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In this Review:

The Cost of Memory Care: What To Expect

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Written by: [Kate Van Dis](#)

Medical Reviewer: [Christopher Norman, MSN, APRN, APHN-BC, GNP-BC](#)

Reviewed by: [Kathleen Cameron, BSPHarm, MPH](#)

Key Takeaways

- Memory care communities are often located within assisted living communities or nursing homes. The cost of memory care will vary based on the community's location.
- Several key factors influence memory care costs, including the amount of care needed, the geographic location, and the size of living space.

If someone you care for is living with Alzheimer's disease or another form of dementia, knowing the cost of memory care can help you weigh your options. Like many other [senior living communities](#), the cost of [memory care](#) will vary based on how much care is needed, the memory care community's location, and the types of amenities provided.

Our Local Care Reviews Team created a clear, comprehensive guide to the costs associated with memory care communities, including what is covered by your monthly fees. We want you to feel more informed about how to pay for housing and long-term care as you age.

Why you can trust our expert review

Our [Local Care Reviews Team](#) works hard to provide clear, transparent information to older adults and their caregivers seeking senior living and home care. To provide you with the best possible information, we have spent more than 1,000 hours:

- Consulting with our advisory board, which consists of a [certified care manager](#), a board-certified [geropsychologist](#) ⓘ, and a [geriatric nurse practitioner](#)
- Analyzing and synthesizing state-specific data from government health regulatory agencies

- Conducting a focus group with caregivers helping older adults find local care
- Mystery shopping dozens of brands and communities associated with long-term care for older adults
- Analyzing and synthesizing nationwide data from the [Centers for Medicare & Medicaid Services](#), the [Administration for Community Living](#) and [Genworth](#).

How much does memory care cost?

According to the *American Journal of Managed Care*, the total cost of treating Alzheimer's and associated dementia was [\\$321 billion in 2022](#). [1] This number could reach \$1 trillion by 2050. While Medicare and Medicaid cover two-thirds of those costs, the remaining one-third are out-of-pocket expenses paid by people living with dementia and their families. In 2017, the *Journal of the American Geriatrics Society* estimated a lifetime cost of \$184,500 for someone living with dementia, with [86% of the expenses taken on by families](#). [2] Those cost estimates have likely increased with inflation. As a family member of someone living with dementia, it's essential to know how those costs break down month-to-month and how much could be covered by [Medicare](#), Medicaid, or other forms of insurance.

Monthly memory care costs

Memory care communities are commonly located inside [assisted living communities](#). But assisted living costs often don't cover memory care expenses like special dementia training for staff or secure wings to

As dementia progresses and more care is needed, a person living with dementia in a memory care unit may need to transfer to a [nursing home](#). The median monthly cost for nursing home care in the United States is \$7,908 for a shared room and \$9,034 for a private room. [4] For Medicaid-eligible nursing home residents, Medicaid will pay all or most of this cost.

The cost of memory care will vary widely by location, regardless of whether the memory care community is stand-alone or if it is co-located in an assisted living or nursing home community. Brookdale, the largest operator of senior living facilities in the United States, reports a [range of \\$2,795 to \\$10,030 for starting base rental rates](#) in memory care communities. [5]

What's included in monthly memory care costs

Many memory care units, including those in assisted living communities, charge a base monthly fee covering a shared or private room, snacks, three meals per day, planned social activities, and 24/7 emergency assistance. [Personal care](#) ^① services, including medication administration and help with assistance with [activities of daily living \(ADLs\)](#) ^①, such as bathing and dressing, may incur additional fees. Often, the base fee cited by the community does not include these additional fees, so it's important to ask the memory care communities you tour, "What services are covered by the base fee?"

Additional memory care costs

Many senior living communities, including memory care facilities, charge an initial community fee prior to move-in. The amount of this fee will vary by community, and it may or may not be refundable.

Also, memory care communities often have annual rate increases. Ask the administration of each community you tour how often they increase their rates and by how much.

Is memory care tax-deductible?

Long-term care services to treat and maintain the well-being of a chronically ill person may be tax-deductible. The Internal Revenue Service defines a [chronically ill person](#) as someone who a licensed health care practitioner has determined to be unable to perform at least two ADLs, such as bathing or toileting, without assistance for at least 90 days and who requires substantial supervision due to cognitive impairment. Residents of memory care communities may meet these requirements, depending on how far their dementia has progressed.

Expert advice on memory care costs

said. “Memory care is expensive, but it can offer a lot of relief to a family member who might not be able to provide ongoing 24/7 care to their loved one with dementia, especially if they are still working or trying to raise children.

“The ultimate goal is to keep the person with dementia safe and give them the best quality of life,” Edmonds shared. “Sometimes, that is best done in a memory care facility, other times, it can be done in the home. The specific symptoms of the person living with dementia also play a role in the likelihood of being able to care for them at home long-term. For example, someone who is no longer able to walk independently for long distances may be easier for family members to care for compared to someone who wanders away and leaves the home if they aren’t supervised every moment.”

4 factors influencing memory care costs

How much you’ll pay for memory care depends on where you live, how much care you need, and other factors specific to individual memory care communities. Knowing these cost-determining factors can help you make a more informed decision about memory care.

Geographic location

The cost of senior living communities varies widely depending on where you live. Genworth data show assisted living costs can vary by as much as \$2,800 per month, whereas nursing home costs can vary by

Additionally, in areas where memory care communities are limited, high demand for care can elevate costs.

Size of living space

One of the biggest factors in the price of memory care is whether the resident is in a shared or private room, according to Edmonds. “Private rooms can increase the cost of memory care by more than \$1,000 each month,” she said. For reference, the median monthly cost of a shared room in a nursing home is \$7,908. For a private room, it’s \$9,034—a significant difference of \$1,126 each month. [4]

For Medicaid-eligible older adults, [Medicaid coverage for memory care](#) will typically cover a shared room, not a private one.

Level of care needed

Each type of dementia—including Alzheimer’s, [vascular dementia](#) ⓘ , and [Lewy body dementia](#) ⓘ — progresses differently. The scope of care for an older adult living with dementia will vary widely based on the kind of dementia a person has and how long they have been living with the disease. In the earlier stages, people living with dementia may need few supportive services, but this is an excellent time to plan for future care needs. As dementia progresses, care needs usually increase, and those with dementia may

Typically, the more care a resident needs, the more expensive their care will be. “If a person requires more hands-on care and supervision, they will likely pay more than someone who does not require the same level of care,” Edmonds said.

Amenities

Each memory care community will offer its own set of amenities for residents. While some memory care communities offer residents communal dining rooms and on-site social activities, others have additional amenities, such as on-site beauty salons, scheduled group outings, and even swimming pools. A memory care community with fancy amenities does not necessarily offer superior care, and those additional amenities will likely increase your monthly fees.

How do I pay for memory care?

Cost is a big factor in deciding if memory care is the right choice for you or someone you care for. According to Edmonds, “It can be helpful to consult with an elder law attorney—even before any formal diagnosis—to discuss financial planning and the structuring of assets to increase the chances of qualifying for financial aid and to help protect family assets.” You can also use [BenefitsCheckUp](#)® to explore what benefits programs you might qualify for.

Here are the primary methods people use to pay for memory care:

- **Long-term care insurance** will often reimburse policyholders for the cost of memory care. Just be sure you know the details of your policy. Some have an elimination period during which the policyholder has to pay out-of-pocket for services, and many policies don't cover the full care costs.
- **Veterans benefits**, also called Veterans Aid and Attendance benefits, apply to qualifying United States veterans and their spouses. For veterans living with Alzheimer's or another form of dementia, veteran benefits can cover [a range of services](#), including nursing homes. [7]
- **Life insurance benefits and conversions** can be obtained through [life settlements or accelerated death benefits](#) and can be used to cover the cost of memory care or other long-term care services. [8] In the case of a life settlement, women 74 and older and men 70 and older can trade their policy for the cash value of the policy's death benefit. In most cases, though, people do not receive the benefit's full cash value. Similarly, with accelerated death benefits, which are tax-free advances on a policy's death benefit, you will likely only receive a portion of the policy's full benefit.
- **Home equity**, in the form of proceeds from the sale of a home or a [reverse mortgage](#), can help pay for memory care. But beware of [scammers targeting older homeowners](#), and always work with a trusted financial advisor before making this kind of decision. [9]
- **Medicare** will not pay for any form of long-term care, but residents of memory care may be able to rely on Medicare for some services, including physician-ordered occupational therapy, [physical therapy](#), and speech therapy; some outpatient health services and prescription drug costs; durable medical equipment; and up to 100 days in a nursing home, following a qualifying hospital stay.

with dementia can rely on Medicaid to cover the full cost of care received in a nursing home. The Alzheimer's Association reported [49% of all nursing home residents](#) have Alzheimer's or another form of dementia. [10] Additionally, the Medicaid and CHIP Payment and Access Commission (MACPAC) reported [Medicaid as the primary payer](#) for most nursing home residents who qualify. [11] Medicaid-eligible residents of assisted living special care units or memory care communities not located in a nursing home may be able to use Medicaid in combination with Medicaid waiver programs to help pay for memory care. [Medicaid 1915\(c\) Home & Community-Based Services \(HCBS\) waivers](#) have broad federal guidelines, and states tailor them to meet the needs of residents in their state. Currently, the United States has more than 250 HCBS waiver programs. Check with [your state's Medicaid agency](#) to find out if there's a Medicaid waiver program to help you pay for memory care. You may also be able to find a Medicaid adviser through [your local area agency on aging](#).

How do memory care costs compare to other senior care costs?

Memory care is typically more expensive than [independent living](#) or assisted living but less expensive than nursing home care.

Full-time [in-home care](#) can be more affordable than care in a memory care community. Still, it's important to factor in the cost of a mortgage and other home-related expenses when evaluating the cost of in-home care. Also, someone living with dementia and using a home health aide or [companion services](#) may not

Dementia caregivers providing care in their own homes may want to consider adult day services, which are community-based centers providing engaging activities and some personal care services for older adults living with dementia. These centers, which are typically only open on weekdays, are more affordable than residential long-term care and can be helpful for caregivers who work full-time or need a break from caregiving responsibilities. But adult day services may not be appropriate for people with significant memory loss.

Table 1 Cost of memory care vs. cost of other senior living options as of November 2021

Type of Care	Monthly Average
Home health aide	\$5,148*
Homemaker (companion) services	\$4,957*
Adult day services	\$1,690**
Assisted living community	\$4,500
Memory care	\$6,160
Nursing home, shared room	\$7,908

Source: [Genworth](#) and [Dementia Care Central](#)

**Based on 44 hours per week*

***Based on 8 hours a day, 5 days a week*

Memory care resources

Many free and low-cost resources are available to people living with dementia and their families. Connecting with dementia-care experts and fellow caregivers can lighten the emotional load of dementia care and provide valuable insights on the caregiving journey. Many of these resources can also help families make decisions about memory care. For example, in local or national support groups, which can be found through an area agency on aging or organizations like Alzheimer’s Foundation of America, dementia caregivers can ask fellow caregivers about their experiences with memory care and its associated costs.

Table 2 Free memory care resources

Resource	Description
Eldercare Locator	Use this public service of the U.S. Administration for Community Living to find community-based services for older adults and caregivers in your

[BenefitsCheckUp](#)

This free NCOA service helps older adults find benefits programs that can help pay for health care, medicine, food, utilities, and more.

[Alzheimer's Foundation of America](#)

Find resources for Alzheimer's and dementia caregivers, including support groups.

[Alzheimer's Association](#)

Explore this national nonprofit organization's series of ALZ Talks webinars, which offer education, news, and resources on dementia and caregiving topics.

[National Academy of Elder Law Attorneys](#)

Use this nonprofit organization's online search tool to locate an elder law attorney near you.

Bottom line: What to expect from memory care costs

As you're trying to decide on care options for a person living with dementia, it's helpful to understand the costs associated with residential memory care communities and how those costs compare to in-home care and other dementia care options.

The average monthly cost for memory care in an assisted living community in the United States is about \$6,160, according to Dementia Care Central. [3] The median monthly cost for nursing home care, which may be needed as dementia progresses, starts at \$7,908. [4]

People living with dementia and their families pay for memory care in a variety of ways, including private savings, long-term care insurance, and home equity. Some older adults may be eligible for government assistance programs, such as Medicaid or veterans benefits, which can help cover the cost of memory care. Medicare will not cover any form of long-term care, including memory care, but it may cover some health care services received in the memory care setting.

If you think memory care might be the right choice for you or someone you care for, talk to family, friends, trusted health care providers, and elder care professionals, such as elder law attorneys, to decide the best way to pay for care.

Frequently asked questions

What is the monthly cost of caring for a patient with dementia?



What is the difference between assisted living and memory care?



Who is likely to need memory care?



Have questions about this article? Email us at reviewsteam@ncoa.org.

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Kate Van Dis
Author

Kate Van Dis is a health writer in Chapel Hill, North Carolina. She has written for various audiences on health & wellness, education, and aging. Her current focus is on assisted living, home care, and other extra-care housing options for older adults.



Christopher Norman
Medical Reviewer



Kathleen Cameron
Reviewer

Kathleen Cameron, BSPHarm, MPH, has more than 25 years of experience in the health care field as a pharmacist, researcher, and program director focusing on falls prevention, geriatric pharmacotherapy, mental health, long-term services and supports, and caregiving. Cameron is Senior Director of the NCOA Center for Healthy Aging, where she provides subject matter expertise on health care programmatic and policy related issues and oversees the Modernizing Senior Center Resource Center.

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