



EDUCATIONAL SERIES

Insight #5, April 2022

The Prevalence of Alzheimer's / Dementia in Medicare Beneficiaries

Important Insights

- The prevalence of Alzheimer's Disease or other dementias (ADOD) in Medicare fee-for-service beneficiaries is estimated to be between 10.7% and 11.9% of those aged 65+
- The prevalence of ADOD in Medicare Advantage beneficiaries is estimated to be 8.5% of those aged 65+
- The age-related prevalence of ADOD can be estimated for any population from the distribution by three age brackets: 65-74, 75-84, and 85+

Executive Summary

According to a [2022 Alzheimer's Association publication](#), more than 6 million Americans currently live with Alzheimer's Disease or other dementias (ADOD) and 1 in 3 U.S. seniors die with the disease.

Several organizations, including CMS, estimated the prevalence of ADOD to be between 10.7% and 11.9% in fee-for-service beneficiaries. By comparison, the prevalence of ADOD in Medicare Advantage (MA) beneficiaries is estimated to be 8.5%. The differences between the prevalence in MA and fee-for-service require further study; however, it is noteworthy that ADOD did not become a risk-adjusted condition in Medicare Advantage until 2020.

The age-related prevalence of ADOD is readily estimated for any population if the distribution by age-bracket is known. For Medicare Advantage plans, the difference between (i) the age-related prevalence of ADOD and (ii) the prevalence of ADOD determined from claims data, provides an estimate of the HCC 51/52 coding gap. In our experience this coding gap is typically 2-3% of all members in the MA plans and represents a significant opportunity to appropriately code members to capture risk-adjusted revenue to fund dementia-specific programs.

Insight #5

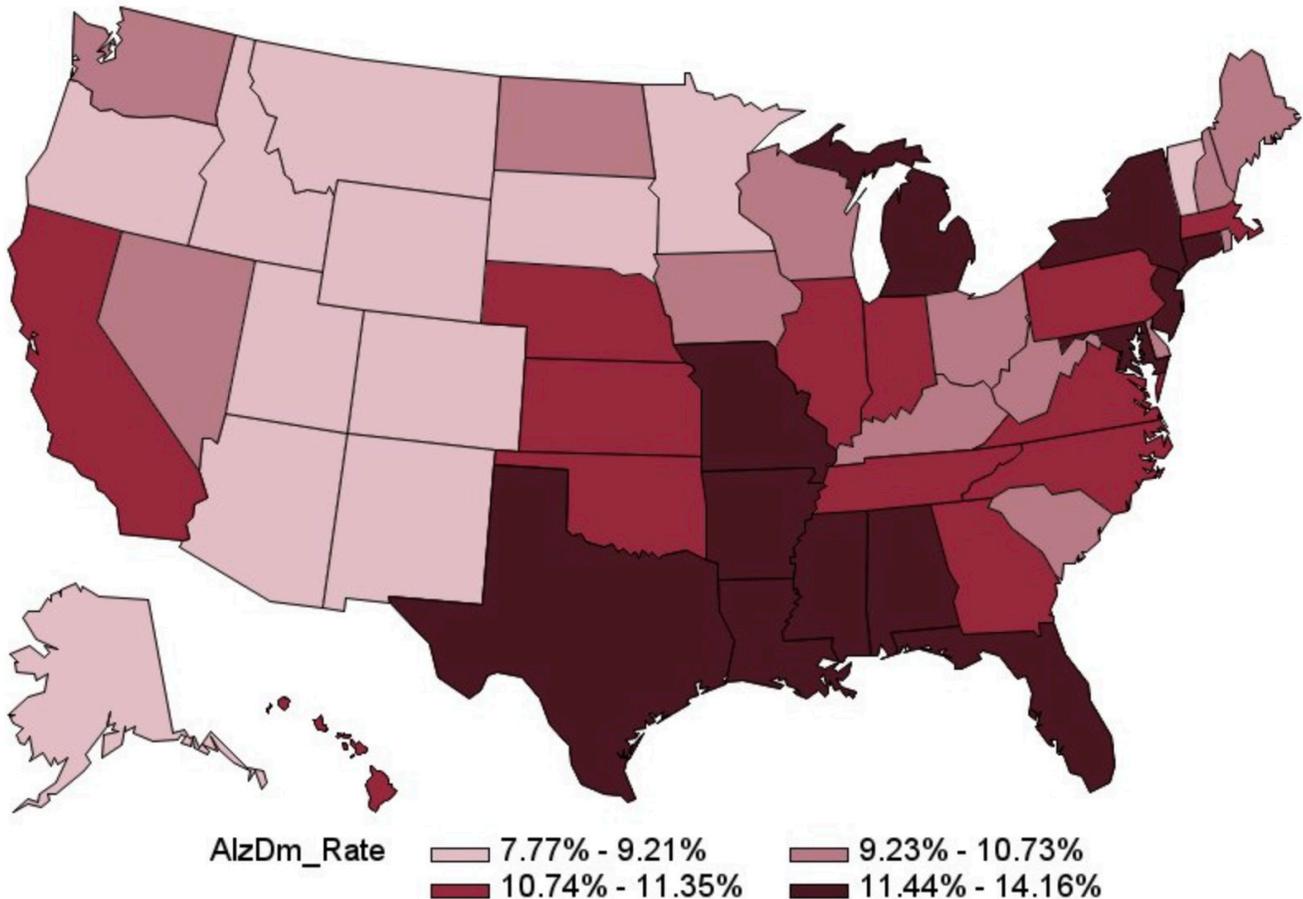
As the U.S. population continues to age, the number of Americans living with Alzheimer's Disease or other dementias (ADOD) continues to increase. According to a [2022 Alzheimer's Association publication](#), more than 6 million Americans currently live with ADOD and 1 in 3 U.S. seniors die with the disease. A week doesn't go by when there isn't an article published that highlights the growing challenges of dementia, the colossal cost burden of dementia on the U.S. healthcare system (\$321B in 2022, projected to increase to \$1 Trillion by 2050) or the burden this disease has on spouses, adult children or family caregivers who are providing care for a loved one living with ADOD. If you sit down with five strangers, in our experience, at least one or two will know someone with ADOD, and often that someone will be a person in their immediate family. This level of familiarity with ADOD supports the generally accepted belief that ADOD is broadly under-diagnosed.

The Prevalence of ADOD in Fee-for-Service Medicare

A variety of organizations report the prevalence of ADOD in fee-for-service beneficiaries. The Alzheimer's Association estimates that the 2022 prevalence for all seniors aged 65+ is 10.7%. [Matthews et al.](#) estimated the prevalence of ADOD to be 10.9% using 2014 fee-for-service Medicare data. The Centers for Medicare & Medicaid Services (CMS) reported a 11.9% prevalence of dementia in 2018 using [administrative and enrollment data](#) for fee-for-service beneficiaries.

CMS published the [following chart](#) to highlight the significant geographic differences in the prevalence of ADOD across U.S. states. Ceresti's analysis of this chart suggests that 80% of these differences are explained by differences in age, and 20% are explained by other risk factors.

Alzheimer's & Dementia Period Prevalence, 2019



The Prevalence of ADOD in Medicare Advantage (MA)

None of these organizations detail the prevalence of ADOD for Medicare Advantage (MA) beneficiaries, a rapidly growing segment that currently represents more than 40% of all Medicare-eligible seniors. Ceresti commissioned the actuarial firm Milliman to study the prevalence of ADOD across 2.5 million MA members using 2016-2018 MA claims data. [Milliman determined the prevalence of ADRD in MA to be 8.5%](#); lower than the prevalence of ADOD in any of the estimates for fee-for-service beneficiaries. The reasons for the discrepancy between the prevalence of ADOD in MA and fee-for-service require further study, especially since the demographic differences between MA and fee-for-service suggest that MA members should have a higher (not a lower) prevalence of

dementia. It is noteworthy that ADOD did not become a risk-adjusted condition in Medicare Advantage until 2020.

The Age-Related Prevalence of ADOD in Any Population

Below is a simple method to estimate the age-related prevalence of ADOD in any population when access to claims data is not possible or too cumbersome.

Step 1. Determine the number of persons in each of the following three age-brackets: (i) 65-74 years, (ii) 75-84 years, and (ii) 85+ years.

Step 2. Multiply the number of persons in each age-bracket by the published prevalence of ADOD for that age bracket. Using Matthews et al (Table 3) the published prevalence of ADOD is 3.6% for those aged 65-74, 13.6% for those aged 75-84, and 34.6% for those aged 85+.

Step 3. Determine the age-related prevalence of ADOD by dividing (i) the total number of persons with ADOD from each of the three age brackets by (ii) the total number of persons in the population.

The following worksheet requires three inputs (A, B and C) to determine the age-related prevalence of ADOD in a population.

Worksheet to determine the age-related prevalence of Alzheimer's/Dementia in a population

		Number of persons in population	Prevalence of ADOD	Estimated number with ADOD
Age Brackets	65-74	A	3.6%	$X = A * 0.036$
	75-84	B	13.6%	$Y = B * 0.136$
	85+	C	34.6%	$Z = C * 0.346$
Total Aged 65+		$T = A + B + C$		
Total with Dementia				$TD = X + Y + Z$
Age-Related Prevalence of ADOD				TD / T

For Medicare Advantage plans, the difference between (i) the age-related prevalence of ADOD and (ii) the prevalence of ADOD determined from claims data, provides an estimate of the HCC 51/52 coding gap. In our experience this coding gap is typically 2-3% of all members in an MA plan and represents a significant opportunity to appropriately code members to capture risk-adjusted revenue to fund dementia-specific programs.

[Ceresti Health](#) is the leader in virtual care for Medicare beneficiaries who depend on family caregivers to manage their care. Our digital caregiver empowerment platform is deployed with care teams from leading Medicare Advantage health plans.