

For Immediate Release
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The Devastation of Alzheimer's Includes Financial Hardships and Sacrifice

Alzheimer's is the most expensive disease in the country, according to the Alzheimer's Association *2021 Alzheimer's Disease Facts and Figures*. The report shows that total annual payments for caring for those with Alzheimer's and other dementias have surpassed \$355 billion, and are projected to reach \$1.1 trillion by 2050.

The costs associated with Alzheimer's care can be staggering for families, with average out-of-pocket costs for health care and long-term care services not covered by Medicare, Medicaid and private insurance exceeding \$10,000 annually. Many families and caregivers must make enormous personal and financial sacrifices and major changes to their spending or saving.

"Financial planning for the possibility of a long-term medical condition such as Alzheimer's can be daunting, yet is vital for families," said Rebecca Hall, Alzheimer's Association program director. "We provide programs and services free to the community to assist with the challenges of living with Alzheimer's."

"We offer education programs, such as a free webinar on legal and financial planning, that help families figure out the financial resources available to their loved one with dementia. The program outlines the professionals that can assist them with planning, such as attorneys and financial advisors to determine how to best protect assets and be able to provide the best care possible for their loved one," added Hall.

Even with Medicare or other insurance, out-of-pocket expenses can become costly, including Medicare copayments and coinsurance, additional health insurance premiums, deductibles, copayments, and the cost of services not covered by Medicare, Medicaid, or additional sources of support, according to *Facts and Figures*.

"Alzheimer's disease was devastating for our family," said Michael Booth, shareholder at Sebaly Shillito + Dyer law firm. "My father didn't have long-term care coverage. Around-the-clock, in-home healthcare can run six to 10 thousand dollars a month or more. The cost per month was about that when he moved into assisted living and then to a memory care unit. It's easy to see how in less than three years since his diagnosis this amounted to more than \$200,000."



Booth added, "his entire savings, that he worked 45 years for, has been consumed by first in-home care and then by residential care facilities. Hundreds of thousands of dollars."

The Booth family has been greatly impacted by dementia. His grandfather was diagnosed in 1995; two aunts around 2008; and his father, Robert ("Bob") Booth (left), in 2018.

Facts and Figures shows the lifetime cost of dementia is estimated to be more than \$350,000 per individual. Although Medicare covers care costs in a long-term care hospital, skilled nursing care in a skilled nursing home, and hospice care, it does not cover long-term care in a nursing home.

Long-term care insurance typically covers the cost of care provided in a nursing home, assisted living facility and Alzheimer's special care facility, as well as community-based services such as adult daycare and services provided in the home, including nursing care and help with personal care. Many individuals, like Booth's father, do not have, or cannot afford long-term care insurance.

If long-term care insurance is purchased, few individuals with Alzheimer's or another dementia do not have sufficient long-term care coverage or can afford to pay the uncovered expenses for long-term dementia care according to the report. It also noted:

- The lifetime cost of care for individuals with Alzheimer's is more than twice the amount incurred by individuals without Alzheimer's.
- Each year, a family spends, on average, more than \$10,000 to pay the out-of-pocket health care costs of a senior with Alzheimer's or another dementia. This is more than four times greater than the average annual out-of-pocket costs of seniors without dementia.

"Families need help," said Booth. "Long-term care insurance is generally unavailable or too expensive if it is available. Our legislators need to find a way to help protect those who are most vulnerable. And that must include those with dementia. Ohio needs more insurance companies to sell long-term care insurance, and to provide tax incentives to nursing homes and long-term care facilities so they can reduce the cost to families. Tax incentives are needed for Ohio residents who purchase long-term care insurance and tax credits to those who have to pay for long-term care."

The unfortunate truth noted in *Facts and Figures* is that among those who are caregivers of people living with Alzheimer's, or who contribute financially to their care, 48 percent cut back on their own expenses (including food, transportation and medical care) to pay for dementia-related care. In addition, due to the economic burden of dementia-related costs, one in five caregivers dip into their retirement savings, and 15 percent have to borrow money. One in nine cut back on spending for their children's education.

Today there are more than 6 million Americans living with Alzheimer's and over 11 million who act as unpaid caregivers. *Facts and Figures* notes it is projected that by 2050, the number of people age 65 and older with Alzheimer's or dementia will reach 12.7 million, greatly increasing the number of families who will face the same financial challenges as the Booth family.

Most individuals age 65 and older diagnosed with Alzheimer's or another dementia live an average of four to eight years following a diagnosis, and some live as long as 20 years, reported *Facts and Figures*. On average, the out-of-pocket health care spending in the last

five years of the life of a person with dementia consumes a third of a family's wealth, compared to 11 percent for individuals with other conditions.

Brandon Creech, a financial advisor with Midwestern Wealth Management, provides guidance in the area of financial planning at programs such as the legal and financial planning program, offering practical advice for families who may have a loved one impacted by dementia.

"We may not be able to control the disease or how it affects our loved ones, but we can control how we either plan for it or respond to it," Creech said. "I encourage families to take proactive control. Work with a team of competent, experienced professionals in areas such as financial planning, legal and tax, to get organized and create a comprehensive financial plan. The earlier we get started, the earlier we can make informed decisions to care for our loved ones as they deserve."

About the Alzheimer's Association®

The Alzheimer's Association is a worldwide voluntary health organization dedicated to Alzheimer's care, support and research. Our mission is to lead the way to end Alzheimer's and all other dementia — by accelerating global research, driving risk reduction and early detection, and maximizing quality care and support. Our vision is a world without Alzheimer's and all other dementia®. Visit alz.org or call 800.272.3900.