



December 3, 2021

The Honorable Pat Toomey  
United States Senate  
248 Russell Senate Office Building  
Washington, D.C. 20515

Dear Senator Toomey:

On behalf of the Alzheimer's Association and the Alzheimer's Impact Movement (AIM), including our nationwide network of advocates, thank you for your continued leadership on issues and legislation important to Americans living with Alzheimer's and other dementias and to their caregivers. We write to express our support for S. 2415, the Long-Term Care Affordability Act, which would expand the use of retirement plan funds to obtain long-term care insurance.

An estimated 6.2 million Americans age 65 and older are living with Alzheimer's dementia in 2021. Total payments for all individuals with Alzheimer's or other dementias are estimated at \$355 billion (not including unpaid caregiving) in 2021. Medicare and Medicaid are expected to cover \$239 billion or 67 percent of the total health care and long-term care payments for people with Alzheimer's or other dementias. Total payments for health care, long-term care, and hospice care for people with Alzheimer's and other dementias are projected to increase to more than \$1.1 trillion in 2050. These mounting costs threaten to bankrupt families, businesses, and our health care system. Unfortunately, our work is only growing more urgent.

The Long-Term Care Affordability Act would help individuals better plan for the future by allowing retirement plan funds to be used to purchase long-term care insurance. Long-term care insurance helps to cover many of the costs of living with Alzheimer's which are not covered by Medicare. Individuals can use long-term care insurance to help cover the cost of residential care facilities, nursing home care, and home care services:

*Residential care facilities.* Forty-two percent of residents in residential care facilities, including assisted living facilities, have Alzheimer's or other dementias. Fifty-eight percent of residential care facilities offer programs for residents with dementia. The median cost for care in an assisted living facility is \$4,300 per month, or \$51,600 per year. The cost of assisted living has increased 3.6 percent annually on average over the past five years.

*Nursing home care.* Nursing home admission by age 80 is expected for 75 percent of people with dementia; compared with only four percent of the general population. In all, an estimated two-thirds of those who die of dementia do so in nursing homes, compared with 20 percent of people with cancer and 28 percent of people dying from all other conditions. The average cost for a private room in a nursing home is \$290 per day, or



\$105,850 per year, and the average cost of a semi-private room is \$255 per day, or \$93,075 per year. The cost of nursing home care has increased 3 percent annually on average over the past five years for both private and semi-private rooms.

*Home care.* In-home care services, such as personal care services, companion services, or skilled care can allow a person living with dementia to stay in a familiar environment, delay institutionalization, and be of considerable assistance to caregivers. The median cost in 2020 for a paid non-medical home health aide is \$24 per hour and \$4,576 per month. Home care costs increased 3.7 percent annually on average over the past five years.

Between 2020 and 2025, every state across the country is expected to experience an increase of at least 6.7 percent in the number of people living with Alzheimer's. People aged 65 and older survive an average of four to eight years after a diagnosis of Alzheimer's, and some live as long as 20 years. During that period, individuals will spend an average of 40 percent of this time in dementia's most severe stage and much of it in a nursing home. In 2020, an individual's health care and long-term care payments from all sources for Medicare beneficiaries with Alzheimer's or other dementias were over three times as great as payments for other Medicare beneficiaries in the same age group, averaging \$52,481 per person for those with dementia compared with \$14,976 per person for those without dementia. Access to affordable long-term care insurance could immediately improve an individual's out-of-pocket costs, as well as the cost strains on both the Medicare and Medicaid programs.

Again, we deeply appreciate your continued leadership on behalf of all Americans living with Alzheimer's and other dementias. We look forward to working with you and your colleagues to improve the quality of care for people living with Alzheimer's while lowering costs. If you have any questions, please contact Rachel Conant, Vice President of Federal Affairs, at [rconant@alz-aim.org](mailto:rconant@alz-aim.org) or at 202-638-7121.

Sincerely,

Robert Egge  
Chief Public Policy Officer  
Executive Vice President, Government Affairs  
Alzheimer's Association