

### Did you know...

In 2009, Medicare spent nearly five times as much per capita on older beneficiaries diagnosed with Alzheimer's/other dementia, compared to older beneficiaries without Alzheimer's/other dementia?

### About the data:

This analysis used 2009 Medicare claims data to identify individuals with chronic conditions, using a list of 21 common chronic conditions derived from the Medicare Chronic Condition Working file. Conditions include acute myocardial infarction, atrial fibrillation, all types of dementia, several types of non-skin cancer, cataracts, chronic kidney disease, depression, diabetes, glaucoma, heart failure, hip fracture, ischemic heart disease, osteoporosis, rheumatoid arthritis, and stroke.

Research shows that a substantial proportion of individuals with Alzheimer's/other dementia do not have a formal diagnosis of their condition in their medical record.<sup>5</sup>

This suggests that the overall prevalence presented in this DataBrief is conservative however, the relative differences in Medicare spending across groups should be unaffected.

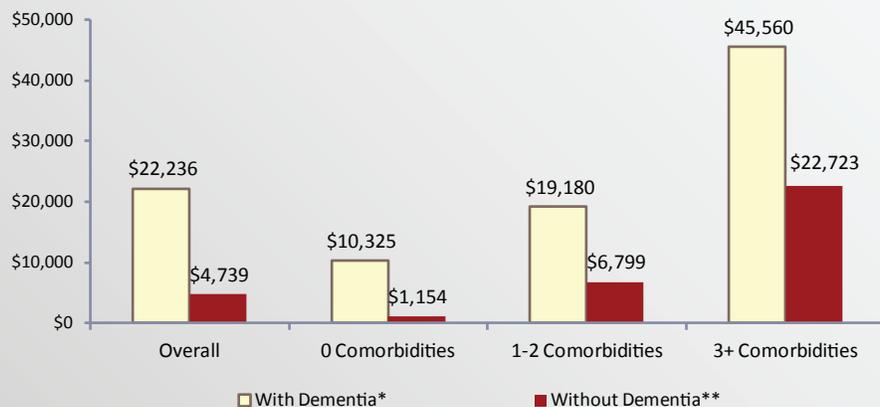
This analysis is limited to individuals enrolled in the fee-for-service, or traditional, Medicare program who are age 65 or over, and excludes beneficiaries who died in 2009.

Analytics powered by Avalere Health LLC

- Dementia is caused by conditions that damage brain cells or the connections between brain cells. It is characterized by a decline in memory and other symptoms that can include an impaired ability to make sound judgments, carry out complex tasks, execute motor activities, speak coherently, and/or understand language.<sup>1</sup>
- In 2009, 5%, or 1.9 million Medicare beneficiaries age 65 and over were diagnosed with dementia.<sup>2</sup> Alzheimer's disease is the most common form of dementia, accounting for 60-80% of cases.<sup>1</sup>
- Medicare spending for older beneficiaries diagnosed with dementia was significantly higher than spending for older beneficiaries without dementia in 2009.
  - Medicare spent \$22,236 per capita on beneficiaries with dementia diagnoses, compared to \$4,739 per capita on beneficiaries without these diagnoses.<sup>2,3</sup>
  - This trend persisted regardless of the number of co-occurring chronic conditions; Medicare spent \$45,560 per capita on beneficiaries with dementia and 3 or more comorbidities, compared to \$22,723 on beneficiaries without dementia and 3 or more comorbidities.<sup>2</sup>

### Seniors Diagnosed With Dementia Have Higher Medicare Spending Regardless of the Number of Comorbidities

Per Capita Medicare Parts A and B Spending for Beneficiaries Age 65 and Older by Presence of Alzheimer's/other Dementia Diagnoses and Number of Comorbidities, 2009



\* For Medicare beneficiaries with dementia diagnoses, N = 551,620 with 0 comorbidities, 950,980 with 1-2 comorbidities and 406,300 with 3+ comorbidities.

\*\* For Medicare beneficiaries without dementia diagnoses, N = 19,917,720 with 0 comorbidities, 11,738,840 with 1-2 comorbidities and 3,032,720 with 3+ comorbidities.

### A Clear Policy Connection

In 2009, 1.9 million Medicare beneficiaries age 65 and over were diagnosed with Alzheimer's/other dementia.<sup>2</sup> As the Baby Boomers age, the prevalence of these conditions is expected to grow; it is estimated that the annual number of new cases of Alzheimer's/dementia will double by 2050.<sup>1</sup>

Like Medicare beneficiaries with functional impairment, senior beneficiaries diagnosed with dementia have significantly higher Medicare spending than similar beneficiaries without these conditions. Medicare beneficiaries with dementia and three or more chronic conditions spend about twice as much as similar beneficiaries without these diagnoses.<sup>2</sup> The combination of the growing prevalence and high cost burden of dementia is an impending challenge for the medical and long-term care systems.

Given the strong link between Alzheimer's/other dementia and overall health care costs, policymakers should consider how best to coordinate medical and long-term care for Medicare beneficiaries with these conditions, particularly as states seek to integrate services for dual eligibles. A renewed national focus on preventing and treating Alzheimer's/other dementia, as addressed in the U.S. Department of Health and Human Services' National Plan to Address Alzheimer's Disease, is a key step to reduce the burden of these conditions.<sup>4</sup> However, these goals must be supported by thoughtful reforms to the way care is financed, delivered, and coordinated for those with the disease today.

<sup>1</sup> Alzheimer's Association. 2012 Alzheimer's Disease Facts and Figures. Alzheimer's & Dementia, Volume 8, Issue 2. Accessed March 20, 2012 at: [http://www.alz.org/downloads/Facts\\_Figures\\_2012.pdf](http://www.alz.org/downloads/Facts_Figures_2012.pdf).

<sup>2</sup> Avalere Health, LLC. Analysis of the 2009 Medicare Standard Analytic Files.

<sup>3</sup> Per capita amounts do not include Medicare Part D spending.

<sup>4</sup> Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services. National Alzheimer's Project Act. Accessed April 11, 2012 at: <http://aspe.hhs.gov/daltcp/napa/>.

<sup>5</sup> Bradford A, Kunik ME, Schulz P, et al. Missed and delayed diagnosis of dementia in primary care: Prevalence and contributing factors. *Alzheimer Dis Assoc Disord*. 2009;23(4):306-314.