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 include an impaired ability to make sound judgments, carry out complex tasks, execute motor activities, speak coherently, and/or understand language.1

In 2009, at least 5% of Medicare beneficiaries age 65 and older were diagnosed with some form of dementia.2 Alzheimer’s disease is the most common form of dementia, accounting for 60-80% of cases.1

In addition, individuals dually eligible for Medicare and Medicaid (“dual eligibles”) have a higher prevalence of dementia than Medicare-only beneficiaries.

- In 2009, 13% of dual eligibles age 65 and over were diagnosed with dementia, compared to 4% of Medicare-only beneficiaries.2 As the prevalence of dementia increased with age, differences among dual eligibles and Medicare-only beneficiaries continued to exist.

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.3 This suggests that the overall prevalence presented in this DataBrief is conservative however, the relative differences between dually-eligible and Medicare-only beneficiaries 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.

**A Clear Policy Connection**

Like Medicare beneficiaries with functional impairment, individuals with Alzheimer’s/other dementia need a high level of long-term services and supports. The significant personal and financial cost of providing these services can lead to impoverishment and qualification for Medicaid. Accordingly, 13% of dual eligibles had a dementia diagnosis in 2009, compared to 4% of Medicare-only beneficiaries.2

As a majority of states consider integrating Medicare- and Medicaid-financed care for dual eligibles, the high prevalence of dementia among this group, as well as the differing needs of these individuals should be incorporated into program designs. Additionally, many states will provide integrated care through managed care plans and steps will need to be taken to ensure readiness to care for this population.

In May 2012, the U.S. Department of Health and Human Services released the National Plan to Address Alzheimer’s Disease.3 The plan recognizes the need to provide adequate support for community caregivers, improve provider training, and raise public awareness. Achieving these goals through improved federal and state policies could significantly decrease the burden that Alzheimer’s/other dementia can place on older adults, families, and the health care system.