

SECTION

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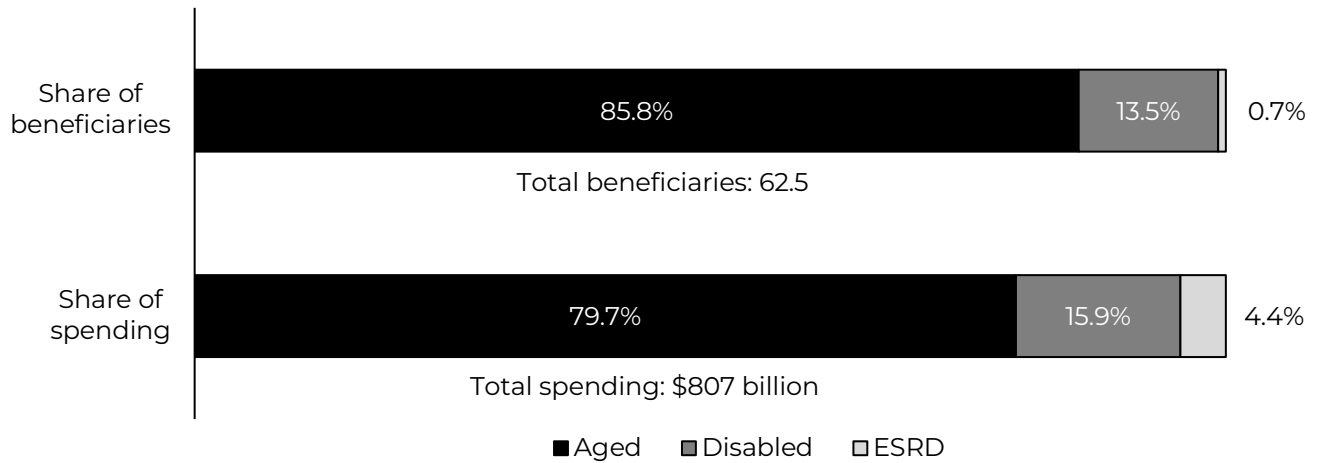
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**Medicare beneficiary  
demographics**

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**Chart 2-1. Aged beneficiaries accounted for the greatest share of the Medicare population and program spending, 2019**

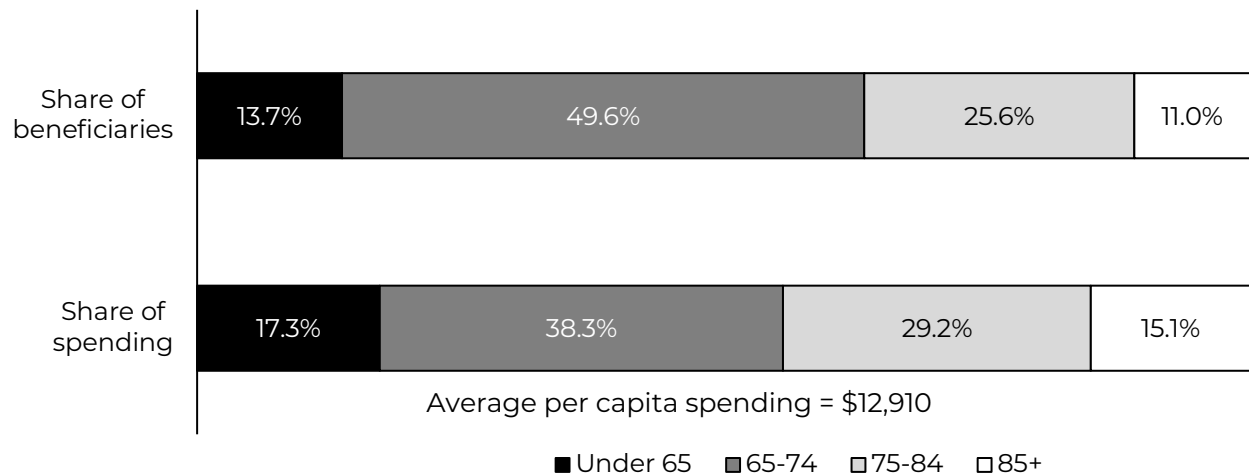


**Note:** ESRD (end-stage renal disease). The “aged” category includes beneficiaries ages 65 and older without ESRD. The “disabled” category includes beneficiaries under age 65 without ESRD. The “ESRD” category includes beneficiaries with ESRD, regardless of age. Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. The Medicare Current Beneficiary Survey is collected from a sample of Medicare beneficiaries; year-to-year variation in some 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 2019.

- In 2019, beneficiaries ages 65 and older without ESRD composed 85.8 percent of the beneficiary population and accounted for 79.7 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 five 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, 2019**

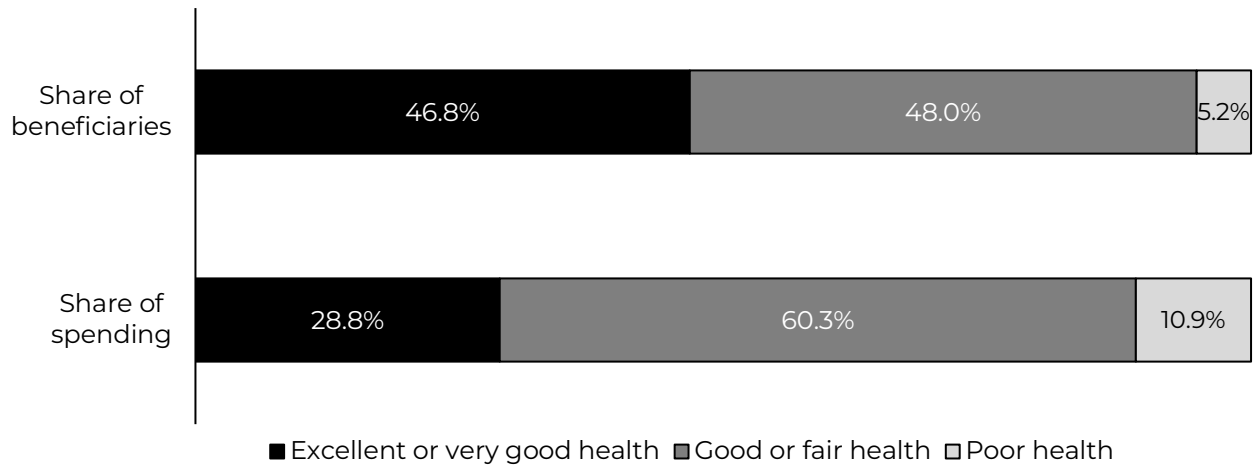


**Note:** Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. The Medicare Current Beneficiary Survey is collected from a sample of Medicare beneficiaries; year-to-year variation in some reported data is expected.

**Source:** MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2019.

- Beneficiaries younger than 65 made up 13.7 percent of the beneficiary population in 2019 but accounted for 17.3 percent of Medicare spending.
- In 2019, average Medicare spending per beneficiary was \$12,910.
- For the aged population (65 and older), per capita expenditures increase with age. In 2019, per capita expenditures were \$9,971 for beneficiaries 65 to 74 years old, \$14,713 for those 75 to 84 years old, and \$17,742 for those 85 or older (data not shown).
- In 2019, per capita expenditures for Medicare beneficiaries under age 65 who were enrolled because of end-stage renal disease or disability were \$16,289 (data not shown).

**Chart 2-3. Beneficiaries who reported being in poor health accounted for a disproportionate share of Medicare spending, 2019**

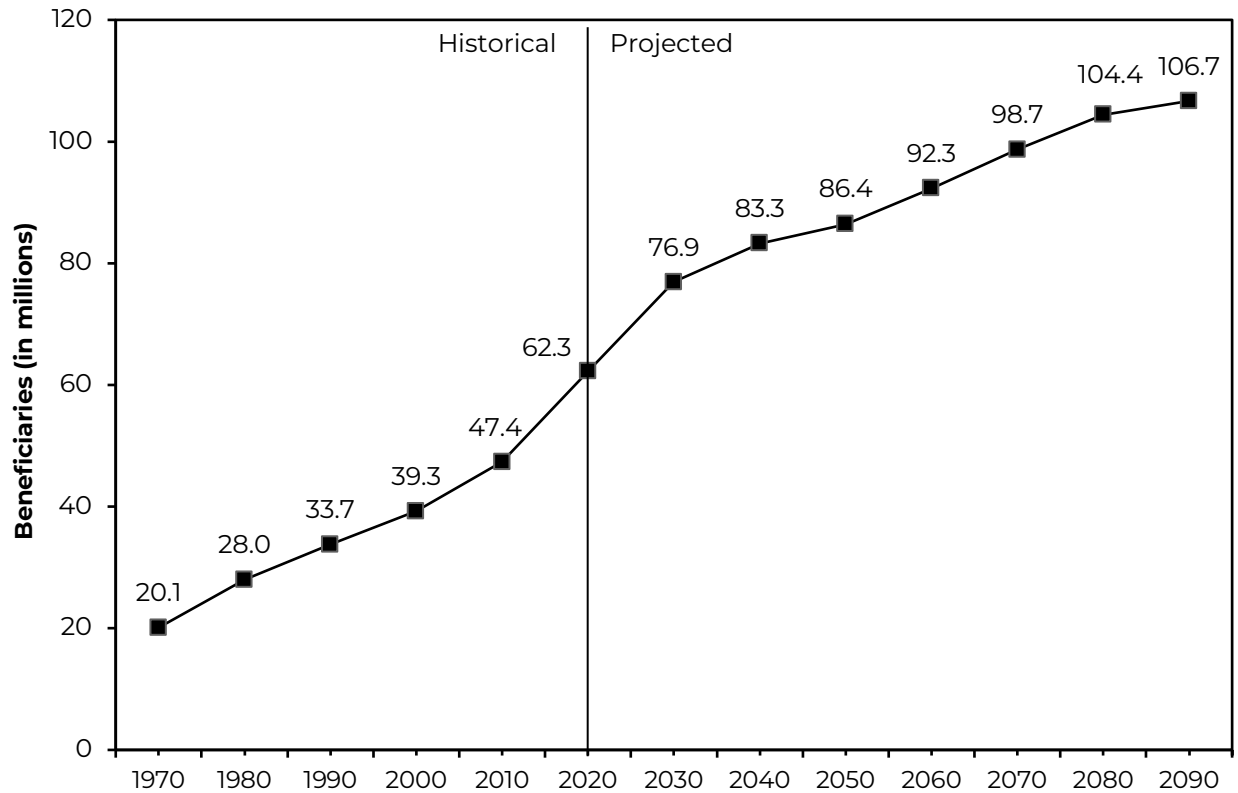


**Note:** Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. The Medicare Current Beneficiary Survey is collected from a sample of Medicare beneficiaries; year-to-year variation in some reported data is expected. Totals may not sum to 100 percent due to rounding.

**Source:** MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2019.

- In 2019, most beneficiaries reported fair to excellent health. Only about 5 percent reported poor health.
- Medicare spending is strongly associated with self-reported health status. In 2019, per capita expenditures were \$7,688 for those who reported excellent or very good health, \$15,663 for those who reported good or fair health, and \$26,330 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 2021.

- The total number of people enrolled in the Medicare program is projected to increase from about 62 million in 2020 to about 77 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, 2019**

Characteristic	Share of the Medicare population	Characteristic	Share of the Medicare population
<b>Total</b> (57.2 million)	100%	<b>Living arrangement</b>	
<b>Sex</b>		Institution	3
Male	45	Alone	29
Female	55	With spouse	47
		Other	22
<b>Race/ethnicity</b>		<b>Education</b>	
White, non-Hispanic	75	No high school diploma	14
Black, non-Hispanic	10	High school diploma only	25
Hispanic	8	Some college or more	59
Other	7	<b>Income status</b>	
<b>Age</b>		Below poverty	14
<65	14	100–125% of poverty	7
65–74	48	125–200% of poverty	17
75–84	27	200–400% of poverty	26
85+	11	Over 400% of poverty	36
<b>Health status</b>		<b>Supplemental insurance status</b>	
Excellent or very good	46	Medicare only	13
Good or fair	47	Managed care	37
Poor	6	Employer-sponsored insurance	19
		Medigap	18
<b>Residence</b>		Medigap with employer-sponsored insurance	2
Urban	81	Medicaid	9
Rural	19	Other	1

**Note:** Total number of beneficiaries, age, and health status values may slightly differ from previous reports' 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 2019, "poverty" was defined as income of \$12,261 for single individuals ages 65 and older and \$15,468 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 collected from a sample of Medicare beneficiaries; year-to-year variation in some reported data is expected.

**Source:** MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2019.

- 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-nine 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.

