

Investigating racial and ethnic differences in Medicare costs for older adults with dementia

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In an analysis of information on Medicare beneficiaries with dementia, Medicare expenditures were higher for Black and Hispanic individuals compared with whites. The *Journal of the American Geriatrics Society* [analysis](#) also found that expenditures were highest for Black beneficiaries in every phase of care.

The average total Medicare expenditures after being diagnosed with dementia were \$165,730 for Black beneficiaries, \$160,442 for Hispanic beneficiaries, and \$136,326 for white beneficiaries.

In the year preceding and immediately following the initial dementia diagnosis, average Medicare expenditures for Blacks were \$26,337 and \$20,429, compared with \$21,399 and \$23,176 for Hispanics and \$17,182 and \$18,244 for whites. The last year of life was responsible for \$51,294 in costs for Blacks, \$47,469 for Hispanics, and \$39,499 for whites.

Greater use of high-cost care—such as [emergency department](#), inpatient, and [intensive care](#)—drove these differences, especially during the last year of life.

"Higher expenditures do not necessarily result in higher quality care or better outcomes," said corresponding author Natalia Olchanski, Ph.D., Assistant Research Professor at the Center for the Evaluation of Value and Risk in Health at Tufts Medical Center.

"Some differences in care utilization may be due to the preferences of the people with dementia and their caregivers, but the trends we identified also raise the possibility of unequal access and disparities in quality of care. It's clear from our study that improvements are needed in all phases of care to enhance care management for people with dementia

and reduce disparities for disadvantaged populations."

More information: Natalia Olchanski et al, Racial and ethnic differences in disease course Medicare expenditures for beneficiaries with dementia, *Journal of the American Geriatrics Society* (2024). [DOI: 10.1111/jgs.18822](https://doi.org/10.1111/jgs.18822)

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