

SECTION

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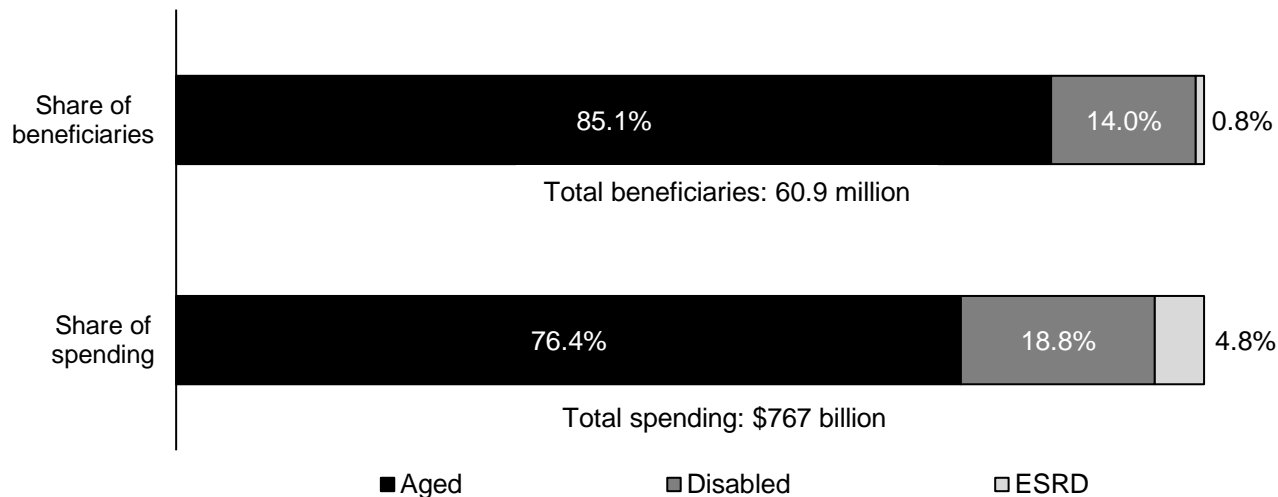
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**Medicare beneficiary  
demographics**

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**Chart 2-1. Aged beneficiaries accounted for the greatest share of the Medicare population and program spending, 2018**

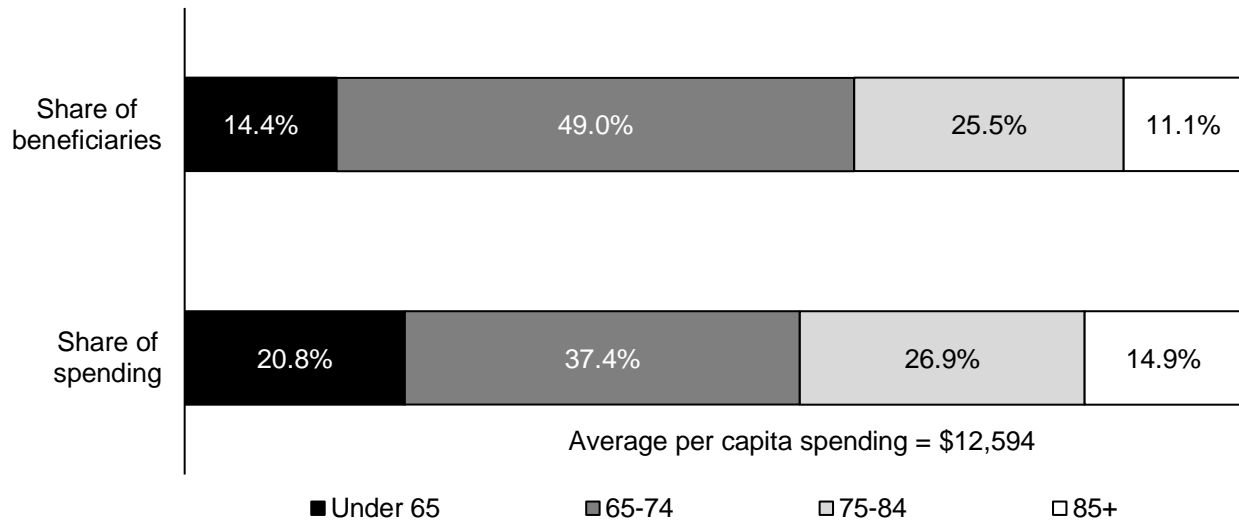


Note: ESRD (end-stage renal disease). The “aged” category includes beneficiaries ages 65 and older without ESRD. The “disabled” category includes beneficiaries under age 65 without ESRD. The “ESRD” category includes beneficiaries with ESRD, regardless of age. Results include fee-for-service, Medicare 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. Totals may not sum to 100 percent due to rounding.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2018.

- In 2018, beneficiaries ages 65 and older without ESRD composed 85.1 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 remaining population and spending.
- A disproportionate share of Medicare expenditures is on behalf of 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) and more than four times greater than spending for beneficiaries under age 65 with a disability (non-ESRD).

**Chart 2-2. Beneficiaries younger than 65 accounted for a disproportionate share of Medicare spending, 2018**

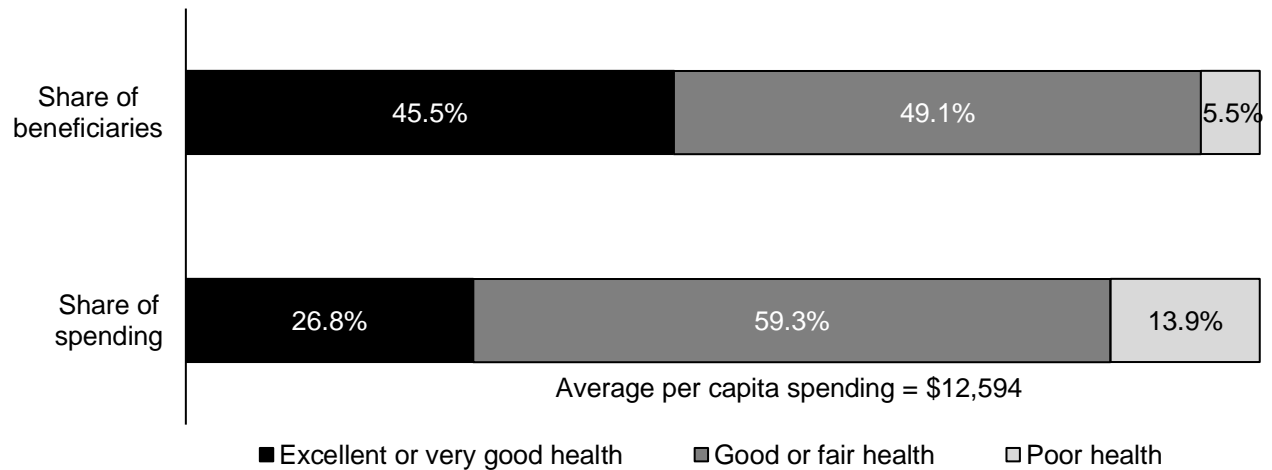


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2018.

- Beneficiaries younger than 65 made up 14.4 percent of the beneficiary population in 2018 but accounted for 20.8 percent of Medicare spending.
- In 2018, average Medicare spending per beneficiary was \$12,594.
- For the aged population (65 and older), per capita expenditures increase with age. In 2018, per capita expenditures were \$9,611 for beneficiaries 65 to 74 years old, \$13,300 for those 75 to 84 years old, and \$16,787 for those 85 or older (data not shown).
- In 2018, per capita expenditures for Medicare beneficiaries under age 65 who were enrolled because of end-stage renal disease or disability were \$18,250 (data not shown).

**Chart 2-3. Beneficiaries who reported being in poor health accounted for a disproportionate share of Medicare spending, 2018**

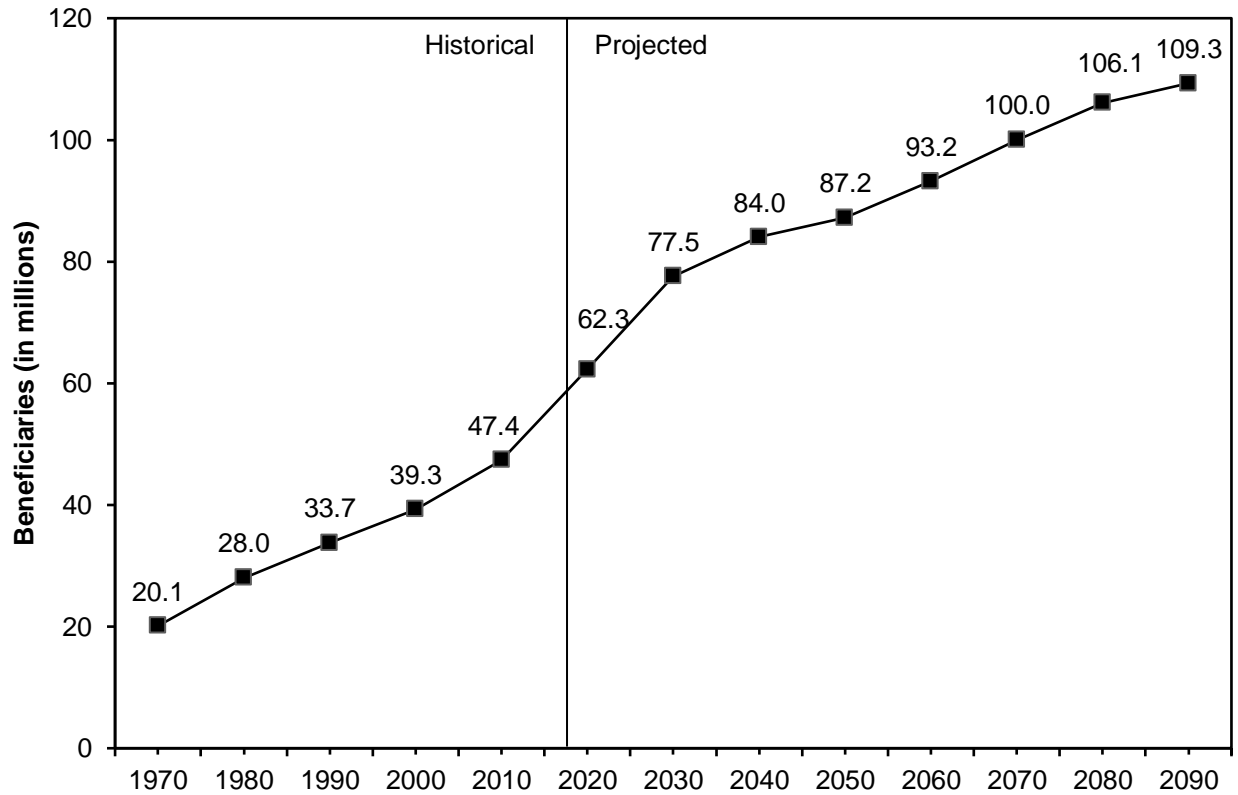


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. "Other" category excluded. The Medicare Current Beneficiary Survey is a point-in-time survey from a sample of Medicare beneficiaries. Year-to-year variation in reported data is expected.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

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2018.

- In 2018, 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 2018, per capita expenditures were \$7,098 for those who reported excellent or very good health, \$14,567 for those who reported good or fair health, and \$30,634 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 coronavirus 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 has begun to accelerate as more members of the baby-boom generation become eligible for the program. Beginning in 2030, when the entire baby-boom generation will have become eligible, Medicare enrollment will continue to increase, but more slowly.

## Chart 2-5. Characteristics of the Medicare population, 2018

Characteristic	Share of the Medicare population	Characteristic	Share of the Medicare population
<b>Total</b> (55.8 million)	100%	<b>Living arrangement</b>	
<b>Sex</b>		Institution	3%
Male	46	Alone	28
Female	54	With spouse	47
<b>Race/ethnicity</b>		Other	22
White, non-Hispanic	75	<b>Education</b>	
Black, non-Hispanic	10	No high school diploma	15
Hispanic	8	High school diploma only	26
Other	7	Some college or more	58
<b>Age</b>		<b>Income status</b>	
<65	15	Below poverty	15
65–74	48	100–125% of poverty	6
75–84	27	125–200% of poverty	17
85+	11	200–400% of poverty	27
<b>Health status</b>		Over 400% of poverty	35
Excellent or very good	45	<b>Supplemental insurance status</b>	
Good or fair	48	Medicare only	16
Poor	6	Managed care	35
<b>Residence</b>		Employer-sponsored insurance	18
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. Components 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 2018, “poverty” was defined as income of \$12,043 for single individuals ages 65 and older and \$15,193 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 2018.

- A 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-eight 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.

