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NEW REPORT SAYS
ALZHEIMER'S DISEASE AND DEMENTIA TRIPLE HEALTHCARE COSTS
FOR AMERICANS AGE 65 AND OLDER

Washington, D.C., March 24, 2009 – Total healthcare costs are more than three times higher for people with Alzheimer's and other dementias than for other people age 65 and older, according to the Alzheimer's Association's *2009 Alzheimer's Disease Facts and Figures*, released today.

In the new report, total healthcare costs are calculated as per person payments measured from all sources. Medicare payments alone are almost three times higher for people with Alzheimer's and dementia than for others age 65 and over; Medicaid payments alone are more than nine times higher.

“With the country facing unprecedented economic challenges and a rapidly aging baby boomer population, *now* is the time to address the burgeoning Alzheimer crisis that triples healthcare costs for Americans age 65 and over,” said Harry Johns, Alzheimer's Association CEO.

“It is widely understood that addressing health care is key to the country regaining its financial footing,” continued Johns. “And there is no way this can be done without improving Medicare and Medicaid which Alzheimer's directly impacts. A strategy to immediately confront Alzheimer's has the potential to save millions of lives and billions of dollars by reducing the burden on Medicare and Medicaid.”

Average Per Person Payments by Source for Health and Long-term Care Services. For Persons, Aged 65 Years and Older, With and Without Alzheimer's Disease and Other Dementias, 2004

Average Per Person Payments	Beneficiaries with no Alzheimer's or Other Dementias	Beneficiaries with Alzheimer's or Other Dementias
Total payments*	\$10,603	\$33,007
Medicare payments	5,272	15,145
Medicaid payments	718	6,605
Private insurance payments	1,466	1,847
Other sources payments	211	519
HMO payments	704	410
Out-of-pocket payments	1,916	2,464
Uncompensated care	201	261

* Payments by source do not exactly equal total payments due to the effect of population weighting.
 Source: Alzheimer's Association *2009 Alzheimer's Disease Facts and Figures*

People with Alzheimer's are high consumers of hospital, nursing home and other health and

long-term care services, which translates into high costs for Medicare, Medicaid and millions of families. As families struggle to survive in a deepening recession and as states grapple with budget shortfalls, Alzheimer's disease threatens to overwhelm them both. Most people with Alzheimer's also have one or more additional serious medical conditions, such as diabetes or coronary heart disease. Their Alzheimer's greatly complicates the medical management for these other conditions and drives up costs significantly.

According to the *Facts and Figures* report, in 2006:

- Medicare beneficiaries with diabetes plus Alzheimer's or another dementia had 64 percent more hospital stays than those with diabetes and no Alzheimer's, and their average per person Medicare costs were \$20,655 compared to \$12,979 for beneficiaries with diabetes but no Alzheimer's or dementia.
- Medicare beneficiaries with coronary heart disease and Alzheimer's disease or another dementia had 42 percent more hospital stays than those with coronary heart disease and no Alzheimer's or dementia, and their average per person Medicare costs were \$20,780 compared to \$14,640 for beneficiaries with coronary heart disease but no Alzheimer's or dementia.

With family members providing care at home for about 70 percent of people with Alzheimer's disease, the ripple effects of the disease can be felt throughout the entire family. According to *Facts and Figures*, in 2008, nearly 10 million Alzheimer caregivers in the U.S. provided 8.5 billion hours of unpaid care valued at \$94 billion. In addition to the unpaid care families contribute, the report also reveals that Alzheimer's creates high out-of-pocket health and long-term care expenses for families. Out-of-pocket costs that are not covered by Medicare, Medicaid or other sources of insurance are 28 percent higher for Medicare beneficiaries with Alzheimer's than those without. Individuals with Alzheimer's and other dementia living in nursing homes or assisted living facilities incurred the highest out-of-pocket costs – an average of \$16,689 a year.

Growing Prevalence of Alzheimer's Disease and Dementia

According to the report, there are 5.3 million Americans living with the disease and every 70 seconds someone in America develops Alzheimer's disease. By mid-century someone will develop Alzheimer's every 33 seconds. By 2010, there will be nearly a half million new cases of Alzheimer's each year; and by 2050, there will be nearly a million new cases per year.

Alzheimer's is the sixth leading cause of death in the country, surpassing diabetes; it is the fifth leading cause of death among individuals 65 and older. From 2000 to 2006, while deaths from other major diseases dropped -- heart disease (-11.5 percent), breast cancer (-.6 percent), prostate cancer (-14.3 percent) and stroke (-18.1 percent), deaths from Alzheimer's disease rose 47.1 percent.

“Currently, there are no treatments that can prevent, delay or reverse Alzheimer disease and research funding has been stagnant for the past six years. With the first baby boomers turning age 65 in just two short years – and entering the arena of increasing risk for developing Alzheimer's – an aggressive plan is needed now to address the threat of this disease. There are too many lives, too little time and too much at stake for anything less,” Johns said.

Implications for States

Demographic trends indicate that the number of affected individuals and families will grow significantly in the years to come, not only having a profound effect on families and health systems but on state budgets as well. In order for states to plan for this rapidly growing

population, they must first have reliable information about the characteristics and needs of their residents who are coping with Alzheimer's or other dementia. An existing survey process is the easiest way to obtain this important information. The Behavioral Risk Factors Surveillance System (BRFSS) is an annual state public health survey done in conjunction with the Centers for Disease Control and Prevention (CDC). Since 2003, some states have added questions about caregiving for people with Alzheimer's and other dementias in their BRFSS surveys.

The new *Facts and Figures* report highlights the BRFSS survey findings from the states of Washington and North Carolina. The BRFSS survey allows residents to say for themselves what their challenges are. For example in Washington, 48 percent of the caregivers for individuals with memory loss or cognitive impairment revealed that stress was the greatest difficulty they faced. Beginning this year, an approved set of family caregiving questions is available for all states to add to their BRFSS survey, and another set of questions on cognitive impairment is being developed for 2010.

Mild Cognitive Impairment (MCI) – An Emerging Issue

Experts believe that early detection of Alzheimer's disease and early intervention with improved therapies provides the greatest opportunity to delay or stop additional damage to the brain. To that end, the new report highlights the emerging role of a condition known as mild cognitive impairment (MCI). A person with MCI has problems with memory, language or other essential cognitive functions that are severe enough to be noticeable to the individual and others, but not severe to interfere with daily life.

There is consensus within the scientific research community that intervention with any disease-modifying treatment should occur as early as possible, ideally even before symptoms appear. Individuals with MCI have a higher risk for developing Alzheimer's disease, but more research is needed to determine why some people with MCI go on to develop Alzheimer's and why some do not. By participating in scientific studies and clinical trials, individuals with MCI will help to speed progress in finding ways to prevent or cure Alzheimer's by providing scientists with the opportunity to test new Alzheimer treatments and learn faster whether or not the treatments work.

“There is a rich, diverse variety of treatment possibilities for Alzheimer's that scientists are exploring, offering great hope that drugs that may slow or even reverse disease progression could be on the horizon – saving millions of dollars in public health programs,” said Ronald Petersen, M.D., Ph.D, the Alzheimer's Association's Medical Scientific Advisory Council Chair. “A national strategy and a sustained commitment to Alzheimer research is what is needed to today to make Alzheimer survivors tomorrow.”

The full text of the Alzheimer's Association's *2009 Alzheimer's Disease Facts and Figures* can be viewed at www.alz.org after the embargo lifts.

The 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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