Alliance FOR AGING RESEARCH

Catalyzing Innovation for Healthy Aging

How Alzheimer's Disease Disrupts Health Economics and What We Should Do Instead

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President and CEO
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Disclosures: Alliance for Aging Research 2019 Funders ($1,000 and above)

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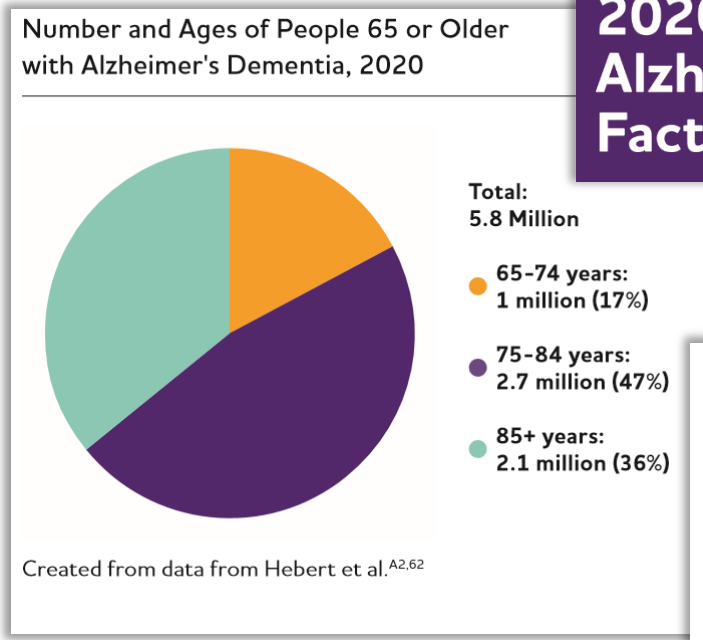
Using QALYs to value Alzheimer's disease patients and treatments presents ultimate moral quandary

- Oldest old: 80% age 75+
- Co-morbidities: often risk factor conditions
- Disease modifiers versus symptomatic treatments
- Individual, family caregiver and community burden



2020 Alzheimer's Disease Facts and Figures

alzheimer's association®

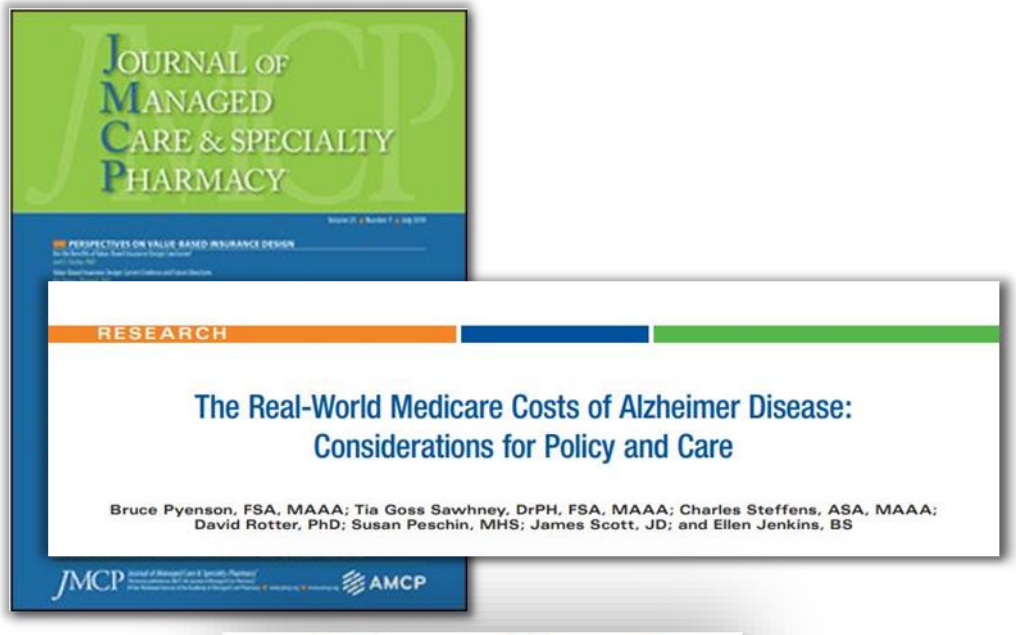
Percentage of Medicare Beneficiaries Age 65 and Older with Alzheimer's or Other Dementias Who Have Specified Coexisting Conditions

Coexisting Condition	Percentage
Coronary artery disease	38
Diabetes	37
Chronic kidney disease	29
Congestive heart failure	28
Chronic obstructive pulmonary disease	25
Stroke	22
Cancer	13

Created from unpublished data from the National 5% Sample Medicare Fee-for-Service Beneficiaries for 2014.[291]

Impact of health economics framework to determine human value

- Current productivity
- Life years gained > quality
- Blame the patient/clinician
- Why underwrite when care is needed?
- Real-world Medicare costs of AD

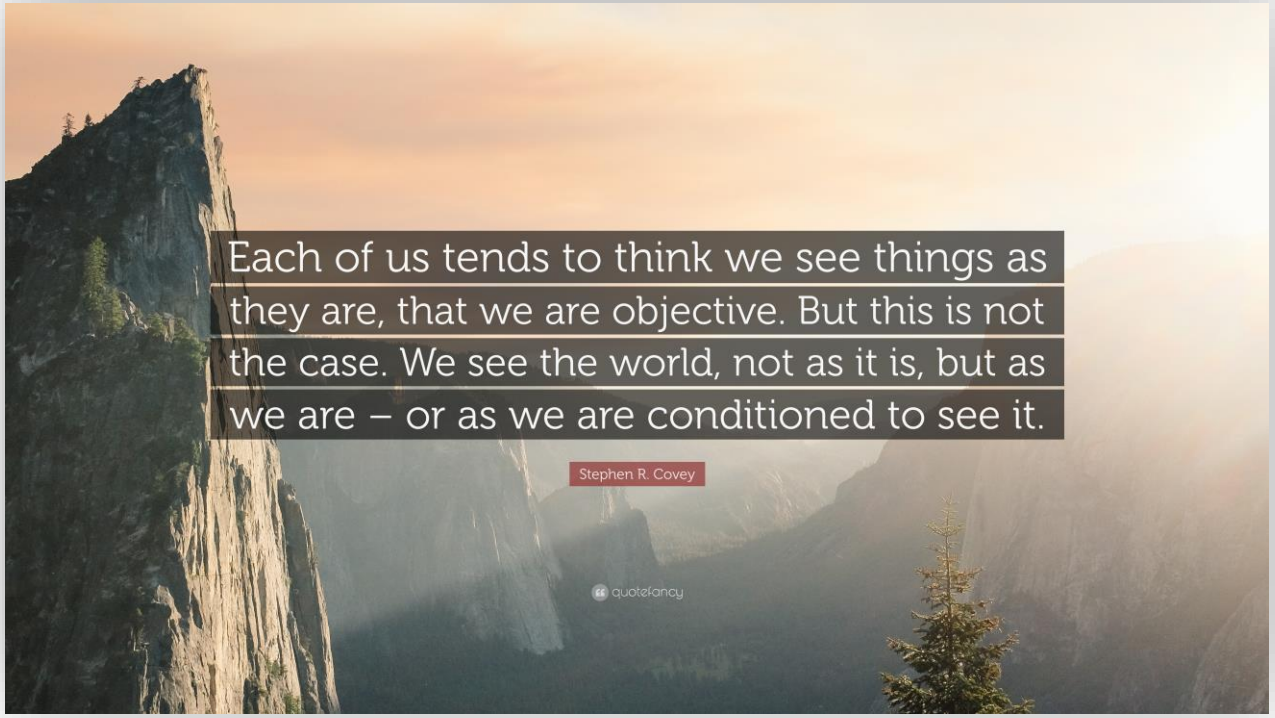


Miami Herald

A new study published in the Journal of Managed Care and Specialty Pharmacy found that Medicare spending on Alzheimer's disease is surprisingly low. The study examined almost 340,000 Medicare beneficiaries and found that in the last year of life, Medicare spent $1,300 less on patients with Alzheimer's disease than other beneficiaries. The lower costs were often due to avoiding complex care, such as chemotherapy for cancer, for loved ones with advanced dementia.

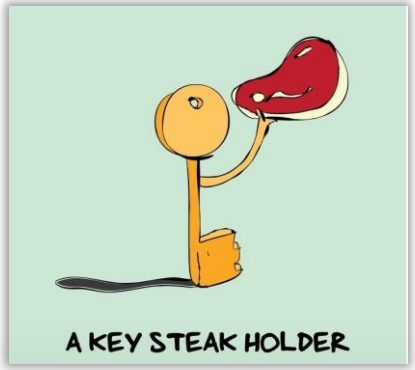
Consider behavioral economics to reflect real-world benefits for the individual and society

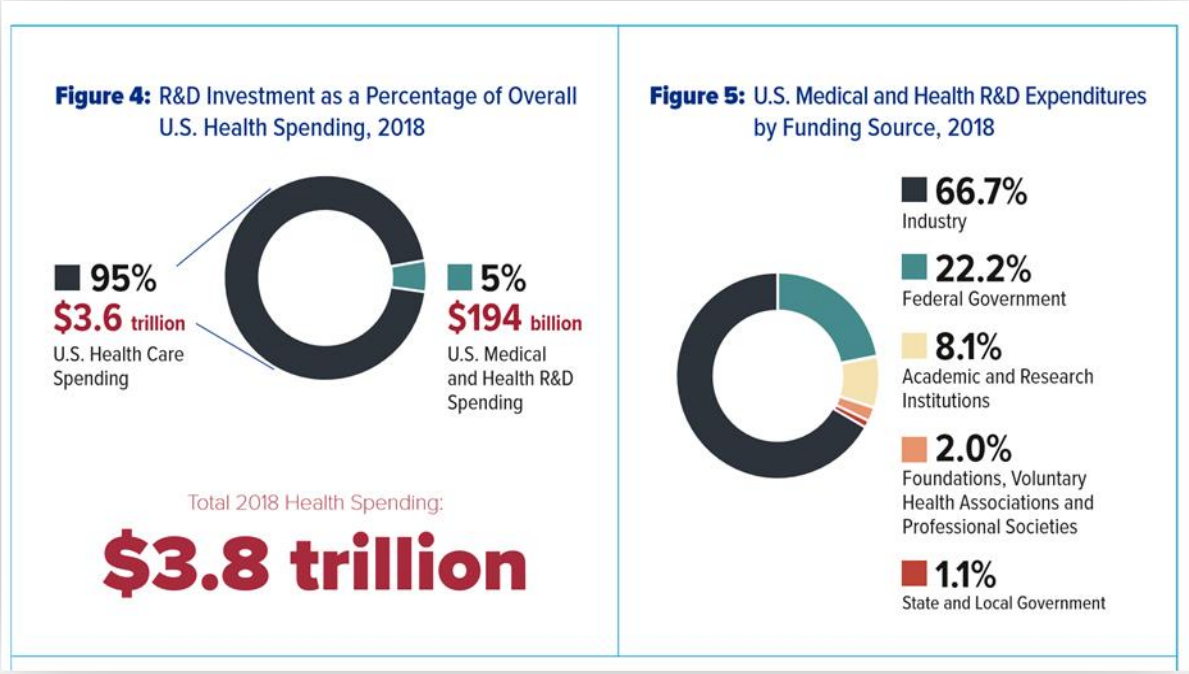
- Contemplating life with AD versus asking those *living* with AD
- Improving individual experience may improve family caregiver experience and community
- "Size up" the value of the medical product instead of the individual using it



Value framework development must include all key stakeholders

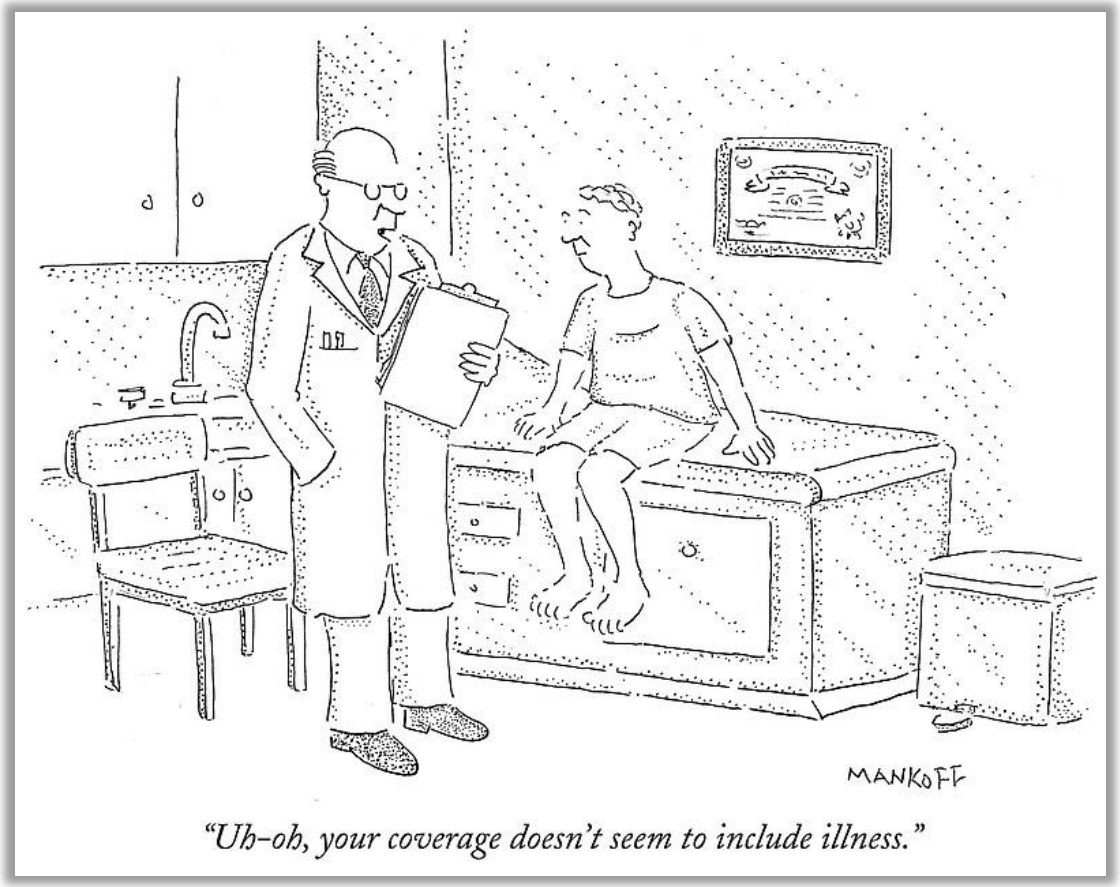
- Value perspective differs among economists, clinicians, industry, payers, patients, family caregivers, and policymakers
- Total costs of health care need to be addressed
- What we assume about research investment can be off





How do we value older adults and other "less-productive" groups?

- Why is value only economic?
  - Older adults paid taxes into Medicare/NIH for decades
  - For many others: rise in higher-premium/higher deductible plans, OOP costs, higher taxes w/no income increases
- What is our duty to each other?
- What makes society healthier and better in a holistic way?



"Uh-oh, your coverage doesn't seem to include illness."

Thank you!

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