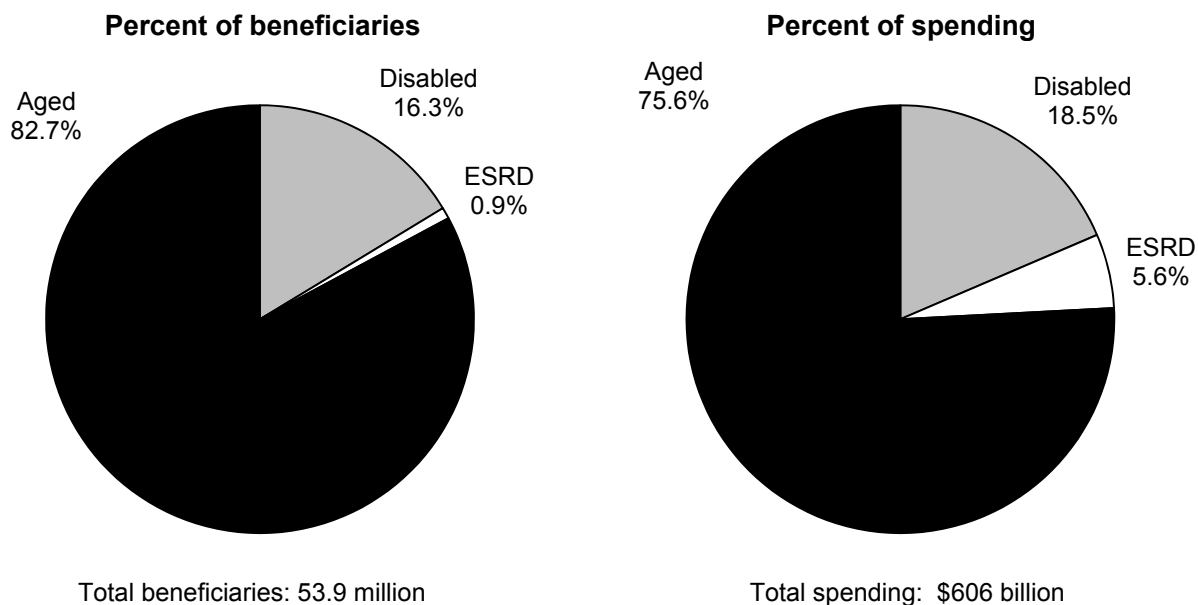# Medicare beneficiary demographics

Chart 2-1. Aged beneficiaries accounted for the greatest share of the Medicare population and program spending, 2013

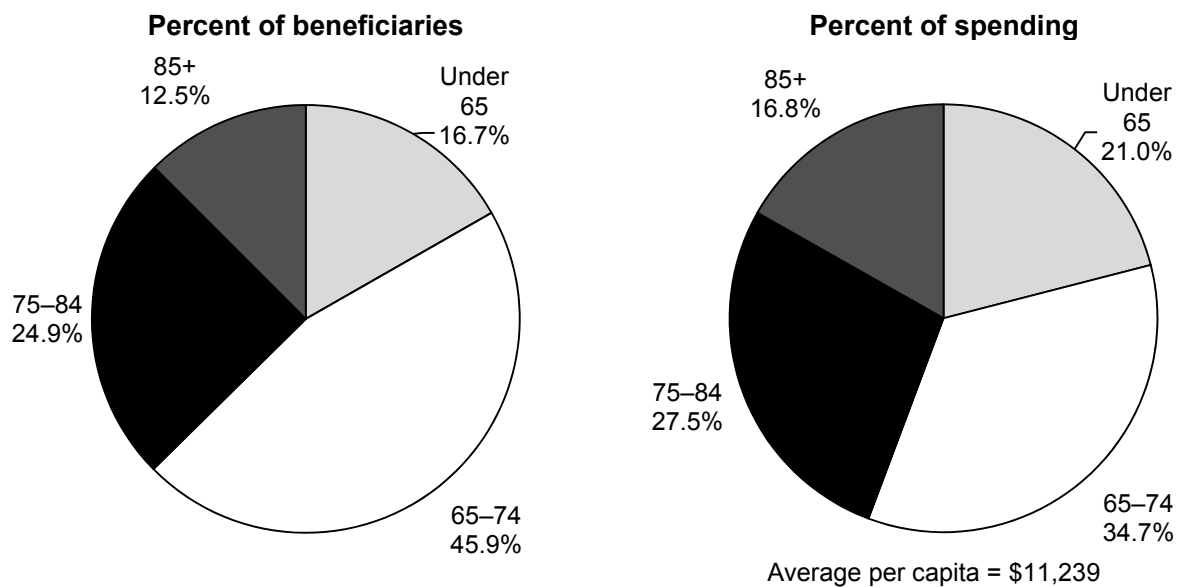**Percent of beneficiaries**

Aged
82.7%

Disabled
16.3%

ESRD
0.9%

Total beneficiaries: 53.9 million

Percent of spending

Aged
75.6%

Disabled
18.5%

ESRD
5.6%

Total spending: $606 billion

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. Totals may not sum to 100 percent due to rounding and exclusion of an "other" category.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2013.

- In 2013, beneficiaries ages 65 and older without ESRD composed 82.7 percent of the beneficiary population and accounted for 75.6 percent of Medicare spending. Beneficiaries under 65 with a disability and beneficiaries with ESRD accounted for the majority of the remaining population and spending.

- In 2013, average Medicare spending per beneficiary was $11,239 (data not shown).

- A disproportionate share of Medicare expenditures is devoted to Medicare beneficiaries with ESRD. On average, these beneficiaries incur spending that is more than seven times greater than spending for aged beneficiaries (ages 65 years and older without ESRD) or for beneficiaries under age 65 with disability (non-ESRD). In 2013, $72,725 was spent per ESRD beneficiary versus $10,265 per aged beneficiary and $12,776 per beneficiary under age 65 enrolled because of disability (data not shown).

Chart 2-2.   Medicare enrollment and spending by age group, 2013

Percent of beneficiaries

85+
12.5%

Under 65
16.7%

75–84
24.9%

65–74
45.9%

Percent of spending

85+
16.8%

Under 65
21.0%

75–84
27.5%

65–74
34.7%
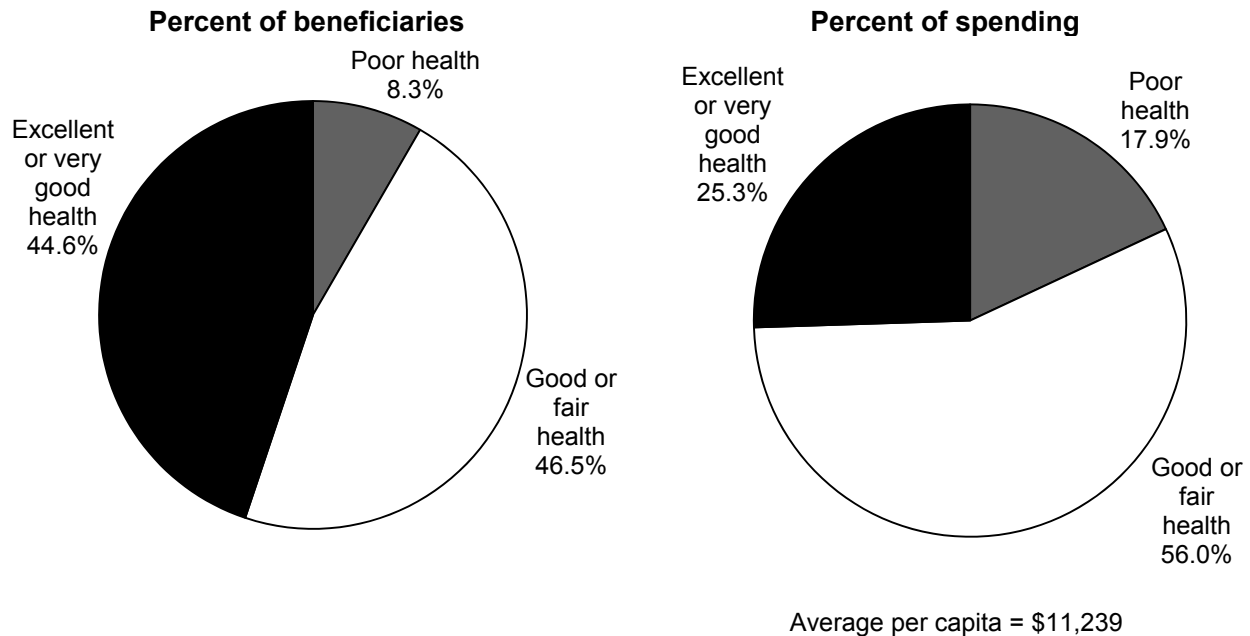
Average per capita = $11,239

Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2013.

- For the aged population (65 and older), per capita expenditures increase with age. In 2013, per capita expenditures were $8,506 for beneficiaries 65 to 74 years old, $12,416 for those 75 to 84 years old, and $15,138 for those 85 or older (data not shown).

- In 2013, per capita expenditures for Medicare beneficiaries under age 65 who were enrolled because of end-stage renal disease or disability were $14,063 (data not shown).

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Chart 2-3. Beneficiaries who reported being in poor health accounted for a disproportionate share of Medicare spending, 2013

Percent of beneficiaries

Poor health
8.3%

Excellent or very good health
44.6%

Good or fair health
46.5%

Percent of spending

Excellent or very good health
25.3%

Poor health
17.9%

Good or fair health
56.0%

Average per capita = $11,239

Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding and exclusion of an "other" category.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2013.

- In 2013, most beneficiaries reported fair to excellent health. Fewer than 10 percent reported poor health.

- Medicare spending is strongly associated with self-reported health status. In 2013, per capita expenditures were $6,382 for those who reported excellent or very good health, $13,500 for those who reported good or fair health, and $24,131 for those who reported poor health (data not shown).

Chart 2-4.   Enrollment in the Medicare program is projected to grow rapidly in the next 20 years
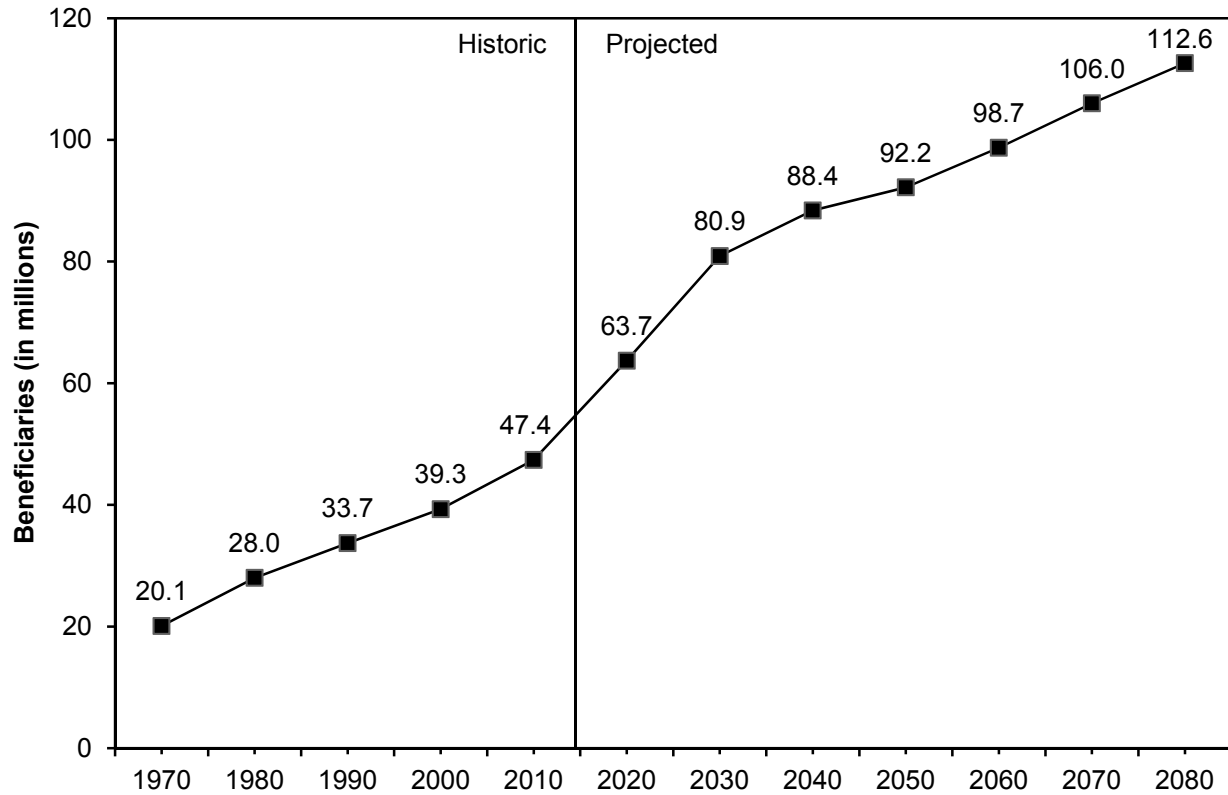
Note: Enrollment numbers are based on Part A enrollment only. Beneficiaries enrolled only in Part B are not included.

Source: The annual report of the Boards of Trustees of the Medicare trust funds 2016.

- The total number of people enrolled in the Medicare program will increase from about 50 million in 2013 to about 81 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.

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Chart 2-5.   Characteristics of the Medicare population, 2013

Characteristic	Percent of the Medicare population	Characteristic	Percent of the Medicare population
Total (53.9 million)	100%	**Living arrangement**	
		Institution	4%
Sex		Alone	26
Male	46	With spouse	47
Female	54	Other	21
Race/ethnicity		**Education**	
White, non-Hispanic	75	No high school diploma	20
African American,		High school diploma only	27
non-Hispanic	9	Some college or more	52
Hispanic	10		
Other	6	**Income status**	
		Below poverty	16
Age		100–125% of poverty	8
<65	17	125–200% of poverty	20
65–74	46	200–400% of poverty	30
75–84	25	Over 400% of poverty	25
85+	13		
		Supplemental insurance status	
Health status		Medicare only	16
Excellent or very good	45	Managed care	30
Good or fair	47	Employer-sponsored insurance	25
Poor	8	Medigap	14
		Medigap with employer-	
Residence		sponsored insurance	1
Urban	77	Medicaid	13
Rural	23	Other	1

Note: "Urban" indicates beneficiaries living in metropolitan statistical areas (MSAs). "Rural" indicates beneficiaries living outside MSAs. In 2013, poverty was defined as income of $11,173 for people living alone and $14,095 for married couples. Totals may not sum to 100 percent due to rounding and exclusion of an "other" category. Poverty thresholds are calculated by the U.S. Census Bureau (https://www.census.gov/hhes/www/poverty/data/threshold/). Some beneficiaries may have more than one type of supplemental insurance.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2013.

- Most Medicare beneficiaries are female and White.

- Close to one-quarter of beneficiaries live in rural areas.

- Twenty-six percent of the Medicare population lives alone.

- Twenty percent of beneficiaries have no high school diploma.

- Most Medicare beneficiaries have some source of supplemental insurance. Managed care plans are the most common source of supplemental coverage.