

2025–2026 Dementia Care Cost Checklist

UPDATED FEB 2026

Strategic Financial Framework for Families & Fiduciaries • Updated February 2026

7.2M

\$781B

\$405K

12M

01 The Payer Mix — Where \$232 Billion in Direct Costs Come From

Understanding who pays is the foundation of any dementia care cost checklist. Medicaid payments for dementia patients are **22x higher** per member per month than for those without dementia — signaling massive financial risk for the unprepared.

Payer Source	Est. 2025 Spend	% of Costs	Strategic Note
Medicare	\$106 Billion	45.7%	Covers skilled care — <i>not</i> custodial/LTC
Medicaid	\$58 Billion	25.0%	22x higher pmpm vs. non-dementia patients
Out-of-Pocket	\$52 Billion	22.4%	PRIMARY family exposure — plan now
Private Insurance	\$16 Billion	6.9%	LTC policy critical for gap coverage

■ **Liquidity Trigger: Mild → severe dementia increases formal care requirements by 67%+, frequently forcing asset liquidation under unfavorable market conditions.**

02 Clinical Checklist — Disease-Modifying Therapy Budget (2025)

New amyloid-targeting antibodies require early detection to deliver clinical ROI. Budget for the **full monitoring infrastructure**, not just the drug. The 20% Medicare co-insurance gap requires supplemental Medigap — mandatory, not optional.

Checklist Item	Estimated Cost	Coverage / Notes
■ Lecanemab (Leqembi) — Annual Drug Cost	\$26,500	Medicare Part B: 80% covered
■ Donanemab (Kisunla) — Annual Drug Cost	\$32,000	Medicare Part B: 80% covered
■ Amyloid PET Scan (Eligibility)	\$3,000–\$5,000	Prior authorization required
■ Quarterly MRI Safety Monitoring (ARIA)	\$2,400/scan x4	≈\$9,600/yr total
■ ARIA Complication Reserve Fund	\$8,500–\$100,000+	Hospitalization possible
■ APOE Genetic Screening	\$100–\$500	Determines side-effect risk profile
■ Outpatient Infusion Facility Fees	\$3,600–\$4,500/yr	Verify in-network status
■ 20% Medicare Co-Insurance Gap (Medigap)	≈\$5,300–\$6,400/yr	Medigap supplement REQUIRED

■ **Total estimated annual cost of disease-modifying therapy: ~\$82,500/patient. Weigh against the potential to extend the aging-in-place window and delay institutional care.**

03 Residential & Community-Based Care Cost Matrix: 2024–2025 Medians

Labor market "rate compression" has pushed homemaker services to near-parity with skilled home health aides. Memory care premiums add an additional **\$1,000–\$2,500/month** to any base facility rate.

Care Setting	Monthly Median	Annual Median	YoY Increase	Memory Care Add-On
Homemaker Services (In-Home)	\$6,292	\$75,504	+10%	+\$1,000–\$2,500/mo
Home Health Aide	\$6,483	\$77,792	+3%	+\$1,000–\$2,500/mo
Adult Day Health Care	\$2,167	\$26,000	+5%	N/A
Assisted Living (ALF)	\$5,900	\$70,800	+10%	+\$1,000–\$2,500/mo
Nursing Home (Semi-Private)	\$9,277	\$111,325	+7%	Varies
Nursing Home (Private Room)	\$10,646	\$127,750	+9%	Varies

■ Geographic Relocation Savings Analysis

State	Median Monthly Memory Care	Annual Savings vs. Massachusetts
Massachusetts (Baseline)	\$9,298	—
New York	\$7,765	Save \$18,396/yr
California	\$6,500	Save \$33,576/yr
Texas	\$6,063	Save \$38,820/yr
Mississippi	\$5,295	Save \$48,036/yr

04 DME & Home Safety Checklist — High-ROI Preventative Investments

Falls cause **30–50% of high-cost hospitalizations**. A proactive home modification project (averaging \$10,396) is a proven hedge against the \$50,000–\$150,000 cost of premature institutionalization.

Safety & DME Item	Cost Range	Strategic Note
■ Home Safety Audit + Grab Bars + Anti-Slip Flooring	\$1,000–\$3,000	Hedge vs. \$50K–\$150K institutionalization
■ Roll-In Shower Renovation (Advanced Stage Planning)	\$8,000–\$15,000	Required for wheelchair-level in-home care
■ Stairlift Installation	\$2,500–\$15,000	Extends aging-in-place window significantly

Safety & DME Item	Cost Range	Strategic Note
■ Power Scooter / Mobility Equipment	\$300–\$15,000	Medicare Part B covers 80% w/ MD prescription
■ Incontinence Supplies — Light Stage	\$360–\$720/yr	Budget at symptom onset
■ Incontinence Supplies — Moderate Stage	\$900–\$1,800/yr	Increase reserve at moderate stage
■ Incontinence Supplies — Heavy/Complete Stage	\$1,800–\$4,800/yr	Full allocation required at advanced stage
■ Medicare Part B Annual Deductible (2025)	\$257	Ensure immediate liquidity
■ Medicare Advantage OOP Maximum (2025)	\$9,350 cap	Verify DME providers are in-network

■ **Insurance Gap Alert: Original Medicare has NO out-of-pocket maximum. Supplemental insurance is mandatory. Medicare Advantage caps OOP at \$9,350 (2025) — but verify specialized DME providers are in-network.**

05 Legal, Regulatory & Benefit Optimization Framework

Delaying legal planning until cognitive competency is lost forces families into expensive guardianship proceedings (\$3,000–\$7,000+). Early Medicaid spend-down planning is the primary tool for preserving the community spouse's standard of living.

Legal Service	Estimated Cost	Strategic Objective
Initial Elder Law Consultation	\$250–\$500	Risk assessment & strategy development
Attorney Hourly Rate (Crisis Management)	\$200–\$500/hr	Active competency crisis response
Medicaid Planning (Flat Fee)	\$2,000–\$15,000	Comprehensive asset shielding
Estate / POA Package	\$1,500–\$3,000	Early-stage directive security
■ Guardianship (If Planning Delayed)	\$3,000–\$7,000+	AVOIDABLE with early action

■ VA Aid & Attendance Benefits — Tax-Free Non-Dilutive Capital

2026 Net Worth Eligibility Cap: **\$163,699**. The 2.8% COLA increase provides significant non-dilutive capital for qualifying veterans.

Beneficiary Category	2025 Monthly Benefit	2026 Monthly (post 2.8% COLA)
Single Veteran	\$2,358	\$2,424
Married Veteran	\$2,796	\$2,874
Surviving Spouse	\$1,515	\$1,558

06 End-of-Life: Hospice Coverage Gaps & Final Transition Costs

Families are routinely blindsided by the Medicare Hospice “**Room and Board Gap.**” While Medicare covers 100% of clinical care, it **specifically excludes** room and board in a skilled nursing facility (SNF) — a critical blind spot in most financial plans.

Expense Item	Medicare	Medicaid (if eligible)	Patient Responsibility
Clinical Care	100% Covered	Covered	\$0
Comfort Medications	100% Covered	Covered	< \$5 Copay
SNF Room & Board	■ NOT COVERED	Potential Coverage	100% Out-of-Pocket

Immediate Liquidity Required: Final Disposition Costs

Final Disposition Method	National Estimated Cost
Traditional Burial	\$8,300 (National Median)
Cremation with Viewing	\$6,280
Direct Cremation	\$1,500–\$3,600

★ The 5-Pillar Strategic Resilience Summary

Use these five pillars as the structural backbone of your comprehensive dementia care cost checklist and long-term financial plan.

1	<p>Clinical Capital Reserve Provision \$82,500/yr for disease-modifying therapies plus the 20% Medicare co-insurance gap. Supplemental Medigap is mandatory.</p>
2	<p>Residential Flexibility Anticipate a \$5,200–\$11,000/month swing in care costs. Geographic relocation can save up to \$48,036/year on memory care.</p>
3	<p>Preventative ROI \$3,000 hearing aids + \$10,000 home modifications = a strategic hedge against a \$405,262 average lifetime care liability.</p>
4	<p>Entitlement Optimization Early Medicaid asset shielding preserves community spouse income. Secure up to \$2,874/month in tax-free VA Aid & Attendance.</p>

5

Caregiver Asset Protection

\$413.5B in unpaid annual care threatens retirement security. Respite care mitigates the 2.11× caregiver hospitalization risk.

■ CAREGIVER ECONOMIC RISK ALERT

12 million Americans provide \$413.5 billion in unpaid dementia care annually. 57% of caregivers report significant workplace disruption; 16% take formal leaves of absence. Cumulative strain results in a **2.11× higher odds of caregiver hospitalization**, creating a dual-care financial crisis. Treat caregiver health as a *Secondary Insurable Risk* in all dementia care financial planning.

This dementia care cost checklist is provided for informational and financial planning purposes only. All figures are national estimates based on 2024–2025 data. Individual costs vary by geography, care provider, and clinical profile. Consult a licensed elder law attorney, certified financial planner (CFP), and qualified healthcare professional before making any financial or medical decisions.