Costs of Alzheimer’s to Medicare and Medicaid

Alzheimer’s is the most expensive disease in America, costing more than cancer and heart disease.

- In 2017, the direct costs to American society of caring for those with Alzheimer’s and other dementias will total an estimated $259 billion.

- A recent study found that in the last five years of life, the costs of a person with dementia, on average, total more than $287,000 (in 2010 dollars). This is compared with $175,000 for a person with heart disease, and $173,000 for an individual with cancer.

Most of these costs are borne by Medicare and Medicaid.

- In 2017, Medicare and Medicaid will spend an estimated $175 billion caring for those with Alzheimer’s and other dementias – 68 percent of total costs.
  - An estimated $131 billion will be spent by the federal government under Medicare
  - This means that nearly one in every five Medicare dollars will be spent on someone with the disease.
  - Federal and state governments combined will spend an estimated $44 billion under the Medicaid program caring for those with Alzheimer’s and other dementias.

- Average per-person Medicare spending for seniors with Alzheimer’s is almost three times higher than average per-person spending for all other seniors. Under Medicaid, spending is, on average, 23 times higher.

**Average Annual Per Person Medicare Spending**

- Seniors without Alzheimer’s Disease and Other Dementias: $7,223
- Seniors with Alzheimer’s Disease and Other Dementias: $23,497

**Average Annual Per Person Medicaid Spending**

- Seniors without Alzheimer’s Disease and Other Dementias: $349
- Seniors with Alzheimer’s Disease and Other Dementias: $8,182
With the aging of the baby boom generation, the number of Americans aged 65 and over with Alzheimer’s is expected to dramatically escalate.

- Today, an estimated 5.3 million Americans aged 65 and over are living with Alzheimer’s disease.
- By 2050, there are projected to be nearly a million new cases every year, with another American developing Alzheimer’s every 33 seconds.
- The number of Americans living with Alzheimer’s will nearly triple by 2050 to 13.8 million – and could be as high as 16 million.

Costs will also expand in lock step. By 2050, combined Medicare and Medicaid spending on people with Alzheimer’s will more than quadruple to $758 billion (in 2017 dollars).

- In 2050, Medicare spending on people with Alzheimer’s will total $570 billion – an increase of 335 percent from today’s spending levels. This will represent an estimated one in every three dollars of total Medicare spending.
- Medicaid spending on people with Alzheimer’s will increase nearly 332 percent between now and 2050, as costs will reach $188 billion in 2050.

Alzheimer’s Prevalence and Costs to Medicare and Medicaid

- Number of Americans aged 65 and over with Alzheimer’s (in millions)
- Cost of care for individuals with Alzheimer’s (in billions of 2017 dollars)