

MEDIA RELEASE

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Counting the true cost of dementia

It costs approximately AU\$88,000 a year to provide health and residential care for a person living with dementia in Australia, according to new research led by Flinders University.

This figure is much higher than previously thought and provides the most precise estimate to date of the cost of providing quality care to dementia patients living in aged care settings.

“Our research findings have considerable implications for future service planning within Australia’s aged care sector,” says senior researcher and co-author of the study, Dr Suzanne Dyer from Flinders University.

“Unlike previous evaluations, which have typically calculated costs by adopting an overarching “top-down” perspective on the healthcare system, we have taken a “bottom-up” approach by looking at all the health and residential care costs incurred by a sample of individuals living with dementia.

“This has given us a realistic, per person estimate,” Dr Dyer says.

Results of the study have been published in the *International Journal of Geriatric Psychiatry* and form part of the INSPIRED project (Investigating Services Provided in the Residential Care Environment for Dementia) which is funded under the auspices of the NHMRC Cognitive Decline Partnership Centre (CDPC).

Lead author on the paper and co-researcher, Dr Emmanuel Gnanamanickam from Flinders University, says that the increasing prevalence of dementia and associated demand for aged care services in Australia has made future funding for these services a major government and societal priority.

“In Australia, it is estimated that over half of the permanent residents living in residential aged care have dementia,” says Dr Gnanamanickam.

“The worldwide occurrence of dementia in 2010 was calculated at 35.6 million and is projected to increase to 115.4 million by 2050.

“In order to maintain an appropriate level of care for people living with dementia and understand true financial impact of dementia care, an accurate measure of the real costs is necessary.

“However it is important to note that our estimate is still conservative and does not take into account the cost of informal care and other indirect costs.

“Given that the majority of costs incurred by people living with dementia in residential care are borne by either the Australian or state governments, our findings are significant for informed, reliable policymaking,” Dr Gnanamanickam says.

The Flinders study also examined the individual components of health and residential care costs incurred by people living with dementia.

“We found that residential care accounted for 94% of the overall costs.

“We also found that residential care costs were higher for those living with dementia compared to those not living with dementia, but that healthcare costs were lower among those living with dementia,” says Dr Gnanamanickam.

The full results of the study can now be read in the published paper: Gnanamanickam ES, Dyer, SM, Milte R, et al. ‘Direct health and residential care costs of people living with dementia in Australian residential aged care’, *International Journal of Geriatric Psychiatry*. 2018;1–8. <https://doi.org/10.1002/gps.4842>.

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