and \$62 billion in 2050.

Addressing the Chronic Underinvestment in Research

Ultimately solving the Alzheimer crisis will mean addressing the chronic underinvestment in research. This forecast of a rapidly aging population and dramatic rise in the number of Alzheimer cases in the coming years should catapult the government into action.

“Given the magnitude and the impact of this disease, the government's response to this burgeoning crisis has been stunningly neglectful,” said Johns. “Alzheimer's is an unfolding natural disaster. The federal government has sent a token response and has no plan. Immediate and substantial research investments are required to avoid an even more disastrous future for American families and already overwhelmed state and federal budgets,” continued Johns. “For the human effects and the country's fiscal future, we must change the trajectory of the Alzheimer crisis.”

“The impact of Alzheimer's disease - both in terms of lives affected and costs of care – is staggering. As government leaders contend with the best approaches to rein in Medicare and Medicaid costs, we know Alzheimer's will place a massive strain on an already overburdened health care system,” said Robert J. Egge, Vice President of Public Policy for the Alzheimer's Association. “This report highlights that while we strive for the ideal – a treatment that completely prevents or cures Alzheimer's disease – even more modest, disease-modifying treatments would provide substantial benefits to families and contribute to the solvency of Medicare and Medicaid.”

The Association is working to enact critical legislation to address these issues. The *National Alzheimer's Project Act* creates a National Alzheimer's Project Office and an inter-agency Advisory Council responsible for developing a national plan to overcome the Alzheimer crisis. Drawing on the expertise residing in various government agencies as well as individuals living with the disease, caregivers, providers and other stakeholders, this office would provide strategic planning and coordination for the fight against Alzheimer's across the federal government as a whole, touching on a broad array of issues from research to care to support.

After the embargo lifts, the full text of the Alzheimer's Association's “*Changing the Trajectory of Alzheimer's Disease: A National Imperative*” can be viewed at www.alz.org/trajectory.

Alzheimer's Association

The Alzheimer's Association is the leading voluntary health organization in Alzheimer care, support and research. Our mission is to eliminate Alzheimer's disease through the advancement of research; to provide and enhance care and support for all affected; and to reduce the risk of dementia through the promotion of brain health. Our vision is a world without Alzheimer's.

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