

Why new treatments for Alzheimer's cost tens of thousands of dollars a year

July 15 2024, by Erin Kayata



Gary Young, Director, Northeastern University Center for Health Policy and Healthcare Research, says more drugs for Alzheimer's hitting the market could help reduce costs. Credit: Matthew MODOONO/Northeastern University

The Food and Drug Administration [approved a new Eli Lilly drug](#) this

month that treats Alzheimer's disease. Kisunla is an IV infusion therapy given once a month to people in the early stages of Alzheimer's, according to the Alzheimer's Association. The treatment destroys amyloid plaques in the brain to slow the progression of the disease.

The cost of this 12-month treatment? [\\$32,000 a year.](#)

Leqembi, another amyloid-destroying IV therapy for Alzheimer's, costs a similarly eye-popping [\\$26,500 a year](#), per the Alzheimer's Association. Aduhelm, a similar treatment option that was approved by the FDA in 2021, initially cost \$56,000 a year. (Biogen, Aduhelm's manufacturer, announced it would cut the drug's cost in half before ultimately discontinuing it this year.)

According to the Alzheimer's Association, there are nearly 7 million people in the U.S. living with Alzheimer's, a number that is projected to rise to 13 million by 2050. Given the prevalence of the disease, it's likely that many could benefit from these treatments in the future.

But the cost of drugs to treat Alzheimer's is likely to stay high, given the lack of other existing [treatment options](#), says professor Gary Young, director of Northeastern University's Center for Health Policy and Healthcare Research.

"There's a number of factors that play into how they actually develop their pricing," Young says. "We're talking about research and development costs, market competition, demand for drugs."

Young compares the price consumers pay for Alzheimer's treatments to other medications for diseases like cancer that can "easily run \$100,000 or more a year." The average cost of a drug that gets approved runs over a billion dollars, Young adds, given how many failures happen early on during the phase trials needed to obtain FDA approval.

But the costs of these drugs can spell trouble when it comes to [patient access](#) and the amount Americans spend on health care overall.

Health care spending in the U.S. [reached \\$4.5 trillion in 2022](#), up 4.1% from the previous year, according to the Centers for Medicare and Medicaid Services. This spending made up 17.3% of the country's gross domestic product, something Young says might continue to grow as more pricey treatments hit the market.

"How much higher can we go?" he says. "We're going to be in a crisis situation. It's great to see these drugs moving into the pipeline and all of us want to have access to every available drug or technology that can help us. But we do need to consider the ... tradeoffs that we're making in terms of development (and) of greater investment in public health."

A patient's ability to access the drug will be based on their insurance, Young says, which is limiting. While the Alzheimer's Association reports that both drugs currently on the market for Alzheimer's will be covered by Medicare and Medicaid, it's up to insurance companies to decide if they want to cover these treatments, he adds. Some companies may hesitate to put this much money toward these drugs since it could affect how much money is allocated to other treatments and services for other patients.

Even if insurance companies do cover the drug, Young says, patients may still be hit with high out-of-pocket costs.

This can play a factor into whether clinicians offer the drug, especially when weighed against the benefits, Young says. Not every patient will see the same benefits, he adds, placing a huge cost on them for little progress.

Young says the current treatments are based on the amyloid hypothesis,

or the idea that Alzheimer's is caused by the [amyloid plaques](#) these drugs are destroying. But the neuroscience community is divided on this theory and whether the plaques are the cause or the result of a disease, he adds.

Biogen pulled Aduhelm after a congressional inquiry found that [the FDA approved the drug](#) despite questions about its benefits. When the FDA initially approved the drug, major health care systems actually decided not to offer it, given the risk of brain swelling and bleeding compared to the uncertain benefit.

"Some scientists and clinicians remain very skeptical about these drugs in terms of their ability to make much of a dent in the disease progression of Alzheimer's," Young says. "They see it as really very, very modest benefits. They also see this as distracting from focusing on what really is the underlying causal mechanisms of dementia and Alzheimer's."

On the flip side, these drugs are the only currently available treatments for Alzheimer's, meaning they offer some hope and benefit for many. Eli Lilly's drug was also found to slow disease progression and ultimately improve cognitive function in some patients, Young says.

There is a chance the prices of these drugs will go down as more drugs come onto the market and there's more competition, Young says, assuming the new products have similar benefits.

This story is republished courtesy of Northeastern Global News news.northeastern.edu.

Provided by Northeastern University

Citation: Why new treatments for Alzheimer's cost tens of thousands of dollars a year (2024, July 15) retrieved 16 July 2024 from

<https://medicalxpress.com/news/2024-07-treatments-alzheimer-tens-thousands-dollars.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.