

Cost of Dementia Care in Ireland



Executive Summary

Introduction

Dementia is a term describing a range of conditions, which effect memory, thinking, language and the ability to perform everyday tasks. In Ireland there are approximately 41,470 persons with dementia (PwD). Due to the progressive nature of dementia, its costs are significant. Costs of dementia care in Ireland are considerable. The total baseline annual cost has been estimated at approximately €1.69 billion, with almost half of this cost attributable to the cost of informal care provided by family and friends. These figures suggest an average annual cost per PwD of approximately €40,500 per annum.

Notwithstanding the fact that Ireland spends approximately half the OECD average on dementia care, the costs are considerable. Yet a major limitation of costing studies to date is a lack of detail on how costs are generated at the patient level or any coherent standardised protocol for such costing, primarily as a result of fragmented care, and the lack of a coherent dementia care pathway. While evidence is available as to the utility of care pathways from a health and efficiency perspective, the recent Irish National Dementia Audit highlighted that 94% of relevant Irish hospitals (33/35) have no DCP in place, with a recommendation that a DCP should be developed and implemented at a local level in each acute hospital.

Thus the need was identified for the development of an accurate care pathway onto which accurate, patient-level costs could be mapped. A novel methodology was chosen for the identification and costing of

Method

dementia care ([and is outlined more fully here/in the Costing Method Executive Summary](#)). The costing approach chosen was a patient level costing technique known as time-driven activity-based costing. This patient-level approach is characterised by the identification of: key care activities; the time taken to undertake these activities; and their cost.

Due to the complex nature of dementia, the specific methodology chosen to facilitate accurate and valid costing was vignette-based surveying. For this, the researchers developed patient exemplars (i.e., clinical case scenarios) which would be representative of the majority of 'typical' dementia cases, which allowed the team to constrain identification of the costs of dementia along a designated structure.

Two patient exemplars, Mary and Jack, each with distinct dementia profiles, were developed, and estimated to be representative of a majority (70%) of activities within pathways of care for dementia patients. Through a combination of several hundred hours of participant observations, and over 100 semi-structured interviews, the researchers set about painting a cost picture of the 'typical' dementia care pathway through the Irish public health system. Importantly, the ARCH methodology provided information across all discrete stages along the care pathway.

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Results

The general findings are sufficiently replicative of findings in the literature to support their validity. The key findings are that: 1) Dementia is an extremely costly condition, at an individual and societal level, and 2) that costs of care increase considerably over the duration of the condition.

An overview of the costs per month for each of the four disease stages (mild; mild-to-moderate; moderate-to-severe; and severe) for Mary are €3,713, €6,083, €6,808 and €7,614, respectively. For Jack these costs were €2,640, €3,291, €3,361 and €7,614, respectively.

Average annual costs of care in Ireland, for *all comparable cases*, were estimated to be: €387,232,495 (mild); €285,692,492 (mild-to-moderate); €221,400,985 (moderate-to-severe); and €730,015,878 (severe/long term), which equates to approximately €1.624 billion. If costs for all remaining dementia cases (30%) were equal, the true costs of dementia in Ireland would be in the region of €2.32 billion; considerably higher than the €1.69 billion recently proposed as the valid costing of dementia care in Ireland. In fact, considering that a number of cases are likely to be more complex (e.g., Lewy Body dementia) and thus more expensive than the two sample cases used to derive 'typical' care, the true cost of dementia in Ireland is likely to be higher.

Discussion

The findings of the ARCH study provide the first in-depth patient-level mapping and costing of dementia care, in Ireland or internationally. Thus it represents an important first step in the provision of detailed and valid information, not only in terms of integrated care provision, but with regard to the cost of this care.

The dementia care pathway was documented, and the costs attributable to a 'typical' dementia patient's journey were derived. The costs per patient derived in this study are comparable with cost-of-illness studies internationally.

One of the key contributors to the increased costs, in line with dementia progression, is long-term care (LTC). Cost of illness studies, including the current study, support the argument that delaying transition to the more severe stages of dementia, while desirable from a patient perspective, is critical from a cost perspective.

Due its granular nature, this study represents a key contribution to the literature in Ireland. Importantly, when the figures were extrapolated from per person costs to total societal costs, a figure of approximately €2.31 billion was derived for the annual cost of care of all patients with dementia; considerably higher than the current best estimate of €1.69 billion, which highlights the importance of accurate costing in the healthcare system. Moving forwards, using time-driven activity-based costing in combination with vignette-based surveying is suggested as a valid method to cost discrete chronic conditions.

Companies with a commercial interest in these connected health opportunities or who are intertested in collaborating with ARCH should contact Alica May, Project Co-ordinator on info@arch.ie or call 01 7165400.