

The Growing Cost of Care

BY ASHLEY DEPAULIS

Caring for a relative with Alzheimer's disease takes a deep emotional and financial toll on families. It is an unrelenting, progressive condition that destroys brain cells, and currently no cure exists.

Today, about 5.3 million Americans have Alzheimer's. Without a cure, that number will triple to 16 million by 2050.

State and federal governments in 2010 spent \$172 billion to care for people with Alzheimer's and other dementias, with about 71 percent—\$123 billion—paid by Medicare and Medicaid.

Typically, patients are covered by Medicare for most outpatient and hospital care. Medicaid foots the bill for a substantial amount of care, including long-term care, amounting to an estimated \$21 billion in 2005, according to the National Alzheimer's Association.

Alzheimer's patients who also have other chronic conditions—such as high blood pressure, high cholesterol and diabetes—use health care services and hospitals more often than others their age. On average, total Medicaid and Medicare costs for health care services, long-term and hospice care are three times higher for older people living with Alzheimer's than for other older people, according to the Alzheimer's Association.

Alzheimer's places significant financial burdens on families and businesses. Businesses lose billions a year in lost productivity and replacement expenses for employees who miss work or quit to care for a relative, according to the National Institute on Aging.

At least 30 legislatures have created a state Alzheimer's plan or established a task force to do so. The plans often include looking for ways to improve early detection, better coordinate health care services, set training requirements for health care providers and support people caring for their relatives.

A new report from the U.S. Department of Health and Human Services, "Healthy

People 2020," establishes measureable goals to monitor the progress of state and community health data for the coming decade. It identifies Alzheimer's and other dementias as a growing public health threat.

The report's objectives include decreasing

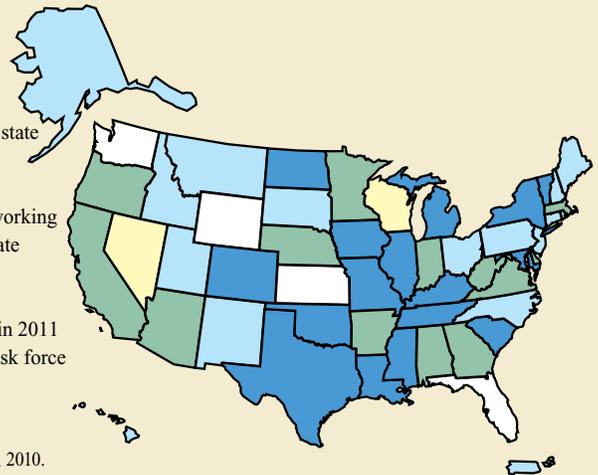
Alzheimer's costs by reducing the number of preventable hospitalizations through outpatient management, encouraging healthy behaviors to reduce the risk of other chronic conditions, increasing the availability of tools used for diagnosis, and providing legal resources for family caregivers.

SL ONLINE

Check out an interview with the director of state affairs from the Alzheimer's Association at www.ncsl.org/magazine.

STATE ALZHEIMER'S DISEASE PLANS

- Published a state Alzheimer's plan
- Task force established to develop a state Alzheimer's plan
- Legislation pending or legislature working with executive branch to establish a state Alzheimer's plan task force
- Planned introduction of legislation in 2011 to establish a state Alzheimer's plan task force
- No activity



Source: Alzheimer's Association, Dec. 17, 2010.

5.3 MILLION

Americans with Alzheimer's

16 MILLION

Estimated number of Americans with Alzheimer's by 2050

\$172 BILLION

Annual cost to care for patients

\$123 BILLION

Annual cost to Medicare and Medicaid

\$37 BILLION

Indirect costs to businesses for employees who miss work or leave their jobs to care for a relative.

Source: Alzheimer's Association, 2010.

ESTIMATED FUTURE COST OF ALZHEIMER'S DISEASE IN BILLIONS



These dollar amounts represent the direct costs of care to all payers, including Medicare and Medicaid; out-of-pocket costs to patients and their families; costs to other payers, such as private insurance, HMOs and other managed care organizations; and uncompensated care.

Source: Alzheimer's Association, 2010

Ashley DePaulis tracks issues related to Alzheimer's Disease for NCSL.