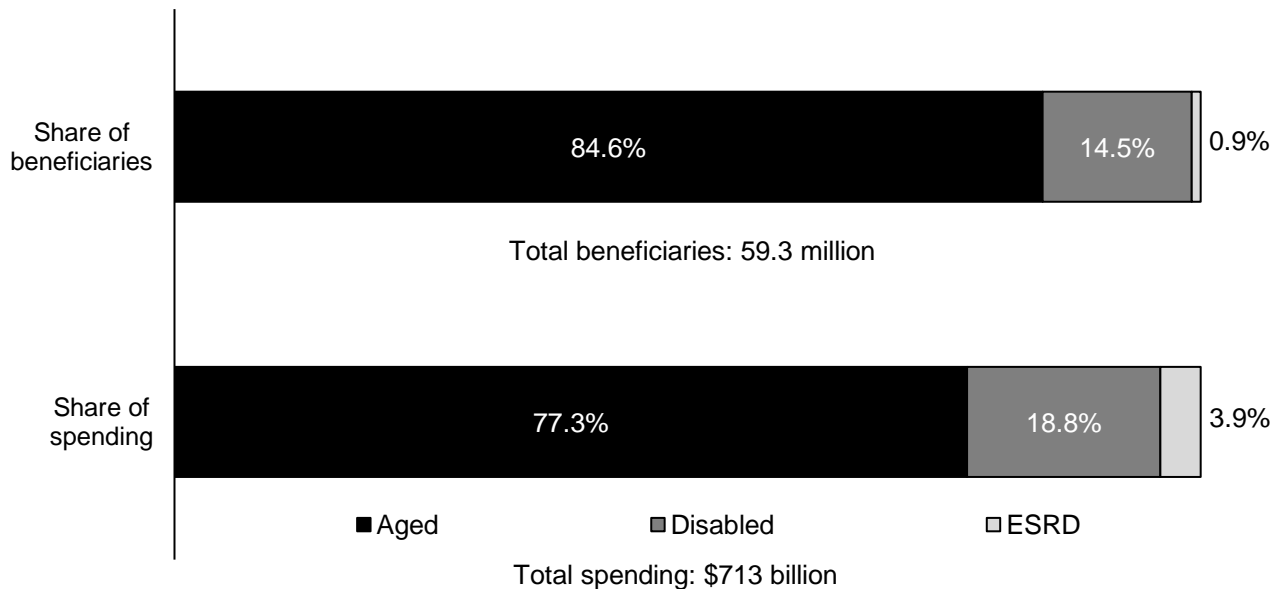


SECTION

2

**Medicare beneficiary
demographics**

Chart 2-1. Aged beneficiaries accounted for the greatest share of the Medicare population and program spending, 2017

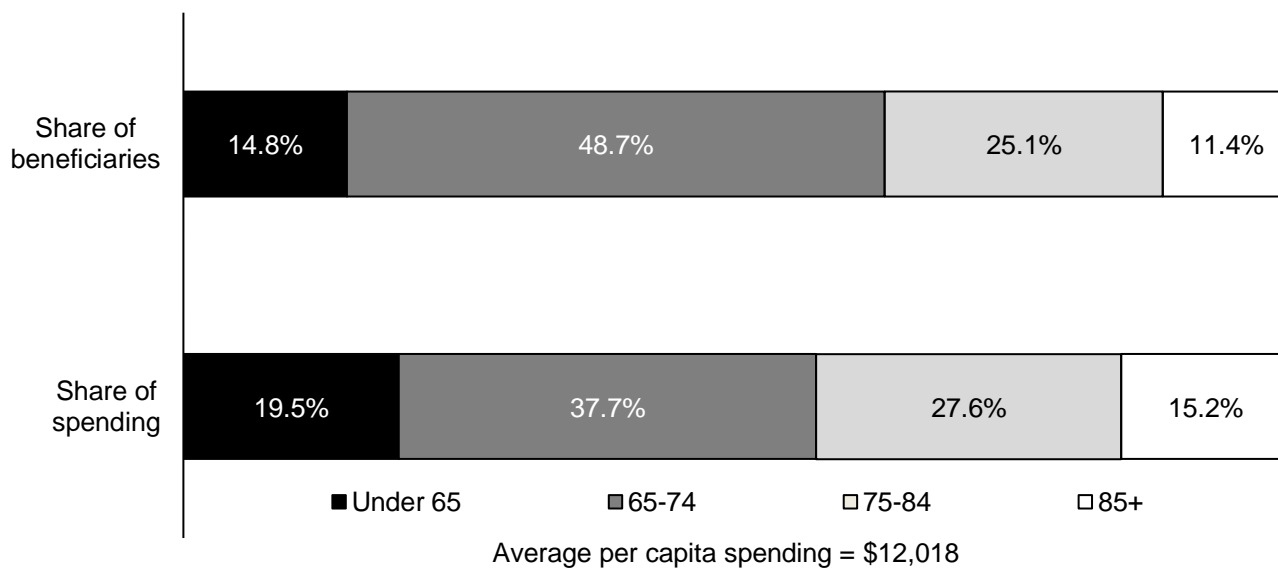


Note: ESRD (end-stage renal disease). The “aged” category includes beneficiaries ages 65 and older without ESRD. The “disabled” category includes beneficiaries under age 65 without ESRD. The “ESRD” category includes beneficiaries with ESRD, regardless of age. Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2017.

- In 2017, beneficiaries ages 65 and older without ESRD composed 84.6 percent of the beneficiary population and accounted for 77.3 percent of Medicare spending. Beneficiaries under 65 with a disability and beneficiaries with ESRD accounted for the remaining population and spending.
- A disproportionate share of Medicare expenditures is devoted to Medicare beneficiaries with ESRD. On average, these beneficiaries incur spending that is more than five times greater than spending for aged beneficiaries (ages 65 years and older without ESRD) and more than three times greater than spending for beneficiaries under age 65 with a disability (non-ESRD). In 2017, \$54,905 was spent per ESRD beneficiary versus \$10,978 per aged beneficiary and \$15,529 per beneficiary under age 65 enrolled because of disability (data not shown).

Chart 2-2. Beneficiaries younger than 65 accounted for a disproportionate share of Medicare spending, 2017

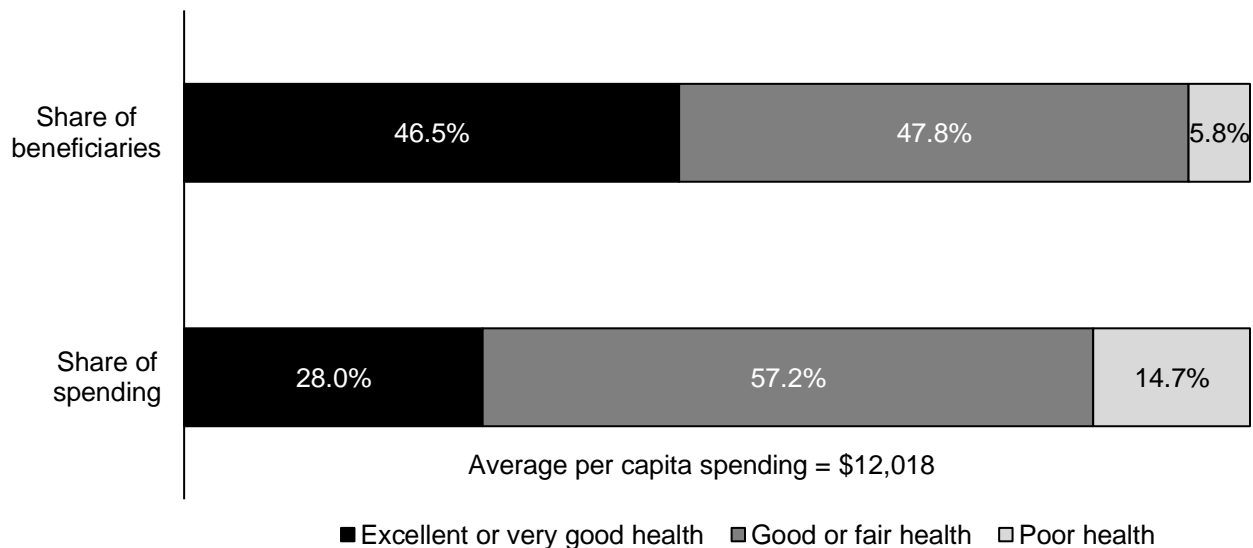


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2017.

- Beneficiaries younger than 65 made up 14.8 percent of the beneficiary population in 2017 but accounted for 19.5 percent of Medicare spending.
- In 2017, average Medicare spending per beneficiary was \$12,018.
- For the aged population (65 and older), per capita expenditures increase with age. In 2017, per capita expenditures were \$9,314 for beneficiaries 65 to 74 years old, \$13,194 for those 75 to 84 years old, and \$15,959 for those 85 or older (data not shown).
- In 2017, per capita expenditures for Medicare beneficiaries under age 65 who were enrolled because of end-stage renal disease or disability were \$15,879 (data not shown).

Chart 2-3. Beneficiaries who reported being in poor health accounted for a disproportionate share of Medicare spending, 2017

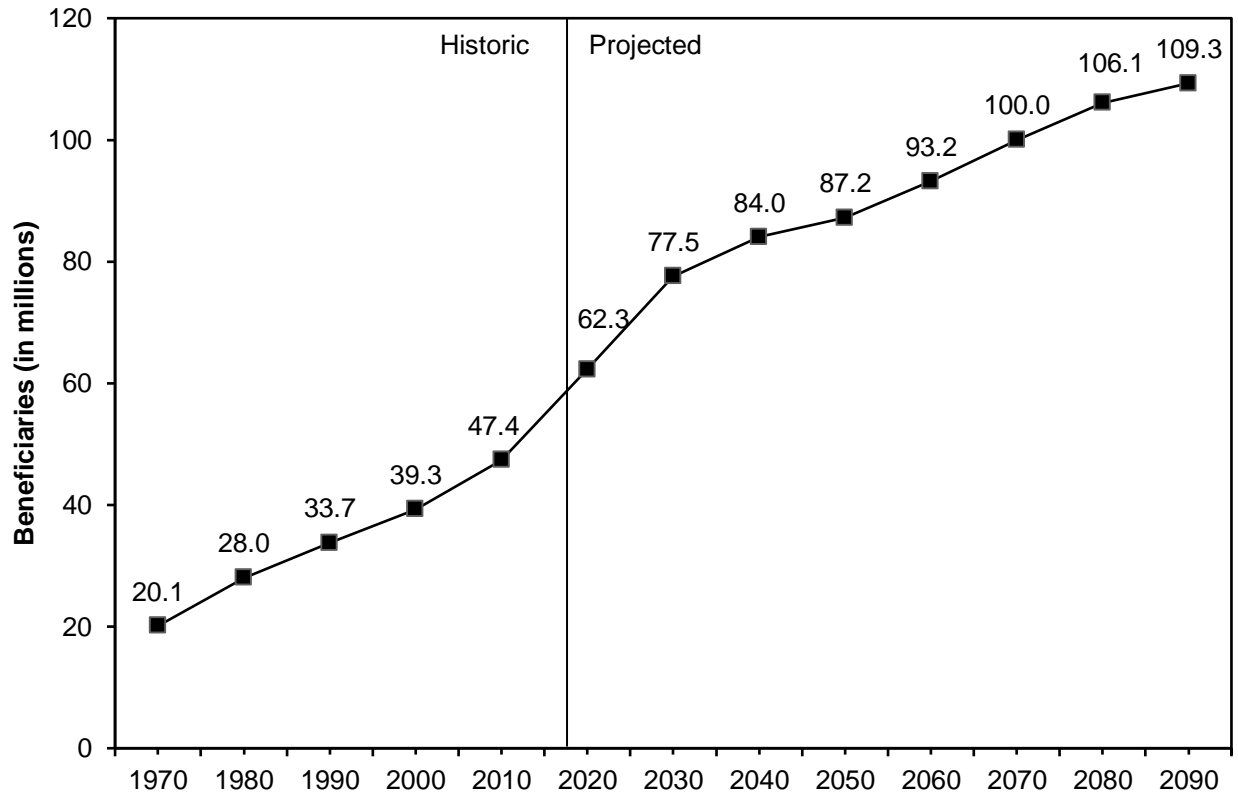


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding. "Other" category excluded. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2017.

- In 2017, most beneficiaries reported fair to excellent health. Only about 6 percent reported poor health.
- Medicare spending is strongly associated with self-reported health status. In 2016, per capita expenditures were \$6,873 for those who reported excellent or very good health, \$13,649 for those who reported good or fair health, and \$29,109 for those who reported poor health (data not shown).

Chart 2-4. Enrollment in the Medicare program is projected to grow rapidly through 2030



Note: Enrollment numbers are based on Part A enrollment only. Beneficiaries enrolled only in Part B are not included. The potential effects of the COVID-19 pandemic are not reflected in these projections.

Source: The annual report of the Boards of Trustees of the Medicare trust funds 2020.

- The total number of people enrolled in the Medicare program is projected to increase from about 62 million in 2020 to about 78 million in 2030.
- The rate of increase in Medicare enrollment will accelerate until 2030 as more members of the baby-boom generation become eligible, at which point it will continue to increase, but more slowly, after the entire baby-boom generation has become eligible.

Chart 2-5. Characteristics of the Medicare population, 2017

Characteristic	Share of the Medicare population	Characteristic	Share of the Medicare population
Total (54.5 million)	100%	Living arrangement	
Sex		Institution	3%
Male	46	Alone	27
Female	54	With spouse	48
Race/ethnicity		Other	22
White, non-Hispanic	75	Education	
African American, non-Hispanic	10	No high school diploma	15
Hispanic	8	High school diploma only	26
Other	7	Some college or more	57
Age		Income status	
<65	15	Below poverty	15
65–74	47	100–125% of poverty	7
75–84	26	125–200% of poverty	17
85+	11	200–400% of poverty	27
Health status		Over 400% of poverty	35
Excellent or very good	46	Supplemental insurance status	
Good or fair	47	Medicare only	16
Poor	7	Managed care	33
Residence		Employer-sponsored insurance	19
Urban	80	Medigap	19
Rural	20	Medigap with employer-sponsored insurance	1
		Medicaid	11
		Other	1

Note: Total number of beneficiaries, age, and health status values may slightly differ from previous figures because only beneficiaries with complete characteristic data were included in this analysis. Totals may not sum to 100 percent due to rounding and exclusion of an “other” category. “Urban” indicates beneficiaries living in metropolitan statistical areas (MSAs). “Rural” indicates beneficiaries living outside MSAs. In 2017, “poverty” was defined as income of \$11,756 for single individuals ages 65 and older and \$14,828 for married couples ages 65 and older. Poverty thresholds are calculated by the U.S. Census Bureau (<https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>). Some beneficiaries may have more than one type of supplemental insurance. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey Cost Supplement file 2017.

- The majority of Medicare beneficiaries are female (rather than male) and White (rather than other races/ethnicities).
- About one-fifth of beneficiaries live in rural areas.
- Twenty-seven percent of the Medicare population lives alone.
- Most Medicare beneficiaries have some source of supplemental insurance. Managed care plans are the most common source of supplemental coverage.