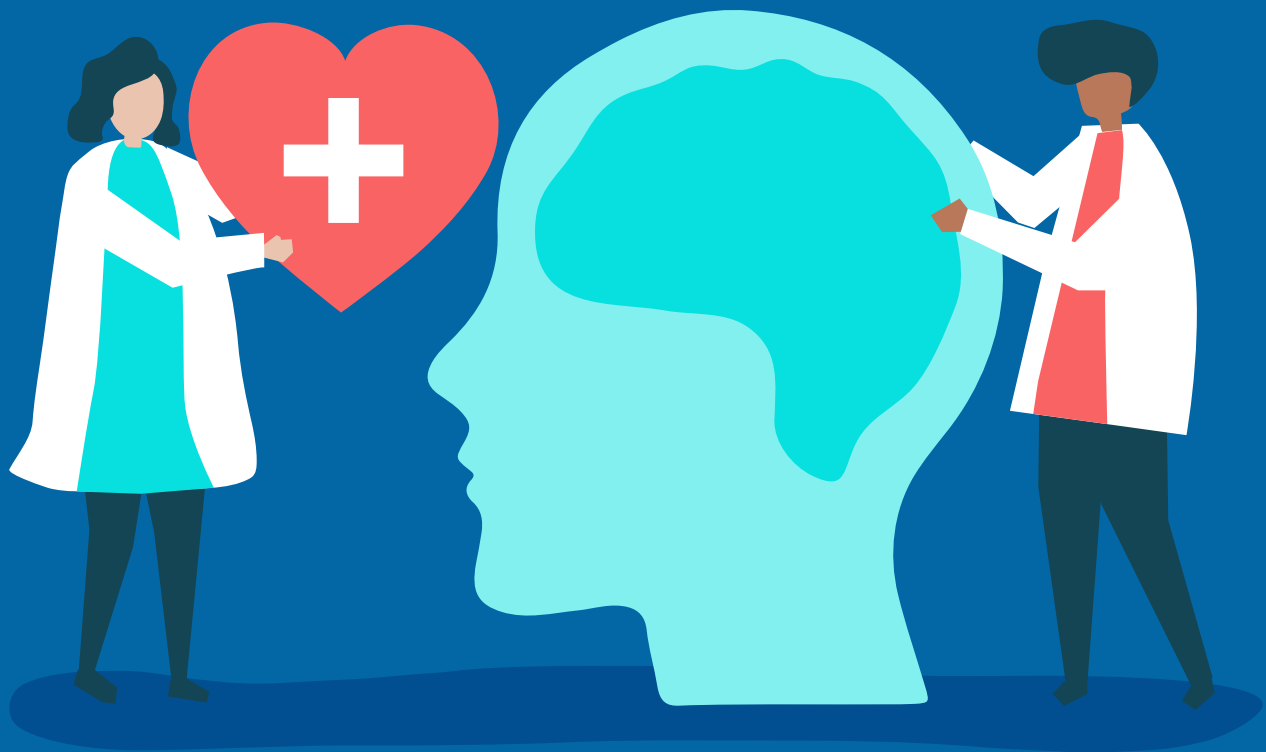


Continued Inaction Despite Growing Awareness, and the Outsized

COST OF DELAY ON DEMENTIA

Healthcare organizations must act now
to manage the growing impact of
Alzheimer's Disease and dementia






SAGE GROWTH
PARTNERS

Health plans are watching the projected costs of Alzheimer’s Disease and related dementia (ADRD) skyrocket—but like a deer in the headlights, many are frozen, unsure in which direction to move.

Although 77% of health plans and value-based care organizations cite addressing the needs of individuals with ADRD as either a “very” or “highly” urgent priority in need of imminent action— only 4% of these organizations report having a strategy in place today. This, along with other key findings from a survey of more than 50 leaders from health plans and value-based care organizations conducted by Sage Growth Partners and commissioned by Together Senior Health in Fall 2023, showcases a pattern of inaction preventing healthcare organizations from addressing the immense financial, physical, and emotional tolls of ADRD despite their awareness of the problem.

Key Takeaways

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Plans are waiting for a sign, but dementia is already extremely costly: According to respondents, a higher cost per member would spur their organizations into greater action. But [according to CMS](#), members with dementia are already 3x more expensive than their peers, and ADRD is the fourth most costly chronic condition.
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Payers are unprepared for growing demand for expensive new drugs: Respondents indicate dementia would be a higher priority if expensive new treatments were transforming the market landscape. But this is already happening—the total healthcare cost of the recently-approved specialty drug Leqembi is estimated to be approximately \$90K/year, and it opens up a new and growing segment of members: those with mild cognitive impairment (MCI).
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Plans want dementia-specific, non-drug interventions: Respondents report wanting to offer alternatives to expensive and risky specialty drugs for their members with ADRD and MCI: dementia-specific, clinically proven programs that target fall prevention, social connection, caregiver support, and more. Although these innovative and evidence-based approaches exist, they remain relatively undiscovered and underutilized.

The report outlines this pattern of awareness and inaction reflected throughout survey responses, painting a picture of healthcare leaders’ current paralysis around action on dementia. Ultimately, plan and value-based care leaders would like to offer their members a dementia-specific, non-pharmaceutical intervention that would reduce falls, improve quality of life, and decrease spend. Fortunately, these cost-effective, non-drug approaches are becoming more readily available. With strong evidence of positive impact upon both patient outcomes and quality of life, they are also proven to reduce healthcare utilization and spend.

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MISSED SIGNALS: Dementia's costs are already high

70% of health plan and value-based care leaders would escalate dementia's priority if costs were higher—yet, CMS data reveals members with dementia already cost 3x more.

To better understand the factors preventing more decisive action around ADRD, respondents were asked: What would cause ADRD to become a higher priority for their organization?

Overwhelmingly, cost was the biggest driver: 70% of health plan and value-based care leaders would be motivated to act if ADRD spend exceeded that of other high-cost conditions. Similarly, rising costs were selected as the highest driving force behind the adoption of non-pharmaceutical interventions for ADRD.

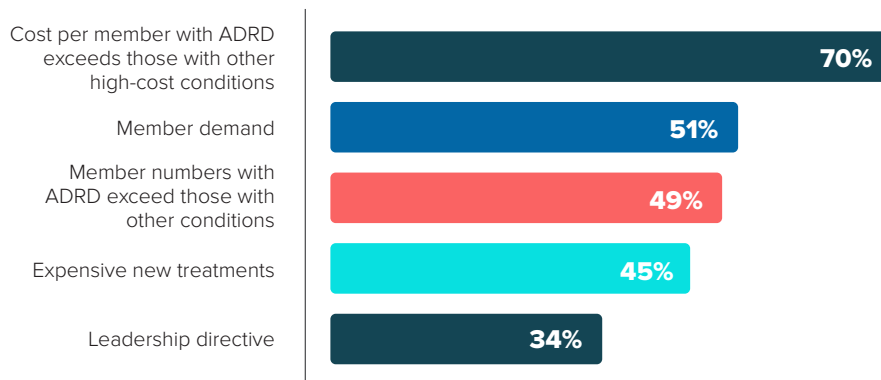
The hidden cost of dementia:

ADRD's true costs are dispersed across other conditions

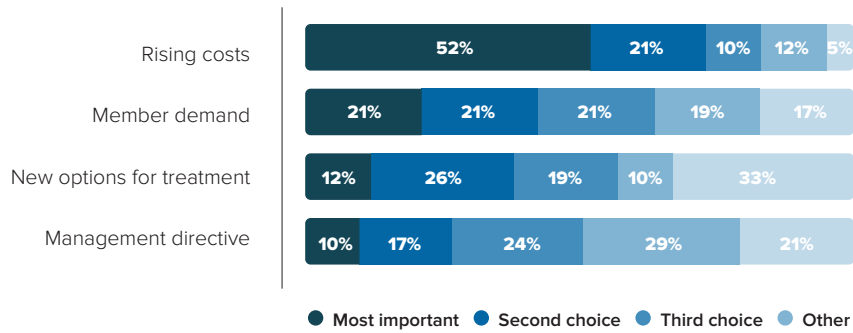
An estimated 94% of individuals with ADRD have one or more comorbid conditions, however the presence of dementia renders traditional care management programs ineffective and meaningfully complicates the effective management of these comorbidities. These comorbidities also obscure the true cost of dementia—for example, in one sample the 9% of enrollees with dementia account for nearly 23% of the total spend; however much of that spend was dispersed into other cost categories thereby obscuring the true financial impact of ADRD.

Indeed, in an initial survey conducted by Sage Growth Partners for Together Senior Health in late Spring 2023, survey responses revealed a startling misconception between the perceived and actual costs of managing members with ADRD and MCI. Although those respondents overwhelmingly believed conditions such as cancer and diabetes cost significantly more than ADRD to manage, CMS data reveals they are actually much less costly than they are believed to be: they fall as the 12th and 17th most costly chronic conditions. In stark comparison, ADRD is found much higher up the list, [ranked as the fourth most costly chronic condition](#)—outspent by only stroke, heart failure, and COPD in cost per person per year.

Causes for ADRD Becoming Higher Priority



Driving Force in the Area of Non-Pharmaceutical Interventions for ADRD



This means healthcare spend for individuals with ADRD vastly outpaces that for those with diabetes, chronic kidney disease, AFib, cancer, and other costly conditions. Yet, when this recent survey asked respondents about their top priorities, ADRD ranked relatively low on the list. One-fifth of respondents stated it does not even fall on their radar of Top 10 priorities.

Condition Costliness: CMS Rankings	
1	Stroke
2	Heart Failure
3	COPD
4	Alzheimer’s Disease/Dementia
5	Atrial Fibrillation
6	Hepatitis (Chronic Viral B & C)
7	Alcohol Abuse
8	Drug Abuse/Substance Abuse
9	Chronic Kidney Disease
10	Schizophrenia/Other Psychotic Disorders



Takeaway:

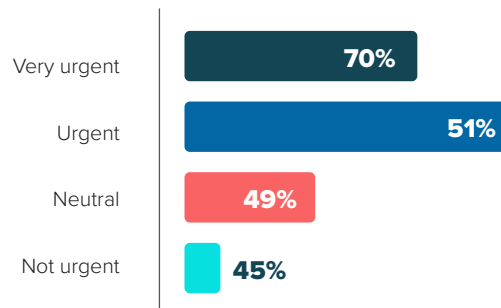
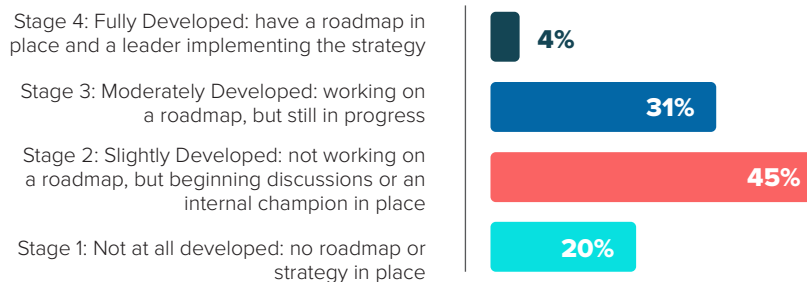
CMS data underscores that ADRD is already one of the biggest cost drivers for health plans and value-based care organizations—plans are missing an opportunity to address a high cost condition by focusing so heavily elsewhere. Although plans have devoted significant resources and attention to programs tackling other high-cost conditions, members with ADRD remain vastly underserved despite their high cost.

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CAUGHT UNAWARE: Plans are unprepared for shifting winds

Facing expensive prescription and utilization costs, 77% of health plan and value-based care leaders believe the time to act is now—yet, only 4% have a fully formulated plan in place.

Although survey respondents were not shy about the urgency they feel around dementia, their responses reflect an unusual indecision. Seventy-seven percent of respondents cite ADRD as either a “very” or “highly” urgent priority in need of imminent action—yet, despite broad recognition of this need, only 4% of organizations report having a strategy in place today.

Urgency for Organization to Take Action to Address ADRD / MCI**Organizations Maturity Care Management ADRD**

Recent and sweeping market changes—such as Leqembi’s approval and the recently expanded access to screenings for Leqembi eligibility—are another harbinger healthcare leaders seem to be overlooking. Although 45% of respondents said they would make ADRD a higher priority in response to expensive new treatments, only 12% report having made any change in anticipation of Leqembi’s projected \$90K/year cost.

Time to act:

An easier path to prescription inevitably means rising costs

In October, CMS announced broader coverage for the PET scans that help determine candidacy for the new class of Alzheimer's drugs—easing the path toward prescription for thousands. When surveyed, 82% of respondents reported feeling concerned about the cost of pharmaceuticals like Leqembi. Some outlets estimate potential costs as high as \$90,000 per member for the new drug, which is made even more expensive with increased demand for testing and treatment.



Takeaway:

Healthcare leaders are beginning to recognize the urgency of addressing ADRD and acknowledge they must quickly develop and enact a dementia-specific strategy lest they fall behind the health plans in the market that are taking action. As CMS continues to approve new treatments like Leqembi for payment and removes screening restrictions, demand for these expensive new drugs will inevitably rise. Plans and other organizations will have to work more quickly to implement cost-effective and outcome-oriented approaches that do not endanger their financial health.

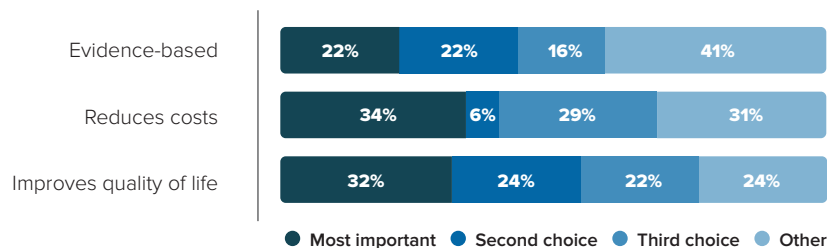
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ACT NOW: Be on the lookout for new innovation in this space

Although 83% of plan leaders would like to offer dementia-specific programming, three-quarters of plans continue to rely on traditional care management tactics.

Healthcare leaders are quick to acknowledge their organizations should be doing more to support individuals with ADRD. [In the spring survey](#), a vast majority (83%) agreed that they should be offering dementia-specific programs for their members with cognitive decline—and 69% of these respondents felt that non-pharmaceutical interventions would be especially beneficial.

Important Characteristics of Non-Pharmaceutical Interventions for ADRD



Despite this, organizations report mostly relying on traditional modalities to manage the challenge. This Fall, 75% of respondents reported that their primary care management approach depends on referrals to external support groups or other local services, with modest or unknown impact on quality of life or healthcare utilization and spend.

When asked to define an ideal and comprehensive approach to managing dementia, a clear picture emerged: an evidence-based, outcome-oriented program with demonstrable ROI. Not only would they prioritize fall prevention, but they would build a sense of community, help reduce the burden on caregivers, and incorporate elements of gentle movement and exercise. Essentially, these programs would be able to simultaneously reduce spending and make a positive impact on a member or patient's overall quality of life. The traditional modalities largely being used by plans today fit few to none of these criteria meaning that plans need to seek out the sources of innovation in ADRD to identify these solutions.

Plan & VBC leaders recognize these as the most important elements of a dementia-specific management program:

- 1 Fall prevention
- 2 Social connection
- 3 Caregiver health
- 4 Movement and/or exercise

Despite not having such programs in place today, survey respondents express enthusiasm around innovative new interventions that focus on well-being, physical movement, and brain health to improve outcomes and reduce costs. According to them, these programs would combine several essential elements, including ways to reduce social isolation (89%) and methods of improving both balance and physical health (85%).



Takeaway:

Although current methods of managing care for members with ADRD have little measurable impact, respondents can clearly articulate the most important elements of any future approach they would hope to adopt. Organizations are looking for evidence-based and outcome-oriented approaches that can help mitigate rising costs—and meet the complex needs of these members, including fall prevention, social and physical elements, and caregiver support.

From Idea to Action: Solutions exist that meet leaders' dementia management goals

Throughout the survey, health plan and value-based care leaders acknowledge dementia's outsized cost, need, and urgency—and, simultaneously reflect a puzzling lack of action. Indeed, the same respondents who cite rising cost as a primary motivating factor for seeking a non-pharmaceutical intervention (73%), have still not taken action to implement the type of ideal, evidence-based intervention they can very clearly define.

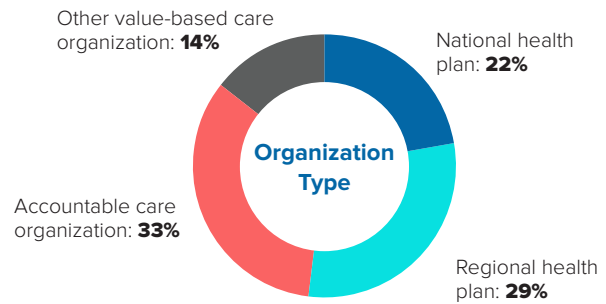
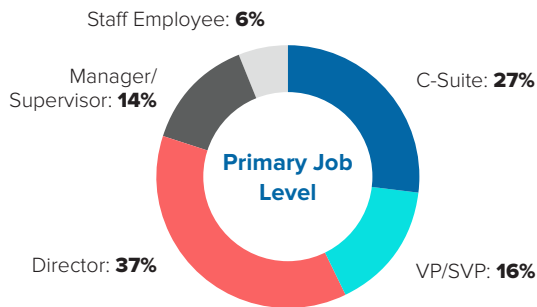
Although breakthrough cures remain out of reach, highly impactful therapeutic—and non-pharmaceutical—interventions exist today. These innovative, evidence-based approaches—such as **Together Senior Health's clinically proven Moving Together™ program**—support brain health, nurture social connections, improve balance, help prevent costly care episodes—and offer a meaningful course of action for organizations looking to mitigate ADRD's rising cost and need.

These innovative approaches simultaneously meet the needs of members who want to remain healthy at home, and the economic realities facing payers and other organizations today. For payers, providers, and value-based care organizations alike, a clear path forward exists for bettering the experience of individuals living with dementia—and their loved ones.

Together Senior Health's virtual program, Moving Together™, is proven to engage—and retain—a meaningful, ongoing connection with this hard-to-reach population. The following are takeaways from a [2022 Participant Impact Report](#):

- **90%:** Report feeling less lonely after the virtual group classes
- **90%:** Rate the program 10/10, following completion of the full program
- **85%:** Feel that the program would help reduce falls
- **80%:** Report a better mood following their bi-weekly class
- **75%:** Felt more energy and a stronger desire to pursue other physical activities

Methodology



About Sage Growth Partners

Sage Growth Partners is a healthcare advisory firm with deep expertise in market research, strategy, and communications. Founded in 2005, the company's extensive domain experience ensures that healthcare organizations thrive amid the complexities of a rapidly changing marketplace. Sage Growth Partners serves clients across the full healthcare spectrum.



About Together Senior Health

Together Senior Health is a brain health company delivering evidence-based solutions to improve quality of life and health outcomes for individuals with Alzheimer's, dementia and cognitive decline. Founded by brain scientists, therapists and changemakers, Together Senior Health's integrated solution combines over a decade of clinical evidence, real-world user experience and engaging community-based programming. The company partners with Medicare Advantage health plans, ACOs and other risk bearing healthcare organizations to provide its tailored solutions and deliver impact. Together Senior Health has received over \$8M in grant funding and is collaborating with leading institutions like the National Institutes of Health (NIH) and the University of California, San Francisco (UCSF) to advance new field research in cognitive health. To learn more, visit togetherseniorhealth.com.