Reliance on Informal Caregiving for Dementia Patients Near the End of Life in Medicare Advantage versus Traditional Medicare

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Background: The end-of-life represents an expensive period of service use for many older Americans, especially those with dementia. Historically, these treatments have been poorly coordinated, with expensive transitions across sites of care. Nearly half of Medicare beneficiaries are now enrolled in Medicare Advantage (MA), the managed care alternative to Traditional, fee-for-service Medicare (TM), near the end-of-life. MA plans are incentivized to reduce healthcare spending, which could be done by encouraging enrollment in hospice care, improving care coordination, or skimping on necessary but expensive services and recent work found that hospitalized MA enrollees were less likely to be discharged to skilled nursing and more likely to be sent home without home care near the end-of-life.

Methods: We used nationally representative Health and Retirement Study survey data linked to Medicare claims for 2,742 survey responents who died between 2016 – 2021 to assess the extent that family caregivers may fill in for missed formal care for patients with dementia (identified using survey-based cognitive tests or proxy reports). We estimated general linear models and unconditional quantile regressions to compare unpaid, informal care provision in the last 3 months of life for HRS respondents dying with dementia.

Results: On average, MA decedents were less likely to die in a nursing home and averaged fewer days of nursing home care near the end-of-life. Among those remaining in the community at death, MA enrollees received 14.4 fewer hours/month of insurance-covered care ($p < 0.05$), with those with at least 1 ADL/IADL limitation averaging 12.2 fewer hours/month ($p < 0.05$). This was offset by 24.5 additional hours/month of unpaid informal care among those with ADL/IADL limitations ($p < 0.05$).

Conclusion: Decedents in Medicare Advantage received more care from informal caregivers near the end-of-life and less professional care. Whether this is driven by patient preferences or insurer decisions, this additional effort from friends and family members represents a transfer to health insurance companies. Other ways of meeting the needs of patients with dementia near the end-of-life should be considered.