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Excess Acute Care Costs Found in U.S. Medicaid Alzheimer's Patients in the Year Prior to Diagnosis

Boston, MA, July 21, 2011 — New data presented at the [Alzheimer's Association International Conference on Alzheimer's Disease](#) (AAICAD) find that Alzheimer's Disease (AD) is associated with considerable excess costs even prior to disease diagnosis. Compared with matched controls, AD patients incurred higher acute care costs in the 12 months prior to their earliest observable diagnosis of cognitive impairment. The study, focusing on Medicaid patients, was conducted by a team of researchers from the University of Alabama at Birmingham School of Medicine, Bayer HealthCare Pharmaceuticals, and [Analysis Group, Inc.](#), an economic consulting firm. It calculates that total medical costs over the 12-month period prior to preliminary diagnosis were approximately \$5,400 (56%) higher across a number of medical service categories. The study, "Excess Acute Care Costs among U.S. Medicaid Alzheimer's Patients in the Year Prior to Diagnosis," was presented at AAICAD in Paris on July 20, 2011.

Alzheimer's disease is a major public health concern in the U.S. and other parts of the world because of its increasing prevalence and economic burden. [Alzheimer's Disease International](#) estimated that there were 35.6 million people worldwide living with dementia in 2010 and predicted that number would increase to 65.7 million by 2030 and 115.4 million by 2050.ⁱ

Patients with undiagnosed AD may incur higher acute care medical costs because cognitive decline may increase the risk of accidents and injuries, and adherence to treatment of comorbid conditions may be impaired. "It is possible that earlier diagnosis and better disease management could lead to cost-saving interventions, though it is not clear which cost categories and what share of the costs could be prevented," says lead researcher David S. Geldmacher, M.D, of the University of Alabama at Birmingham School of Medicine. "Further research is necessary to better understand the precise channels through which excess costs are incurred."

During the observation period, AD patients had approximately \$5,400 higher medical costs compared with matched controls (\$14,964 vs. \$9,565; $p < 0.001$). AD patients had higher costs ($p < 0.05$) for all place of service categories including inpatient, home care, and outpatient/clinic. Outpatient/clinic accounted for ~\$2,900 of the total cost difference (55%).

"There is greater utilization of medical resources even before physicians formally diagnose AD. In part, this may be due to patients and caregivers seeking answers for symptoms they do not understand," says [Howard G. Birnbaum, Ph.D.](#), a health economics expert and Principal at Analysis Group. "Since the health care system is mobilizing care for AD patients even prior to diagnosis, physician reluctance to diagnose AD may not be warranted."

Using Medicaid administrative claims data for services provided between 1997 and 2009 for > 3 million New Jersey Medicaid patients, the researchers selected a sample of AD patients based on ICD-9-CM and DSM-IV diagnostic criteria. To estimate excess medical costs possibly attributable to AD, 15,590 AD patients were matched to controls with no evidence of dementia, based on demographic criteria as well as utilization of treatment for prevalent underlying chronic conditions. (MORE)

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The study was authored by David S. Geldmacher, M.D., lead author (University of Alabama at Birmingham School of Medicine); [Noam Y. Kirson, Ph.D.](#), Howard G. Birnbaum, Ph.D., Sara Eapen, Ph.D., Evan Kantor, B.S. (all of Analysis Group); and Vijay Joish, Ph.D. (Bayer HealthCare Pharmaceuticals). The study was funded by Bayer HealthCare Pharmaceuticals, the U.S.-based pharmaceuticals business of Bayer HealthCare LLC, a subsidiary of Bayer AG.

[Analysis Group](#) provides health outcomes research and economic consulting to leading corporations and government agencies. The firm has 500 professionals, with offices in Boston, Chicago, Dallas, Denver, Los Angeles, Menlo Park, New York, San Francisco, Washington, and Montreal.

i. [World Alzheimer Report 2009](#).

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