

SECTION

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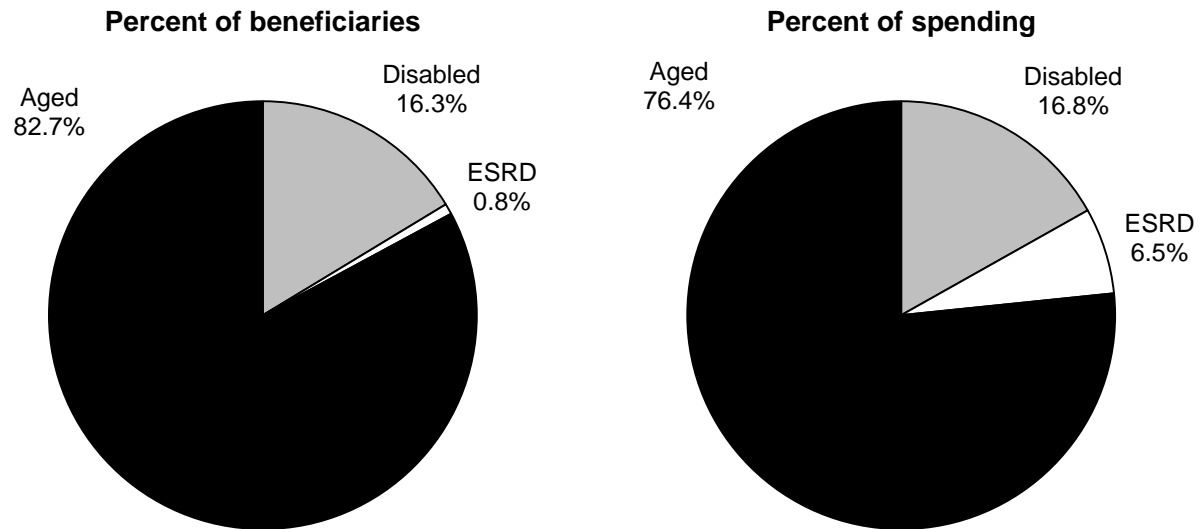
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**Medicare beneficiary  
demographics**

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## Chart 2-1. Aged beneficiaries accounted for the greatest share of the Medicare population and program spending, 2012

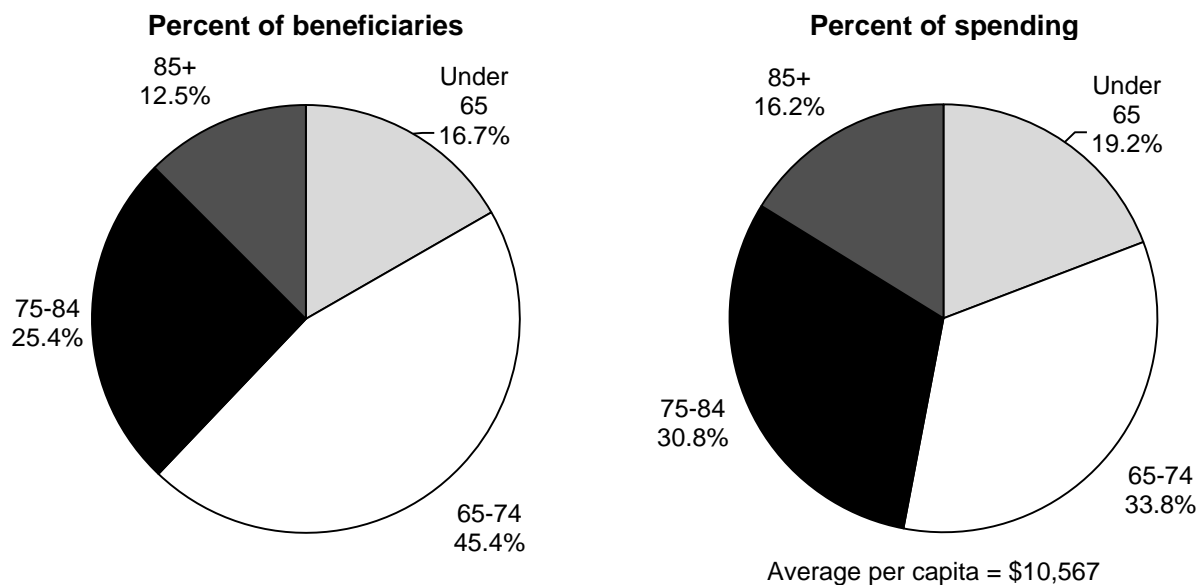


Note: ESRD (end-stage renal disease). The “aged” category includes beneficiaries ages 65 and older without ESRD. The “disabled” category includes beneficiaries under age 65 without ESRD. The “ESRD” category includes beneficiaries with ESRD, regardless of age. Results include fee-for-service, Medicare 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 2012.

- In 2012, beneficiaries ages 65 and older without ESRD composed 82.7 percent of the beneficiary population and accounted for 76.4 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 2012, average Medicare spending per beneficiary was \$10,567 (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 six 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 2012, \$76,185 was spent per ESRD beneficiary versus \$9,756 per aged beneficiary and \$10,841 per beneficiary under age 65 enrolled because of disability (data not shown).

**Chart 2-2. Medicare enrollment and spending by age group, 2012**

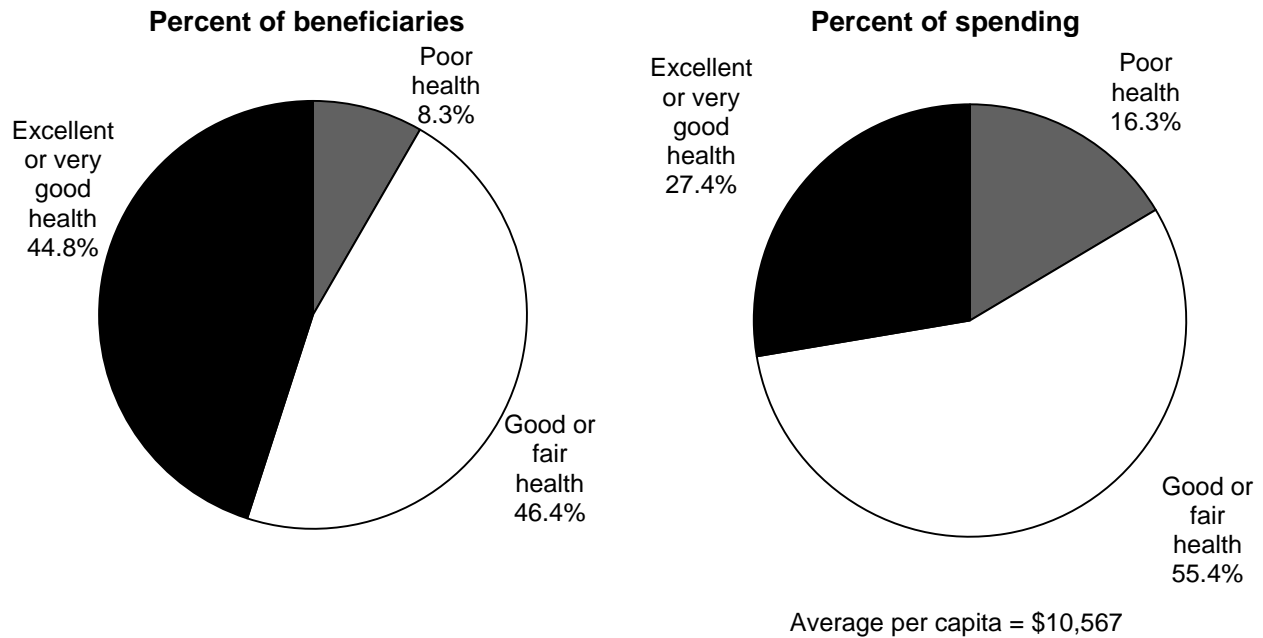


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2012.

- For the aged population (65 and older), per capita expenditures increase with age. In 2012, per capita expenditures were \$7,868 for beneficiaries 65 to 74 years old, \$12,819 for those 75 to 84 years old, and \$13,738 for those 85 or older (data not shown).
- In 2012, per capita expenditures for Medicare beneficiaries under age 65 who were enrolled because of end-stage renal disease or disability were \$12,105 (data not shown).

**Chart 2-3. Beneficiaries who reported being in poor health accounted for a disproportionate share of Medicare spending, 2012**

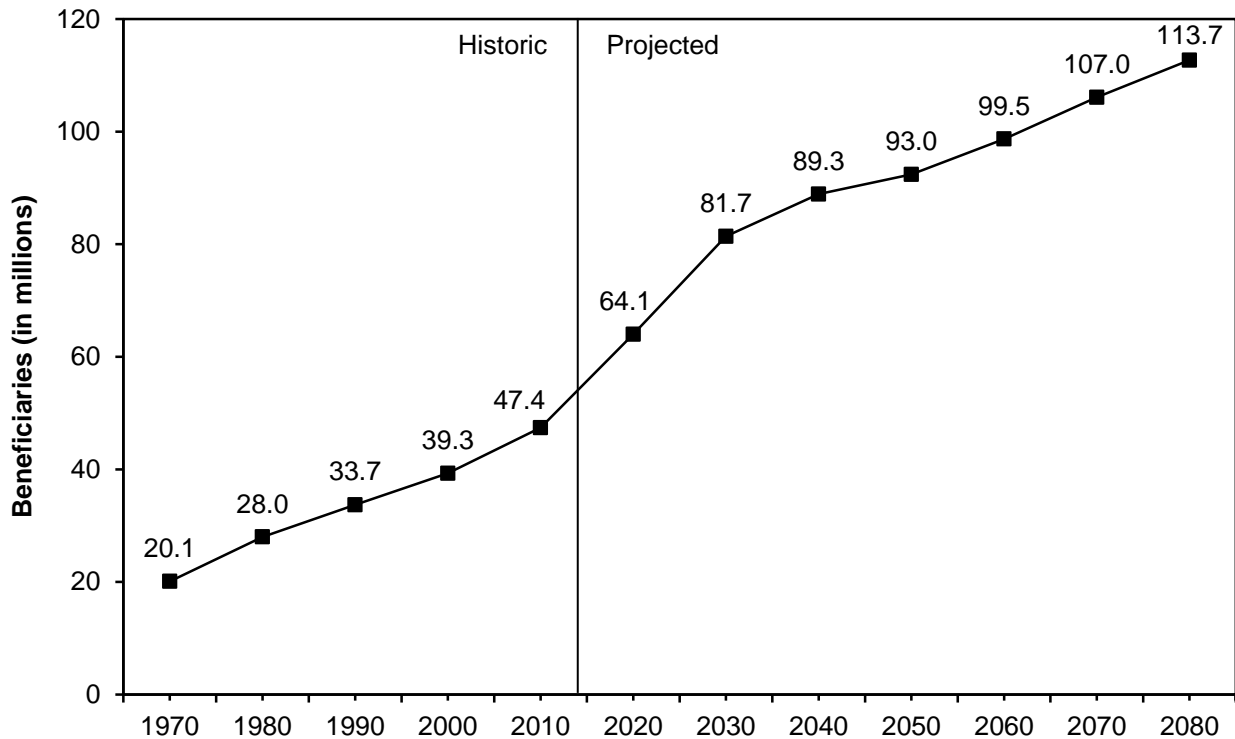


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding and exclusion of an “other” category.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2012.

- In 2012, 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 2012, per capita expenditures were \$6,478 for those who reported excellent or very good health, \$12,634 for those who reported good or fair health, and \$20,756 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 2015.  
**AT THE TIME THIS DATA BOOK WAS PREPARED, THE MEDICARE TRUSTEES' REPORT (WHICH IS THE CUSTOMARY SOURCE OF DATA FOR THIS CHART) HAD NOT YET BEEN RELEASED FOR 2016. THIS CHART REFLECTS DATA FROM THE 2015 MEDICARE TRUSTEES' REPORT. THE READER IS ADVISED TO CONSULT THE 2016 TRUSTEES' REPORT DIRECTLY, WHEN AVAILABLE, FOR THE MOST CURRENT VERSION OF THESE DATA.**

- The total number of people enrolled in the Medicare program will increase from about 50 million in 2012 to about 82 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, 2012

Characteristic	Percent of the Medicare population	Characteristic	Percent of the Medicare population
<b>Total</b> (52,079,014)	100%	<b>Living arrangement</b>	
<b>Sex</b>		Institution	4%
Male	45	Alone	28
Female	55	With spouse	48
		Other	20
<b>Race/ethnicity</b>		<b>Education</b>	
White, non-Hispanic	76	No high school diploma	21
African American, non-Hispanic	9	High school diploma only	28
Hispanic	10	Some college or more	51
Other	5	<b>Income status</b>	
<b>Age</b>		Below poverty	16
<65	17	100–125% of poverty	9
65–74	45	125–200% of poverty	19
75–84	25	200–400% of poverty	31
85+	12	Over 400% of poverty	24
<b>Health status</b>		<b>Supplemental insurance status</b>	
Excellent or very good	45	Medicare only	16
Good or fair	46	Managed care	29
Poor	8	Employer-sponsored insurance	26
<b>Residence</b>		Medigap	14
Urban	77	Medigap with employer-sponsored insurance	1
Rural	23	Medicaid	13
		Other	1

Note: "Urban" indicates beneficiaries living in metropolitan statistical areas (MSAs). "Rural" indicates beneficiaries living outside MSAs. In 2012, poverty was defined as income of \$11,011 for people living alone and \$13,892 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 2012.

- Most Medicare beneficiaries are female and White.
- Close to one-quarter of beneficiaries live in rural areas.
- Twenty-eight percent of the Medicare population lives alone.
- About 20 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.

