

factsheet

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Alzheimer's Disease Treatments = Savings for Medicare and Medicaid

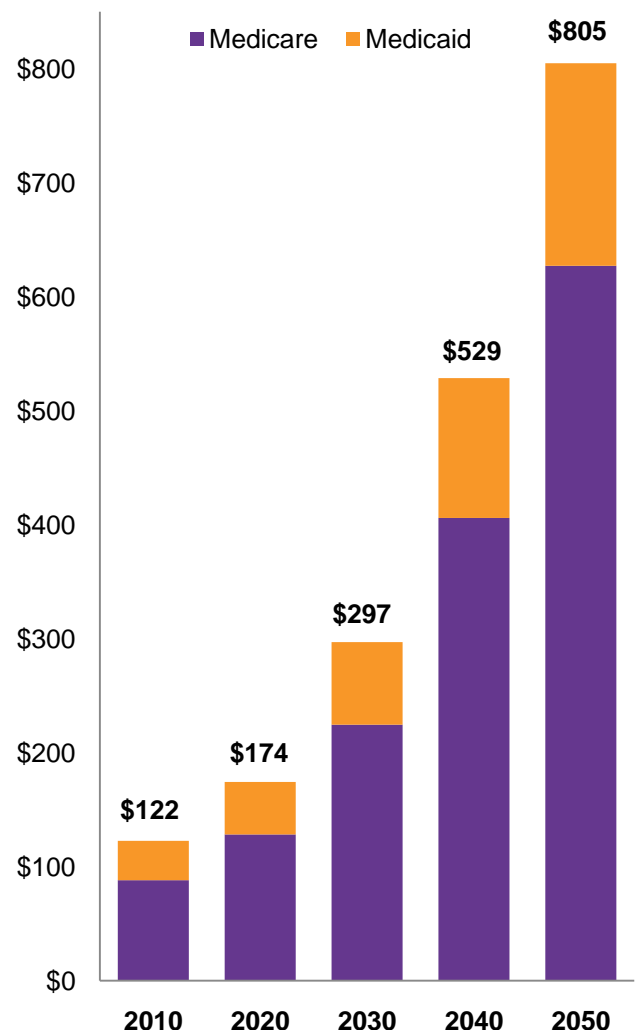
Caring for people with Alzheimer's disease will cost all payers – Medicare, Medicaid, individuals, private insurance and HMOs – \$20 trillion (in today's dollars) over the next 40 years. The overwhelming majority of that will be spending by Medicare and Medicaid.

- Medicare and Medicaid will spend an estimated \$130 billion in 2011 on people with Alzheimer's and other dementias.
- That figure is projected to increase to \$805 billion in 2050 (before inflation).

While there are currently no known treatments to prevent or delay the progression of Alzheimer's disease, such treatments could have a dramatic impact on Medicare and Medicaid spending.

- The ultimate goal is a treatment that completely prevented or cured Alzheimer's.
- However, even more modest and, perhaps, more easily attainable treatments could prove extremely beneficial.

Medicare and Medicaid Costs of Caring for People with Alzheimer's
Current Trajectory in Billions



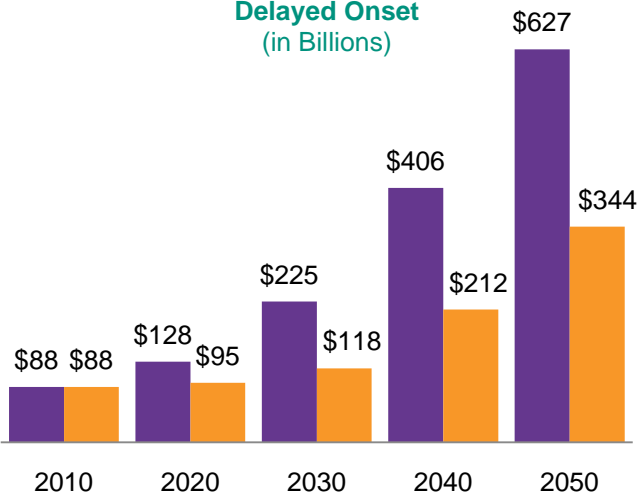
If a treatment became available in 2015 that *delayed the onset* of Alzheimer's disease for five years (a treatment similar to the effect of anti-cholesterol drugs on preventing heart disease) –

- Savings would be seen almost immediately: in 2020, Medicare and Medicaid spending would be \$42 billion *less*.
- In 2050, Medicare *savings* would be \$283 billion and Medicaid *savings* would be \$79 billion. This would be 45 percent less than what would be spent on people with Alzheimer's if there were no such treatment.

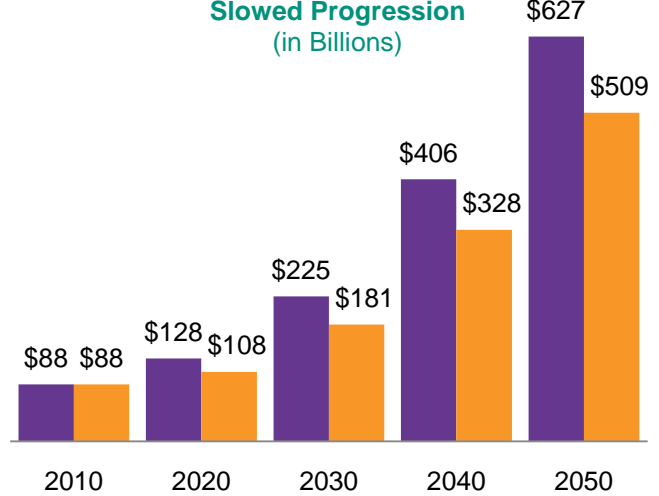
If a treatment became available in 2015 that *slowed the progression* of Alzheimer's by keeping individuals in both the mild and moderate stages of the disease five times longer (similar to what has happened with HIV/AIDS and some cancers) –

- \$34 billion would be *saved* by Medicare and Medicaid in 2020.
- In 2050, the government health care programs would save \$180 billion – \$118 billion in Medicare and \$62 billion in Medicaid.

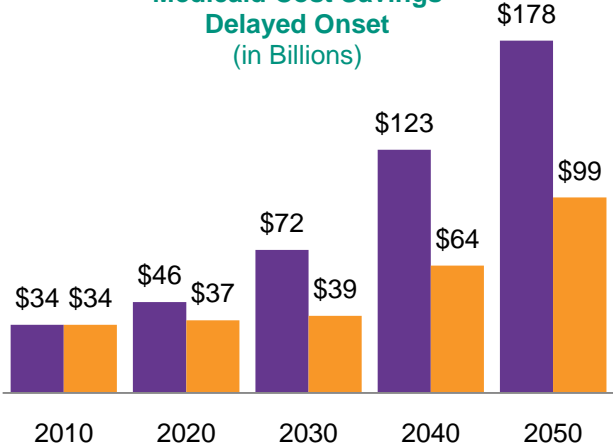
Medicare Cost Savings Delayed Onset
(in Billions)



Medicare Cost Savings Slowed Progression
(in Billions)



Medicaid Cost Savings Delayed Onset
(in Billions)



Medicaid Cost Savings Slowed Progression
(in Billions)

