

FACTSHEET

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Alzheimer's Disease Treatments = Savings for Medicare and Medicaid

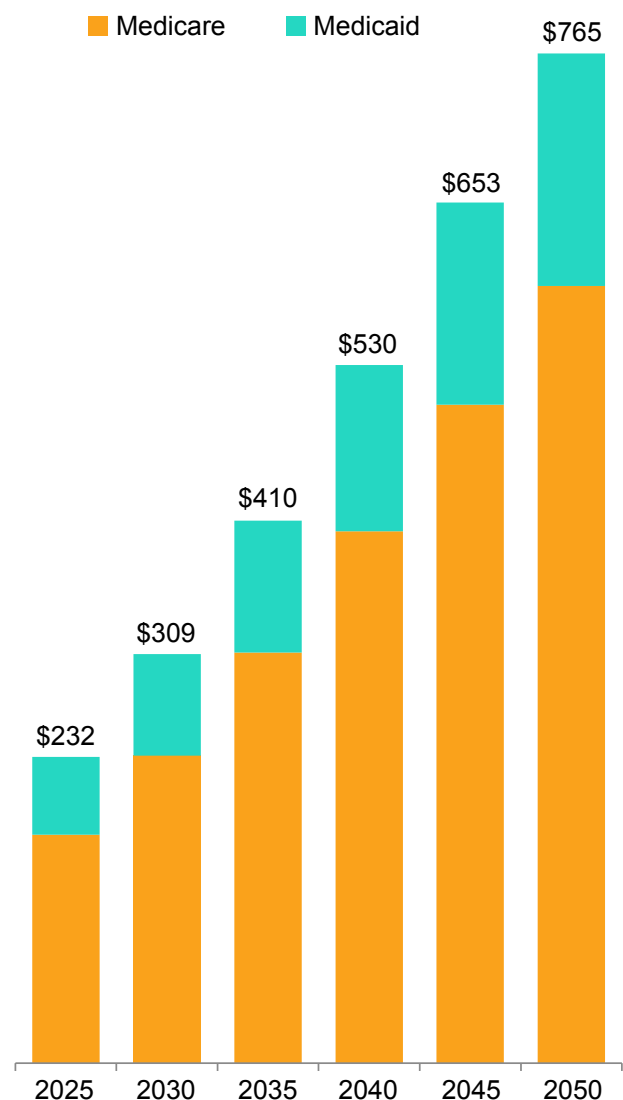
Alzheimer's is the most expensive disease in America, with costs set to skyrocket in the years ahead. Most of the costs are borne by taxpayers.

- In 2020, Medicare and Medicaid will spend an estimated \$206 billion on people with Alzheimer's and other dementias.
- The amount spent by Medicare — \$155 billion — represents 1 in every 5 dollars of total Medicare spending.
- Average per-person Medicare spending on those with Alzheimer's and other dementias is three times higher than average per-person spending across all other seniors. Medicaid payments are 23 times higher.
- In 2050, Medicare and Medicaid spending on people with Alzheimer's and other dementias is projected to exceed \$700 billion, including more than 1 in 3 Medicare dollars.
- Cumulatively between 2015 and 2050, America will spend \$20.8 trillion caring for people with Alzheimer's and other dementias. Of that, Medicare and Medicaid will spend \$14.3 trillion.

NOTE: This Fact Sheet presents findings from an economic model developed by The Lewin Group and contained in the report, *Changing the Trajectory of Alzheimer's Disease: How a Treatment by 2025 Saves Lives and Dollars*. To maintain consistency with that report, all future cost projections and potential savings are in 2015 dollars. Other Alzheimer's Association materials may show slightly different future cost estimates that reflect inflation, more current data on per person expenditures, and updated projections of excess cost growth.

Medicare and Medicaid Costs of Caring for People with Alzheimer's

Current Trajectory in Billions of 2015 Dollars



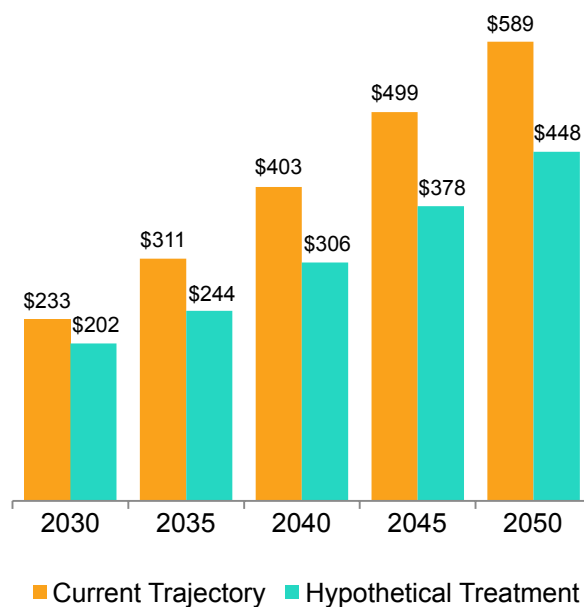
While there are currently no disease-modifying treatments for Alzheimer’s, if one were developed, it could have a dramatic — and immediate — impact on Medicare and Medicaid spending.

- A treatment that became available in 2025 — consistent with the goal of the *National Plan to Address Alzheimer’s Disease* — and that delayed the onset of Alzheimer’s disease by five years would reduce Medicare and Medicaid spending by \$121 billion over the first five years.
- In 2030 alone, the savings would total \$47 billion.
- In the first 10 years, Medicare would save a cumulative \$345 billion, and Medicaid would spend \$189 billion less.
- In fact, if the federal government made the research investments recommended by the scientific community to reach the 2025 goal, that investment would be recouped within three years through savings to Medicare and Medicaid.

As more and more Americans benefited from the treatment, savings to Medicare and Medicaid would only increase.

- An Alzheimer’s treatment that became available in 2025 would mean that in 2050, 5.7 million fewer Americans would be living with Alzheimer’s.
- As a result, Medicare would save \$141 billion and Medicaid would save \$77 billion in 2050 alone.
- Overall, this would be 28% less than what would otherwise be spent on people with Alzheimer’s disease if there were no treatment. For Medicaid, it would be nearly 44% less.
- Over the course of 25 years, taxpayers would save a cumulative total of \$3.1 trillion.

Medicare Cost Savings with Treatment that Delayed Onset by Five Years
(in Billions of 2015 Dollars)



Medicaid Cost Savings with Treatment that Delayed Onset by Five Years
(in Billions of 2015 Dollars)

