Investment Thesis Report: Dementia and the GUIDE Model

January 2025

Abstract

Dementia has long been one of the most economically and socially impactful diseases, presenting massive challenges to healthcare systems in the United States and abroad. Due to an aging population, disease rates are only projected to grow, and no novel drugs to slow or stop the cognitive degeneration associated with these conditions have been widely adopted. The complexity of dementia further creates a massively fragmented care landscape, making it difficult for patients to receive high quality treatment or support. Access to new clinical trials is also very limited, causing reliance on familial caregivers or expensive long-term care facilities. Consequently, caregiver burnout has become significant within the space at rates higher than other diseases.

These massive problems show that changes to the industry's approach must be made, but fragmentation within care models makes this difficult. Home health care, assisted living facilities, and telehealth remain viable options for patients, however, without more education on dementia, it is challenging to decide on a personalized and affordable care plan. The introduction of the GUIDE (Guiding an Improved Dementia Experience) Model this year by CMS represents a necessary shift toward more comprehensive and coordinated care delivery. GUIDE emphasizes collaboration, innovation, and personalized care methods which are vital for a space that has been far outpaced by other innovation in the healthcare industry.

Advancements in technology and increased public focus on the disease have caused both established healthcare providers and new startups to transform the care landscape, particularly around early diagnosis, care management, and technology-based solutions. Additionally, new advancements in diagnostic capabilities and therapeutic approaches suggest a brighter future for

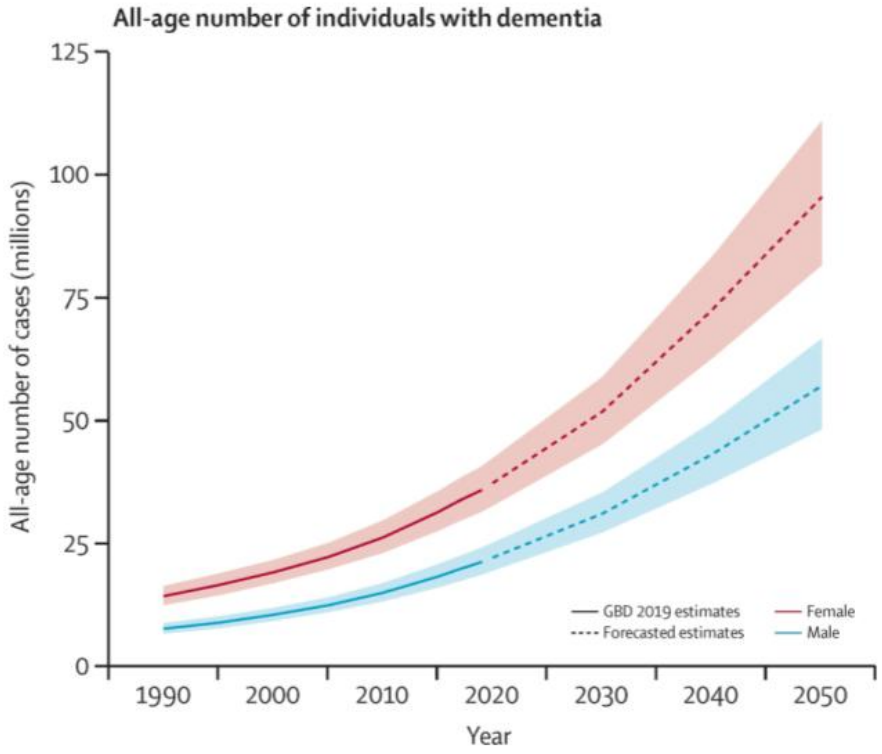
dementia patients and affected families alike. Despite this, challenges persist in the affordability and accessibility of treatments. Without persisting innovation in the space, novel drug prices will continue to be untenable for both pharma companies and patients. Additionally, healthcare has long been an industry reliant on legacy methods leading to slow technology adoption. Accordingly, new AI-driven applications and data aggregation approaches may face ethical questions ahead of creating an enduring impact. Balancing these considerations while beginning to address problems in the routinely disregarded dementia space is paramount for all stakeholders to establish positive change.

Current Trends and Problem Identification

Analysis of the economic impact of dementia

Being an extremely complex disease with a wide variety of symptoms, dementia presents a significant challenge to healthcare systems and families close to those suffering. The symptoms far exceed expected cognitive decline from aging and affect functions such as memory, comprehension, learning capacity, and behavior. As a result, the current landscape of the dementia space is highly fragmented, making it difficult for patients to find care best-suited to their needs. Additionally, innovation in the space has traditionally been difficult with R&D for novel drugs remaining low through the years. Consequently, caretakers and families of a person who has dementia are largely unprepared compared to other diseases. With a wide variety of approaches to treat the disease at different stages, the economic impact far exceeds other diseases, but also presents a massive opportunity for improvement.

As of 2023, the World Health Organization (WHO) reports that approximately 55 million people worldwide are living with dementia[1]. This figure is projected to escalate dramatically, reaching an estimated 78 million cases by 2030 and 139 million by 2050. The demographic shift towards an older population accompanied by advancements in healthcare that extend life expectancy contributes to this projected increase in dementia cases.



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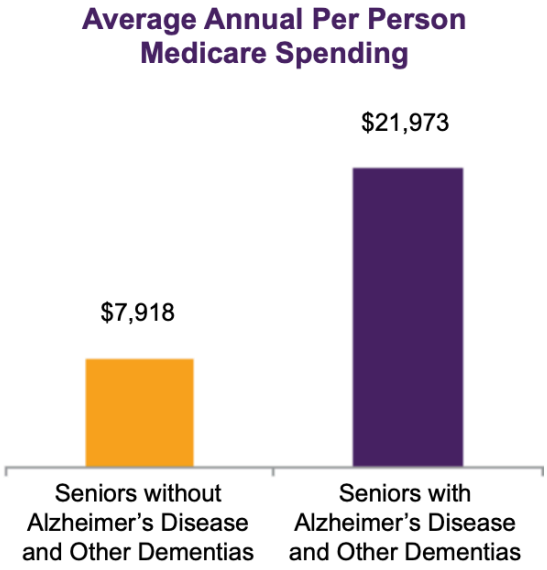
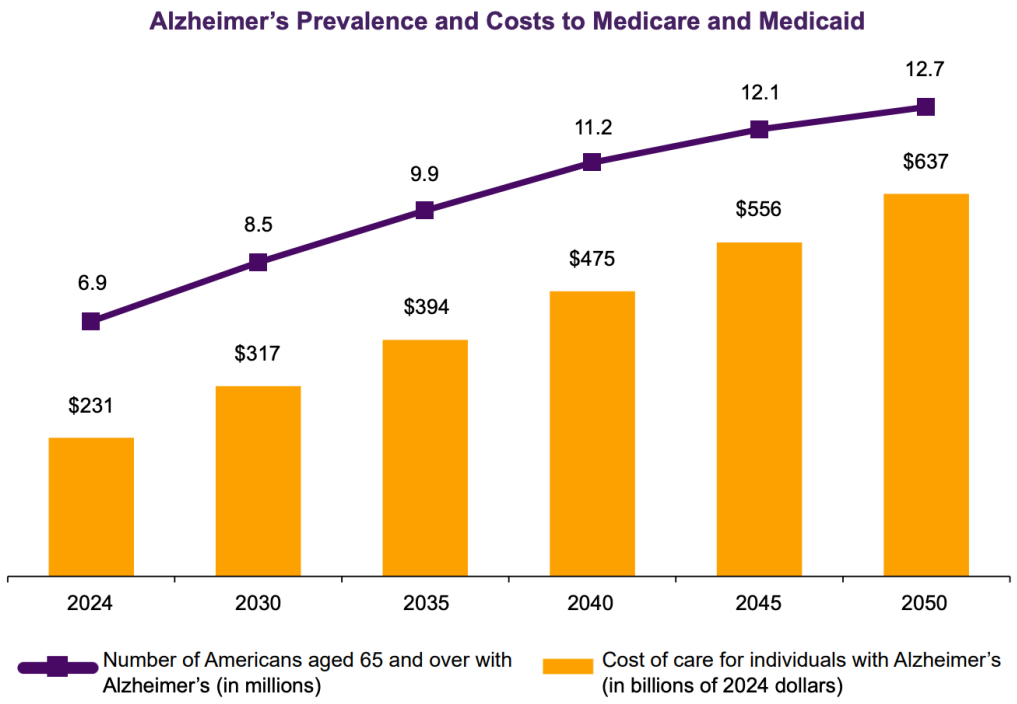


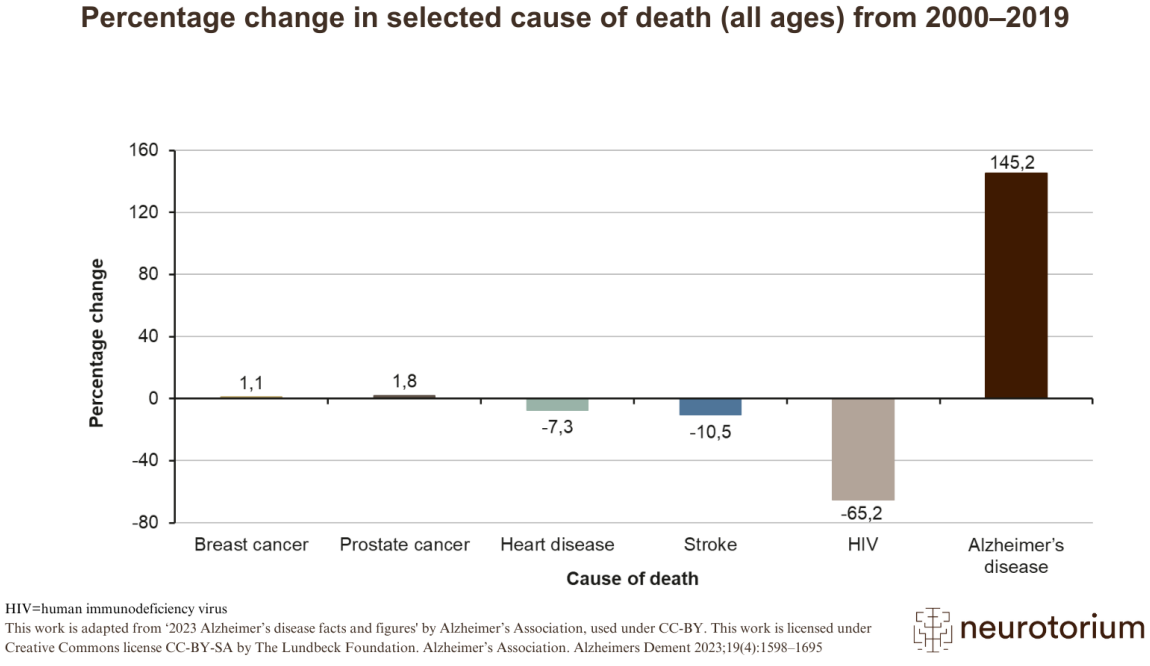
Alzheimer's, which is the most common type of dementia, is one of the most expensive diseases in America, costing more than cancer and heart disease[2]. For reference, in 2010, the average cost of dementia in the last five years of life totaled $287,000 per patient compared with $175,000 for heart disease and $173,000 for cancer

patients[4]. In 2024, the societal cost to those caring for people with dementia will total an estimated $360 billion. These costs encompass direct medical expenses, including hospitalizations, medications, and physician services, as well as social care costs. Informal care costs are not calculated but are still an important aspect of dementia treatments. Unpaid care provided by family members represents a substantial hidden cost in terms of lost productivity and caregiver health impacts. The main source of this spending is Medicare and Medicaid providing 64% ($231B) of the total cost of care. $164 billion is spent through Medicare or ⅙ of all Medicare dollars, while $68 billion is spent through Medicaid solely on dementia[2]. With the increasingly aging population, the population of those with dementia is expected to increase in the coming years. The number of Americans age 65 or older is expected to grow from 58 million in 2022 to 82 million by 2050. If all else remains equal, the number of Americans with Alzheimer's will double during this timeframe to 12.7 million.



Source 2

Looking past the economic burden, dementia is one of the few remaining diseases with no known cure or treatments proven to significantly slow cognitive degeneration. This makes the disease the only top ten cause of death in the United States that faces these issues[14]. This is even more surprising after review of the costs of dementia, which are more than cancer and heart disease. Additionally, the number of deaths attributed to dementia continues to rise as other diseases decrease. Unfortunately, this is likely to continue until sweeping improvements are made to the industry, which the later discussed GUIDE Model hopes to accomplish. Additionally, Alzheimer's disease is increasing in prevalence due to factors such as an aging population, lifestyle choices (including diet and exercise), stress levels, and genetic predispositions.



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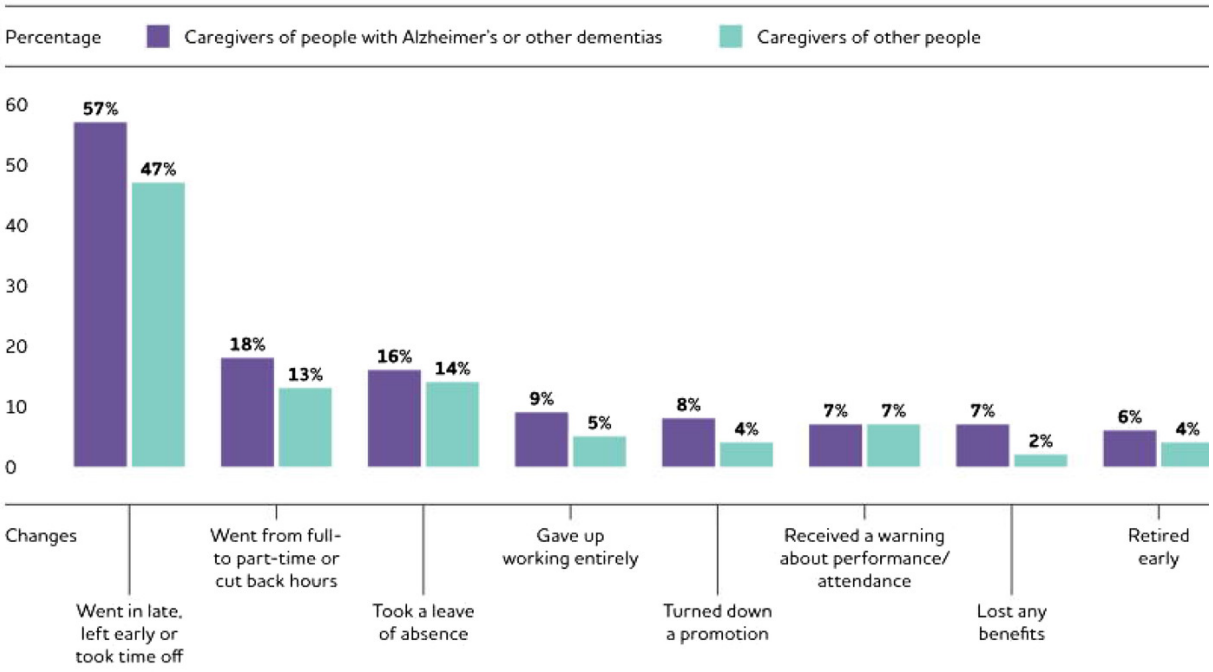
Current Care Models

Home Health Care

Dementia remains an incurable disease, making long-term care management crucial for patients' quality of life. The primary care model is home health care (HHC), with unpaid assistance by family members accounting for 85% of care[3]. HHC allows patients to remain in familiar surroundings, which is beneficial for cognitive function and emotional well-being. While family members provide the bulk of care, some patients receive support from aides, nurses, or therapists for additional needs. The cost of these professional services continues to grow, reaching $25-35 per hour as of 2024[4]. Over time, these costs can become substantial, especially as new needs arise due to disease progression.

The HHC model often leads to severe caregiver burnout as family members struggle to balance their outside responsibilities with new care duties. The NIH reports that caregivers for all diseases experience a 63% higher mortality rate compared to non-caregivers[10]. Additionally, the lack of professional training among family caregivers may affect the quality of care provided, potentially leading to adverse health outcomes for patients.



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Respite care can offer temporary relief to primary caregivers, ranging from a few hours to several weeks. Services can be provided in the home, at adult day care centers, or in residential facilities. Respite care is extremely helpful in preventing caregiver burnout, allowing caregivers time to rest and recharge. Despite its benefits, access to respite care is often limited due to cost and availability, with average daily rates ranging from $150 to $300 depending on the level of care required[7]. Increased funding and awareness would be necessary to make respite care a more viable option for families; however, it is most likely not the focal point in the care space as new innovative treatments hope to provide a better option.

Assisted Living Facilities

For those requiring more comprehensive care, assisted living facilities offer a combination of housing, personal care services, and healthcare. The average annual cost for these facilities is

$51,600, with specialized memory care units typically costing 25% more[5]. These facilities provide meals, personal care assistance, medical services, and social activities, aiming to maintain a balance between independence and necessary support. However, the high costs can be prohibitive for many families, and there are ongoing concerns about the quality of care and the potential for social isolation in these settings. Regulatory standards also vary by state, leading to inconsistencies in care quality across facilities.

Skilled Nursing Facilities

As dementia progresses to more advanced stages, skilled nursing facilities become necessary for many patients. These facilities provide 24-hour medical supervision, with an average annual cost of $105,850 for a private room[6]. While they offer round-the-clock nursing care, rehabilitation services, and long-term care management, concerns persist about the quality of life in these settings and the potential for over-medicalization of care. Staffing shortages and high turnover rates can affect patient care, and institutional environments may not cater to the personal needs of dementia patients. The staff turnover can also affect dementia patients' quality of life and emotional well-being as a consistent environment is not maintained.

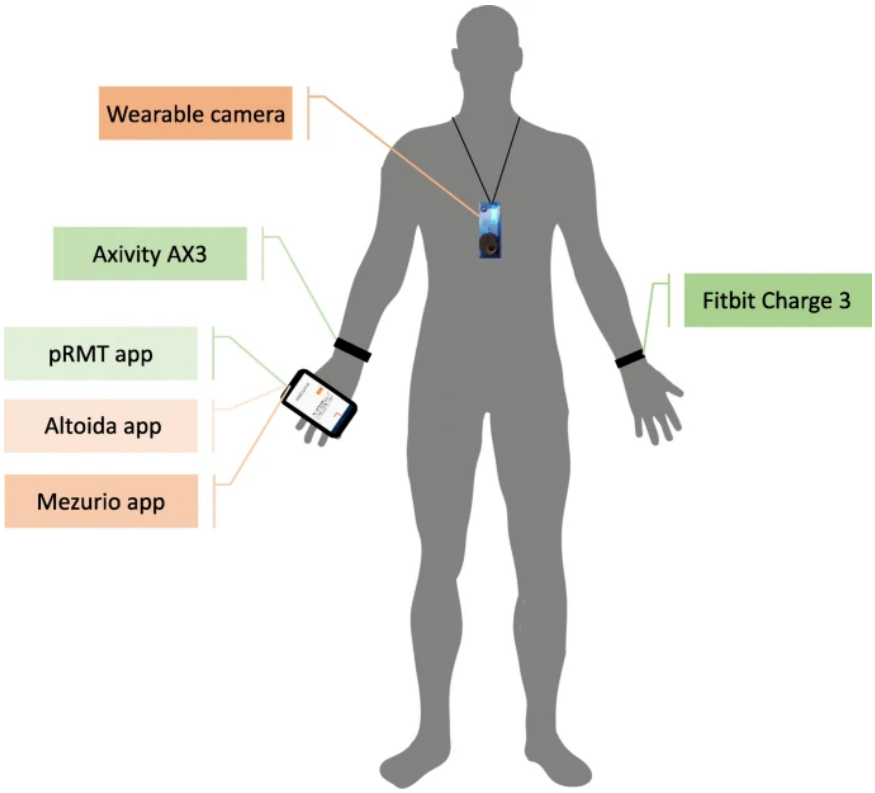
Hospice

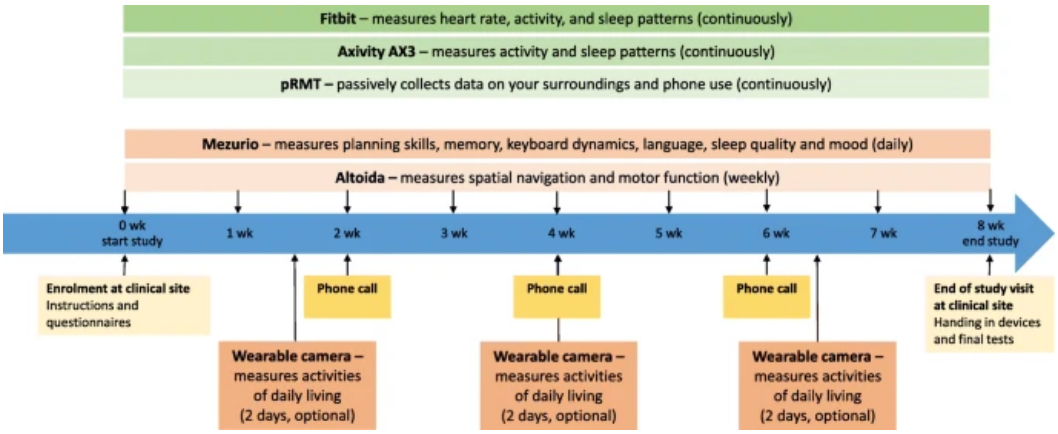
Hospice care focuses on a patient's quality life in its final stages and is sometimes necessary if the disease has progressed to untenable levels. This is often covered by Medicare, however, the regulations around hospice care make it difficult for dementia patients to qualify until very near death. 12% of people with dementia end up receiving hospice care in America compared to 39% in Canada where funding is structured differently[8]. This treatment is also not ideal for patients or

family members as it is solely used for comfort in the final stages of life. To that end, patients must forego other types of care if they choose hospice which may make rates drop from current levels if new medications begin to surface.

Telemedicine and Remote Monitoring

Telemedicine can help patients to receive care at home including medication management and cognitive assessments. This can also be helpful for caretakers as it may be difficult to get patients to travel for appointments. Additionally, remote patient monitoring can be helpful to map activity over time and identify possible emergencies. These devices can decrease caregiver stress by only alerting them when necessary and allowing them to track daily activities at their convenience.





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Challenges

Challenges continue to persist in current care models with affordability as a key issue. Families may face significant out-of-pocket costs regardless of the care model, but especially for ones aiming to alleviate family caregiver burnout or slow disease progression. Additionally, there are massive concerns around the geriatrics workforce with only 7,000 practicing geriatricians contrasted with a need for 30,000 by 2030[9]. This makes it difficult for patients to find care and set appointments while also impacting the quality of care. The fragmented nature of healthcare in general, particularly in the dementia space, also leads to poor coordination among providers. According to physicians surveyed, fragmentation in the space is the leading barrier to dementia care access[17]. The fragmentation means that care for individuals with dementia is scattered across multiple healthcare providers, settings, and services leading to a lack of coordination and continuity and resulting in worse care. Even if a patient is able to set an appointment, they may not be seen by the specialist best-fitting for their needs leading to continued mental deterioration.

These challenges signify the need for both innovation in the space and continued improvements with current care models. New caregiver support programs may be necessary from the public or private sector to combat burnout and provide access to education necessary for providing adequate care. Furthermore, with enduring workforce shortages, it is necessary to increase access to collaboration between practicing physicians within the overarching sector. This will help to decrease challenges in finding appropriate care and help patients receive the best possible outcomes. Integrated care models are beginning to pop up in the space helping patients to try multidisciplinary approaches that address various needs, but continued efforts within the space will be necessary.

The GUIDE Model

As mentioned before, the need for addressing deficiencies within the dementia space is dire. The GUIDE Model, launched by the CMS in July 2024, aims to support those affected by dementia directly, as well as their unpaid caregivers. GUIDE arises as a response to the fragmentation within current dementia care practices, attempting to both address patient and caregiver needs and reduce unnecessary healthcare utilization. The cornerstone of the model is to provide a much more comprehensive care management approach that better ensures consistent, quality care throughout the disease's progression.

GUIDE first emphasizes a thorough initial assessment of the patient, which includes a cognitive assessment, medical history review, functional ability assessment, behavioral screening, and home safety review. This approach ensures the ability to establish a baseline of the condition and

form a personalized care plan. The model also highlights the need for an adaptive care approach which is crucial for a progressive condition like dementia.

The GUIDE Model also introduces a 24/7 support line staffed by trained professionals to provide immediate advice for crisis management. This helps to reduce emergency room visits which are common and often distressing for dementia patients and caregivers. Accordingly, the model provides structured education programs, training, counseling, and support groups for caregivers. GUIDE also aims to provide $2,500 per year for respite services, aiming to assist caregivers who may be forced to take time off work. This assistance is invaluable for caregivers and patients as the AMA found that similar support resulted in a 40% reduction in patient behavioral symptoms and a 30% decrease in caregiver depression[11].

The financial incentives provided by GUIDE are similarly robust. The model introduces a per-beneficiary per-month payment to participating providers to motivate high quality care. The payment is adjusted based on patient complexity and performance quality measures, which ties the monetary incentive to outcomes and influences providers to focus on preventative and proactive patient care.

Monthly payment rates for beneficiaries with caregiver

Period	Low complexity dyad tier	Moderate complexity dyad tier	High complexity dyad tier
First 6 months (New Patient Payment Rate)	$150	$275	$360
After first 6 months (Established Patient Payment Rate)	$65	$120	$220

Monthly payment rates for beneficiaries without caregiver

Period	Low complexity individual tier	Moderate to high complexity individual tier
First 6 months (New Patient Payment Rate)	$230	$390
After first 6 months (Established Patient Payment Rate)	$120	$215

Source 17

To help track these results, the GUIDE Model encourages the use of an EHR with dementia specific templates. This creates greater opportunities for advanced data analytics and predictive modeling to track symptoms and aggregate data for other use cases. It also helped to make care delivery more efficient and enable more timely interventions which are vital for a disease like dementia. Consequently, the model incorporates precise evaluation metrics which allow for adjustments within the model and provide more insight into dementia care strategies. This also allows patients and their families to easily compare different treatment programs and centers and gain greater personal autonomy through the process.

Evidence Related to GUIDE Performance Metrics

Domain		Aging Brain Care (ABC) Program	Alzheimer's and Dementia Care (ADC) Program	Benjamin Rose Institute (BRI) Care Consultation	Care Ecosystem	The Integrated Memory Care (IMC) program	Maximizing Independence (MIND) at Home	GUIDE Proposed Metrics
Care Coordination and Management		✓	✓		✓			High-risk medications (eCQM/CQM)
Beneficiary QOL		✓	✓	✓	✓	✓	✓	Quality of life outcome (Survey-based)
Caregiver Support		✓	✓	✓	✓	✓	✓	Zarit Burden Interview (Survey-based)
Utilization	Per Capita Savings	✓	✓	Cost Neutral	✓		✓	Total per capita cost (Claims based)
	Long-Term Nursing Home		✓				✓	Long-term nursing home stay rate (Claims based)

Structure and Process	Benjamin Rose Institute Care Consultation	Care Ecosystem	Maximizing Independence at Home	Eskenazi Healthy Aging Brain Center	UCLA Alzheimer's and Dementia Care	Integrated Memory Care Clinic
Key personnel	Non-licensed, SW, RN, MFT	Non-licensed care navigator, CNS, SW, Pharmacist	Non-licensed staff, RN, MD	Non-licensed staff, MD, SW, RN, Psychologist	NP, PA, SW, non-licensed staff, MD	NP, SW, RN
Key personnel base	CBO or health system	Health system or community	Community or managed care organization	Health system	Health system	Health system
Face-to-face visits	No	No	Yes	Yes	Yes	Yes
Access 24/7/365	Optional	No	No	Yes	Yes	Yes
Communication w/ PCP	Mail, fax, phone	Fax, phone	Phone, mail, fax	EHR, phone, mail	EHR, phone	N/A
Order writing	No	No	No	Yes	Yes	Yes
Medication Management	No	Yes	No	Yes	Yes	Yes
Benefits						
High quality of care	N/A	N/A	N/A	Yes	Yes	Yes
Patient benefit	Yes	Yes	Yes	Yes	Yes	Yes
Caregiver benefit	Yes	Yes	Yes	Yes	Yes	Yes
Cost of the program	+++	++	+++	+++	++++	++++
Cost savings, gross	++	++	+++ (Medicaid)	++	++++	++++

Source 18

The outcomes of the GUIDE Model encompass a wide range of issues including reduced hospitalizations, cost savings, and innovation in the space. Similar models, both in dementia care and in other chronic conditions like congestive heart failure (CHF), have shown hospitalizations drop by up to 30%[12]. This is particularly significant for caregivers as burnout is currently the leading cause of nursing home placement for dementia patients. Without these unnecessary visits, caregivers become less stressed, and patients can remain in a familiar environment reducing symptoms. As a result, the model is projected to generate significant cost savings for Medicare. During 2023 alone, GUIDE saved Medicare $1 billion. This stems from reducing unnecessary services and improving efficiency within care delivery. These cost reductions are significant as dementia is such a high-cost disease. Additionally, nearly 400 companies are participating in the GUIDE Model, illustrating the interest in providing innovative care plans and new potential within the space. These participants range from established healthcare providers to startups aiming to provide solutions to the challenges within the space. The variety of companies should also help drive competition within the space which ultimately benefits the patients. The level of overall participation reflects growing recognition of the challenges posed by dementia and show the potential of new solutions that address problems that have not yet been realized.

Ongoing evaluation of the GUIDE Model is vital to evaluate its success over the next 8 years it has been designed for. It is also important to gain actionable insights as new technologies and treatments emerge in the space and improve the lives of those affected by dementia. Altogether, the GUIDE Model is not simply a care delivery framework, it is a catalyst for future innovation within the dementia space. By bringing down the barriers in such a fragmented space and ushering in increased collaboration, the model promises to drive technological advancements and

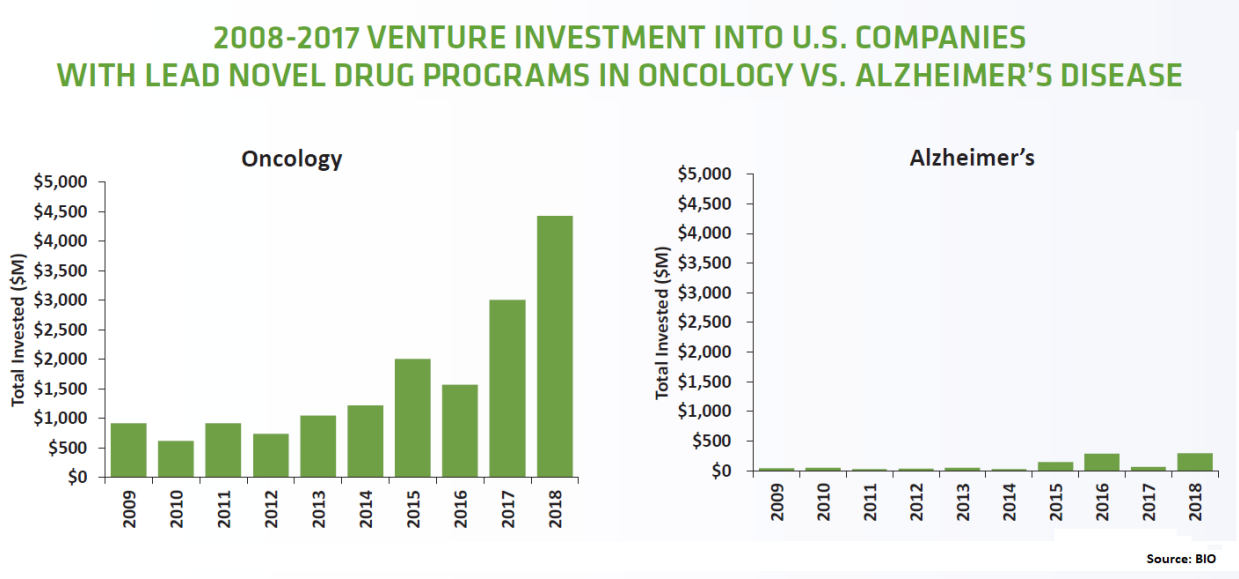
creative solutions to long-standing challenges in dementia care. This innovation should yield new insights which may revolutionize dementia care as well as the broader healthcare landscape.

Startup and Market Landscape

According to a report by Grand View Research, the global dementia treatment market size was valued at $17.1 billion in 2023 and is expected to grow at a CAGR of 7.68% to $28 billion from 2024 to 2030[20]. Accordingly, other verticals within dementia care project similar growth over this time frame.

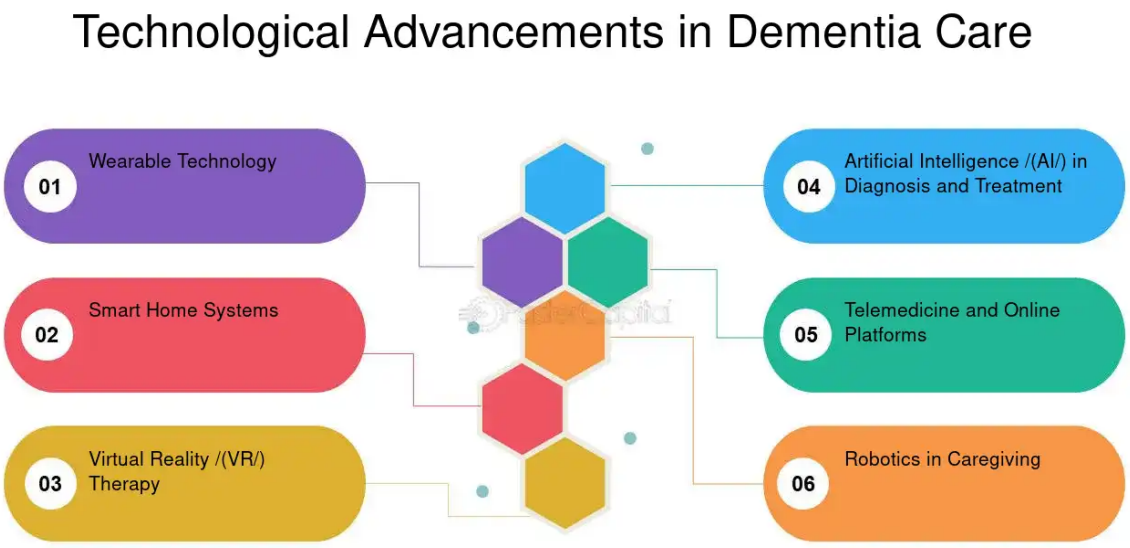
Market	Size	Growth rate
Dementia treatment	$17.7 billion in 2023, $28.11 billion by 2030	7.68% compound annual growth rate (CAGR) from 2024–2030
Dementia drugs	$13,460.50 million in 2021, $26,795.69 million by 2030	7.95% CAGR from 2022–2030
Dementia management	$35 million in 2023, $75.56 million by 2033	8% CAGR from 2023–2033

This growth is attracting significant investment into startups which are leveraging their expertise to contribute to the increasing innovation within the space. Many of these companies offer integrated solutions to create comprehensive care platforms, with successful ventures in the space demonstrating clear clinical benefits and cost savings. All this being said, venture dollars are currently massively underrepresented in the dementia space.



Source 21

The primary areas of dementia care where startups are currently operating are early diagnosis, care management, caregiver support, telehealth, and technology-based care. The GUIDE Model has spurred much of this innovation with investors looking to benefit from the new program.



Source 28

Technological advancements are reshaping dementia care by addressing key challenges in accessibility, caregiver burden, and patient safety. Wearable devices and smart home systems enhance patient independence and safety by enabling real-time monitoring and routine management, reducing caregiver stress. Innovations like Virtual Reality (VR) therapy and Artificial Intelligence (AI) offer transformative potential, with VR providing cognitive stimulation and emotional enrichment, and AI enhancing early diagnosis and personalized care plans through advanced data analysis.

Telemedicine expands access to healthcare providers, particularly in underserved areas, while robotics provides scalable support for tasks like mobility and medication management, alleviating caregiver shortages. Despite these promising developments, barriers such as high costs, limited technological literacy, and privacy concerns remain. Overcoming these challenges will be essential to fully integrating technology into dementia care, paving the way for more effective and equitable solutions.

There is also potential opportunity in companies focusing on drug discovery and clinical trials for neurodegenerative diseases. These startups have begun to leverage AI and analytics to accelerate the drug discovery process and improve efficiency in clinical trials. Furthermore, reimbursement models play a vital role in the success of these startups, with VCs focusing on companies that align their services with Medicare and private reimbursement structures. Companies that participate in GUIDE are also well-positioned to achieve a more sustainable business model.

Despite these promising developments, significant challenges persist. The high cost of novel therapies poses a massive barrier to access. For example, Biogen shutdown production of a

controversial drug called Aduhelm which was priced at $56,000 per year[28]. When Aduhelm was released in 2021, it marked the first new approved Alzheimer's drug in almost 20 years. Doctors were hesitant to prescribe the drug, which stated a slowed progression of the disease, due to weak evidence of success. Insurers also refused to cover the cost of the drug which shows the cost-effectiveness of new treatments is far too high for the average person.

Outside of the systemic issues within the pharmaceutical industry regarding innovation and accessibility, the price point of Aduhelm shows deeper challenges because of the limited supply of dementia drugs. For a treatment priced at tens of thousands of dollars annually, both providers and insurers expect compelling evidence of efficacy. Moreover, the refusal of insurers to cover Aduhelm highlights the growing scrutiny on the cost-effectiveness of therapies within the reimbursement landscape. For treatments to be viable within the GUIDE Model costs must align with measurable outcomes. In Aduhelm's case, the lack of clear clinical benefits made it nearly impossible for insurers to justify the high price tag, even though the drug addressed an urgent unmet need. This underscores a broader challenge in dementia care: while innovative therapies may enter the market, they often fail to navigate the economic and regulatory realities that determine patient access.

In the dementia care space, companies operating outside the GUIDE Model typically face significant challenges in securing consistent revenue streams. These companies, such as those developing direct-to-consumer (DTC) technologies like wearable devices or smart home systems, often rely on out-of-pocket payments or private insurance coverage. Without the backing of established reimbursement mechanisms, their success hinges on convincing individual consumers or their families to bear the cost, which can be prohibitive. For instance, a

company selling high-tech monitoring devices at $200–$500 per unit may struggle to scale due to affordability concerns and the lack of third-party payer support.

Conversely, companies operating within the GUIDE Model, such as providers of memory care in long-term care facilities or telemedicine platforms integrated into Medicare Advantage plans, benefit from more stable revenue streams through reimbursement. These companies can align their services with reimbursement codes, enabling patients to access care without significant upfront financial burdens. For example, a telemedicine company offering dementia-specific consultations could leverage Medicare's reimbursement codes for virtual visits, ensuring a predictable cash flow while reaching a broader patient population.

The difference in reimbursement access creates a stark contrast in business scalability and patient accessibility. GUIDE companies are incentivized to meet government or insurer requirements, such as providing measurable outcomes or adhering to standardized care protocols, to ensure reimbursement eligibility. This often allows them to integrate more seamlessly into the existing healthcare ecosystem. Conversely, non-GUIDE companies, while potentially more flexible in structure, may struggle to achieve widespread adoption due to cost barriers and the need to continually educate consumers and providers about their value proposition. The challenge for these companies lies in either adapting their offerings to qualify for reimbursement or demonstrating enough consumer demand to thrive without it.

Many different companies are also collaborating and offering expertise within the dementia space. Large health systems like the Mayo Clinic are leveraging their resources to implement comprehensive care management programs. Subsequently, these programs will provide valuable data to set new standards for care delivery. Technology companies such as Google and IBM, are

beginning to apply AI and ML capabilities which can develop predictive models for disease progression and treatment response. IBM's Watson Health division has already begun developing an AI-powered system to analyze a patient's medical history to predict the likelihood of a rapid cognitive decline which enables earlier interventions. Startups such as Neurotrack and Cognito Therapeutics are developing digital cognitive assessment tools and non-invasive neuromodulation therapies. These treatments help to advance the way dementia is diagnosed and treated creating better patient outcomes. Correspondingly, remote care providers are assisting the delivery of these assessments and caregiver support to under supported areas. Pharmaceuticals represent another area of ongoing innovation. Eli Lilly in partnership with Sidekick Health is developing a mobile app that encourages medication adherence and lifestyle modifications for patients. New drugs are also being developed and approved which slow and perhaps soon may stop mental decline.

Carallel stands out as a key innovator in the dementia care space, focusing on the needs of family caregivers. The company combines human-centered support with evidence-based strategies and technology to empower and educate caregivers. Recently, Carallel partnered with CareLinx, a GUIDE Model participant, to leverage technology to conduct screenings and its large network of caregivers. Carallel's initiatives within the GUIDE framework emphasize education, proactive outreach, and tailored support systems for caregivers. The evidence-based guide offers over 2,000 customized strategies to address common caregiving challenges, such as managing dementia behaviors and improving care team advocacy. This aligns with the GUIDE's goal of reducing hospitalizations and allowing patients to remain in their home while still receiving consistent, quality care. Carallel also provides technology to streamline care delivery and communication. Its platform allows caregivers to access self-service tools providing personalized

care plans and progress tracking. By combining human-centered services and technology Carallel aims to strengthen the care ecosystem, a core tenant of the GUIDE Model.

Another important partnership Carallel has made is with Isaac Health. Isaac is part of the GUIDE Model focusing on initial assessments and treatment plans; however, GUIDE members also must have some sort of caregiving plan as well. Identification and support for caregivers is an often overlooked part of the treatment planning process, and for companies emphasizing caregiver empowerment partnerships with companies in GUIDE can provide opportunities for growth. Carallel helps Isaac in creating personalized treatment plans that help patients remain in their homes.

Another critical aspect of dementia care is providing the care at home, which the GUIDE Model is working to implement and improve. Honor and HomeThrive are among companies developing AI-platforms to match trained caregivers with patients based on various criteria. Additionally, smart home technologies are being developed, designed for seniors with cognitive impairments. Overall, the diversity of ideas is allowing for increased collaboration among participating companies and giving rise to exchanging ideas.

The evolving approaches to dementia care reflect a broader shift toward innovative and personalized solutions. This movement has sparked a surge of activity among emerging companies developing technologies and services to enhance patient and caregiver experiences. The following startups exemplify the diverse strategies being employed to address the complex challenges in this space, offering a glimpse into the future of dementia care.

Isaac Health specializes in virtual cognitive assessments and dementia care, offering direct access to neurologists and mental health experts. Their mission is to provide early detection and personalized care plans for patients.

Isaac Health focuses on early detection, leveraging telehealth to deliver 30% faster diagnosis and 20% lower costs compared to in-person consultations. Important as current treatments only slow the disease, not cure it.

$7M total raised; last round $5.7M from UCSF Rosenman Institute

Location: New York, NY

Website

Founded: 2021

Size: 21 Employees

Harmonic Health empowers caregivers and families managing dementia and other chronic conditions. The platform provides care coordination, symptom tracking, and telehealth services to support care and reduce caregiver burden.

Offers an app-based solution that enables caregivers to track symptoms, manage care plans, and connect with healthcare professionals. Their platform reduces caregiver burnout by 30% and offers 50% improved care coordination compared to traditional models.

$4M raised from Redesign Health

New York, NY

Website

Founded: 2023

Size: 7 Employees

Tembo Health

Founded: 2018

Size: 23 Employees

Tembo Health provides virtual healthcare for seniors with dementia. Their service focuses on reducing ER visits and improving patient outcomes through telemedicine, personalized care plans, and caregiver support.

Tembo is distinguished by its 75% reduction in ER visits and participation in Medicare's GUIDE Model, which allows for 60%+ gross margins and lower patient costs compared to competitors.

$13.6M total raised, last investment led by 1501 Health

Location: Manhasset, NY

Website

MapHabit

ENGAGE. ENHANCE. ENVISION.

Founded: 2018

Size: 29 Employees

MapHabit provides a visual mapping system to support individuals with dementia by helping them maintain routines and independence. The platform uses visual cues and reminders to assist patients in completing daily tasks, while empowering caregivers with structured plans.

The platform increases task completion by 40% for dementia patients and reduces caregiver stress. By combining visual mapping with personalized routines, MapHabit enhances autonomy, setting it apart from competitors solely focused on symptom tracking.

$2M raised from venture, $3M raised from grant

Location: Atlanta, GA

Website

Synapticure

Founded: 2019

Size: 50 Employees

Synapticure offers genetic counseling, personalized treatment plans, and connects patients to clinical trials, aiming to slow disease progression and improve patient outcomes.

The company combines genetic testing, biomarker analysis, and precision medicine to create tailored care plans for neurodegenerative patients. The company also provides access to clinical trials, giving patients 20% faster access to new therapies compared to traditional pathways

$6.1M raised total, latest investment from ImpactAssets

Location: Chicago, IL

Website

altoida

Founded: 2013

Size: 50 Employees

Altoida uses AR and AI to assess cognitive function and detect Alheimer's disease and other dementias before onset. The app delivers a 10 minute assessment, helping predict MCI years before symptoms appear.

Clinically validated to predict Alheimer's disease with 94% accuracy, offering an early and non-invasive diagnostic tool. The platform is not available for commercial sale and has not received FDA clearance.

$21.3M raised total, latest investment was $14M led by Aplana Ventures

Location: Washington, DC

Website

neurotrack

Founded: 2012

Size: 38 Employees

Neurotrack offers a cognitive health platform designed to detect early cognitive decline and track cognitive performance over time. Integrates into existing EHR helping providers track patient care.

The company measures memory and attention to detect early signs of dementia through eye tracking technology, also providing tools to manage lifestyle factors that influence brain health. Provides a non-invasive, 5-minute test, validated through clinical research.

$67.5M raised total, joined AgeTech Collaborative's Spring 2023 cohort

Location: Redwood City, CA

Website

Cognito Therapeutics

Founded: 2016

Size: 42 Employees

Cognito Therapeutics develops non-invasive neuromodulation therapies for Alzheimer's disease and other neurodegenerative disorders. The technology evokes brain wave activity to preserve brain function.

Using light and sound stimulation, Cognito's device targets gamma waves in the brain to reduce amyloid plaques, which are associated with Alzheimer's disease. Slowed cognitive decline by 60% in clinical trials, offering a non-drug alternative treatment

$159M raised total, MicroVentures led $10M Series C in 2024

Location: Cambridge, MA

Website

Jukebox Health

Founded: 2020

Size: 40 Employees

Jukebox Health delivers a clinically led approach to ensure individuals can live safe, healthier, and more independent lives at home. Improvements focus on fall prevention through bars and ramps.

Fall prevention is a major concern for the elderly, as falls account for over $50 billion in healthcare costs annually in the US. Jukebox provides personalized safety reports for both plans and members.

$5.1M Seed 3 round in 2023, led by Home Depot Ventures

Location: New York, NY

Website

Kinto

Founded: 2016

Size: 11 Employees

Kinto provides technology-enabled care coaching services for family members caring for a loved one with dementia. The company's services include advice and support, care planning, and group learning.

The company focuses on empowering caregivers with a holistic platform that includes education, community support, and expert advice, all accessible from a single app, differentiating itself from patient-focused platforms.

Acquired by Rippl in 2024

Location: Cambridge, MA

Website

BrainCheck

Founded: 2015

Size: 71 Employees

BrainCheck is an application that connects patients and care teams in both the concussion and dementia markets and offers a screening tool and interactive tests allowing users to assess brain health and clinicians to track results.

The platform delivers digital cognitive assessments in 15 minutes, with results that guide customized interventions allowing providers to develop data-driven care plans to manage dementia.

$36.7M raised total, Atlantic Merchant Capital led $15.4M Series A2 in 2024

Location: Austin, TX

Website

mindmate

Founded: 2015

Size: 20 Employees

MindMate is a cognitive health app that provides brain exercises, physical workouts, and a personalized care plan to help dementia patients improve cognitive health and daily functioning.

The company's app-based solution focuses on holistic health, combining physical, mental, and nutritional health in one platform for dementia care.

$5.7M raised total, latest investment by Unleavened Ventures

Location: Santa Monica, CA

Website

Founded: 2015

Size: 38 Employees

Rendever's VR platform offers immersive experiences that help patients engage with the world, relive memories, and connect with loved ones, which have been shown to reduce loneliness and depression in dementia patients.

Research has shown that social isolation is tied to a 50% increase in dementia risk, a 30% increase in heart disease, and a host of other comorbidities. The technologies serve senior living facilities where 40% of residents experience depression or isolation.

$200,000 total raised

Location: Boston, MA

Website

Founded: 2017

Size: 30 Employees

Carallel develops digital health tools designed to provide personalized support to caregivers. The company's tools help to make informed decisions, manage complex situations, and improve the overall well-being of both the caregiver and the care recipient.

Caregiver education and burnout is a serious problem, particularly in the dementia space. Carallel hopes to improve accessibility within the space through empowering caregivers.

$8.2M Series A, led by FCA Venture Partners in 2022

Location: Chicago, IL

Website

Moving Forward

Diagnostic Breakthroughs

The field of diagnostics is seeing a shift toward earlier and more precise detection of dementia. Blood-based biomarkers, such as phosphorylated tau (p-tau) and neurofilament light chain proteins are the focus of this revolution. A new study showed 97% accuracy in identifying elevated levels of p-tau, which is a massive step to predicting dementia pre-symptoms[22]. The Alzheimer's Association estimates that early diagnosis could save up to $7.9 trillion in medical and care costs over time based on a scenario where all adults who develop the Alzheimer's are diagnosed during the mild cognitive impairment stage, before dementia[23]. This also allows families more preparation to make informed treatment decisions and access support early. By leveraging genetic information and identifying concerning biomarkers, treatments can be tailored to the specific needs of each patient.

Therapeutics

Drug discovery is another future step as dementia does not have a cure. Monoclonal antibodies such as aducanumab and lecanemab have shown potential in reducing amyloid-beta accumulation in the brain. These treatments are still not clinically verified, but show promise in the possibility of a future cure. As of 2023, 187 clinical trials were being conducted with the most common being disease-modifying therapies[24].

Technology

AI and ML can assist in analysis of complex medical data and predict disease progression to optimize care plans. This is crucial for understanding the underlying reasons of dementia's development and aggregating data to develop new drugs to combat it. Additionally, the global market for smart home technologies for assisted living is projected to reach $600 billion by 2030[25]. With technologies such as medication reminders and fall detection systems, dementia patients gain additional autonomy without needing to move into a facility. While the GUIDE Model has emphasized the need for collaboration among companies, this vertical may be overlooked specifically in the dementia space leaving the opportunity for more comprehensive solutions to emerge.

Ethical Considerations

Data privacy and the use of AI algorithms remain a concern in the broader healthcare landscape. Companies must maintain transparency around the usage of these technologies in order to maintain credibility and patient trust. Furthermore, a clearer regulatory framework around technology usage in healthcare should be established by policymakers.

Future Investment

The dementia care market is at an inflection point, driven by expanding investment opportunities, groundbreaking innovations, and strong market tailwinds from CMS initiatives such as the GUIDE Model. With an aging global population and dementia rates projected to escalate from 55 million cases in 2023 to 139 million by 2050, the economic and social toll of the disease demands urgent action. Traditional care models, such as home health care and

assisted living, have proven both costly and inadequate in addressing the multifaceted challenges faced by patients and caregivers. Innovations like the CMS GUIDE Model offer a promising shift toward integrated, outcomes-focused care, encouraging collaboration and the adoption of technologies that improve patient outcomes and reduce caregiver burden. However, systemic barriers, including workforce shortages, high costs of novel therapies, and fragmented care delivery, continue to impede progress, highlighting the critical need for sustained investment and innovation in this space.

Investing in the dementia space is not only a moral imperative but also a compelling financial opportunity. The market, valued at $17.1 billion in 2023, is projected to grow significantly, fueled by advancements in early diagnostics, care management, and therapeutic development. Companies that align with the GUIDE Model's reimbursement framework or pioneer scalable technological solutions are well-positioned to capture this growth while addressing the profound gaps in care. Venture capital can capitalize on this moment to support startups leveraging AI, smart home technologies, and precision medicine to transform the landscape of dementia care. By fostering innovation that balances accessibility, affordability, and efficacy, stakeholders can shape a future where dementia care is both compassionate and sustainable, setting a precedent for tackling other chronic diseases.

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