Costs of Dementia Care

In the United States we have seen dementia care costs escalate from $21 billion in 1991, to $29.8 billion in 1998, to an amazing $148 billion today. Back in 1994, healthcare economic researcher, Souetre, warned us that dementia would be one of the most dramatic medical and economic challenges that our society would face. Unfortunately, Souetre underestimated how serious the costs of dementia actually would be! Dementia is now the third most costly disease to manage in the U.S. Through lost productivity costs, alone, dementia costs our businesses over $36.5 billion per year.

There are over 4 million persons with dementia; that is approximately 6% of the adults over 65 years of age. According to the 2009 Alzheimer’s Disease Fact and Figures in California report, there are an estimated 588,208 cases in our state today. And, one in every six baby boomers will develop dementia increasing the cases to 1.1 million by 2030. With an average life span of only 10 years after diagnosis, dementia is the 6th leading cause of death in California, out surpassing cancer and heart disease as the fastest rising cause of death in our state.

Dementia is a behavioral syndrome that diminishes our cognition; specifically, our memory and thinking. Dementing diseases such as Alzheimer’s disease, fronto temporal dementia, and dementia with Lewy Bodies are irreversible, neuro degenerative diseases. Alzheimer’s disease (AD), representing approximately 65% of all types of dementia, is the most prevalent. The classic symptom of AD is memory loss occurring early in the disease.

There is no cure for dementia and all dementias eventually progress to a loss of activities of daily living (i.e., dressing, eating) necessitating increasing care. Complications are prevalent and include behavioral problems such as wandering, making care increasingly difficult to manage. While some persons with dementia are institutionalized, the vast majority in the U.S. are cared for at home.

The economic and societal costs of Alzheimer’s disease and the related dementias are high. Comprehensive diagnostic workups, including a neurological exam, neuropsychological testing, a functional status assessment, laboratory tests, and neuro imaging (i.e. MRI) cost up to $3,000. Routine visits monitoring disease progression and response to treatment can cost over $150 per visit. Various medications attempting to treat the build up of protein in the brain can cost a few thousand of dollars per year per patient. While expensive, medications have limited success but represent hope to patients and families and therefore continue to contribute substantially to costs.

Formal care, defined as care provided by persons paid to give care, ranges from $40,000 to $100,000 per patient per year accounting for the
majority of care costs for persons with dementia. This care is primarily provided in long-term care settings such as nursing homes.

In the U.S. informal care is provided in the home by 9.9 million unpaid caregivers, usually family members. In California today there are 1.1 million people providing an estimated 952 million unpaid hours of care valued at $10 billion dollars. Tragically, these figures do not account for lost wages, lost productivity, or the resulting illnesses (usually stress related) of the caregivers.

Alzheimer’s disease (AD) and the related dementias are costly to individuals, businesses, and society overall. There is no cure and current medications are ineffective in stopping the disease. Research demonstrates that to decrease costs today there is a critical need to diagnose early as well as delay costly nursing home placement. An accurate diagnosis of the dementia type early on in the disease course may avoid inappropriate costly treatment plans.

There is a critical need for economic investments in informal care giving. Public and private support for dementia day care programs and respite care for the caregivers will allow loved ones to remain in the home and prolong the time to admission to a nursing home thereby decreasing both the burden of care giving and the formal care costs for dementia.

Caregiver information is available through the Alzheimer’s Association for San Diego and Imperial Counties (http://www.sanalz.org/site/PageServer). Community and professional education is available through the University of California San Diego Shiley Marcos Alzheimer’s Disease Research Center (http://adrc.ucsd.edu/).

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