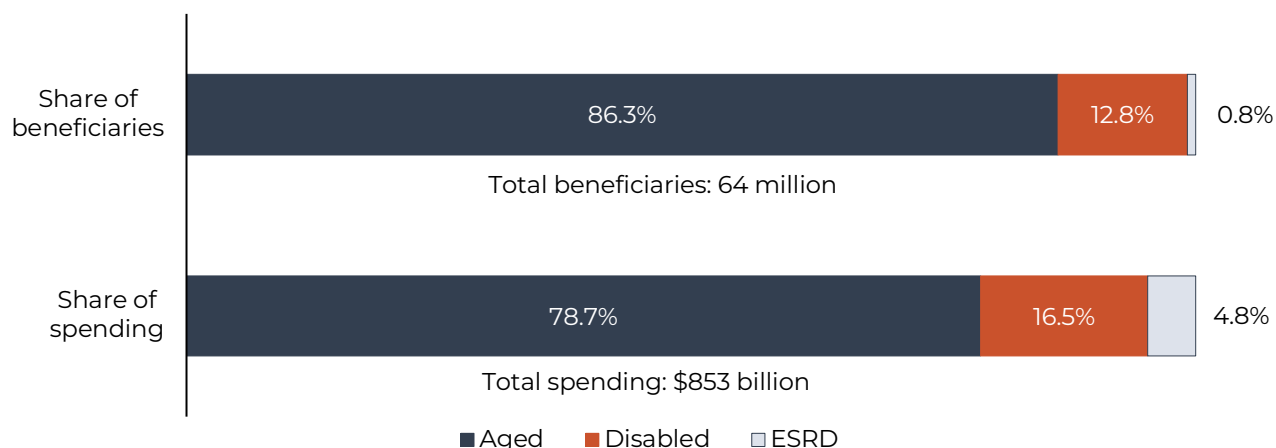


SECTION

2

Medicare beneficiary demographics

Chart 2-1 Aged beneficiaries accounted for the greatest share of the Medicare population and program spending, 2020



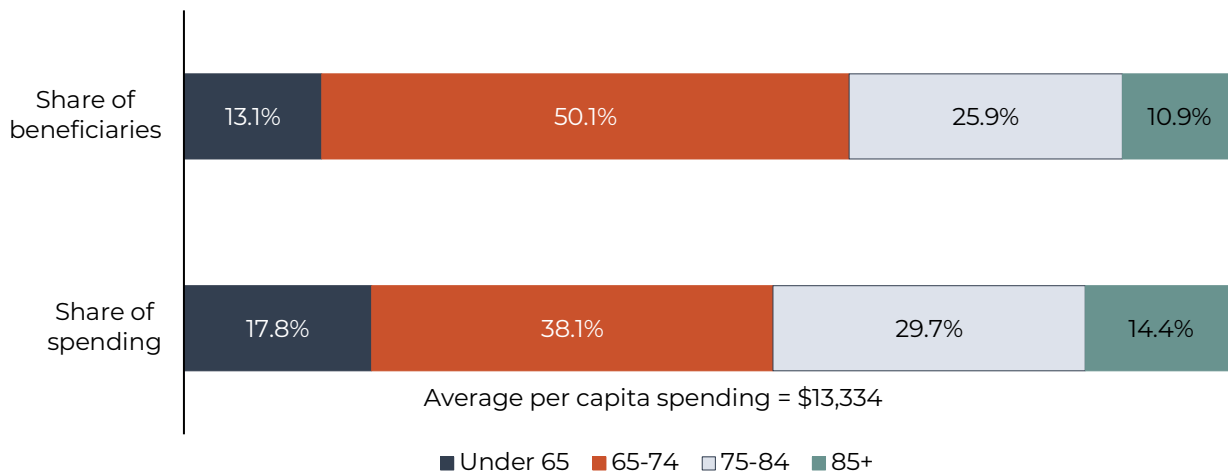
Note: ESRD (end-stage renal disease). The “aged” category includes beneficiaries ages 65 and older without ESRD. The “disabled” category includes beneficiaries under age 65 without ESRD. The “ESRD” category includes beneficiaries with ESRD, regardless of age. Results include fee-for-service, Medicare 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 2020.

> In 2020, beneficiaries ages 65 and older without ESRD composed 86.3 percent of the beneficiary population and accounted for 78.7 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 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, 2020

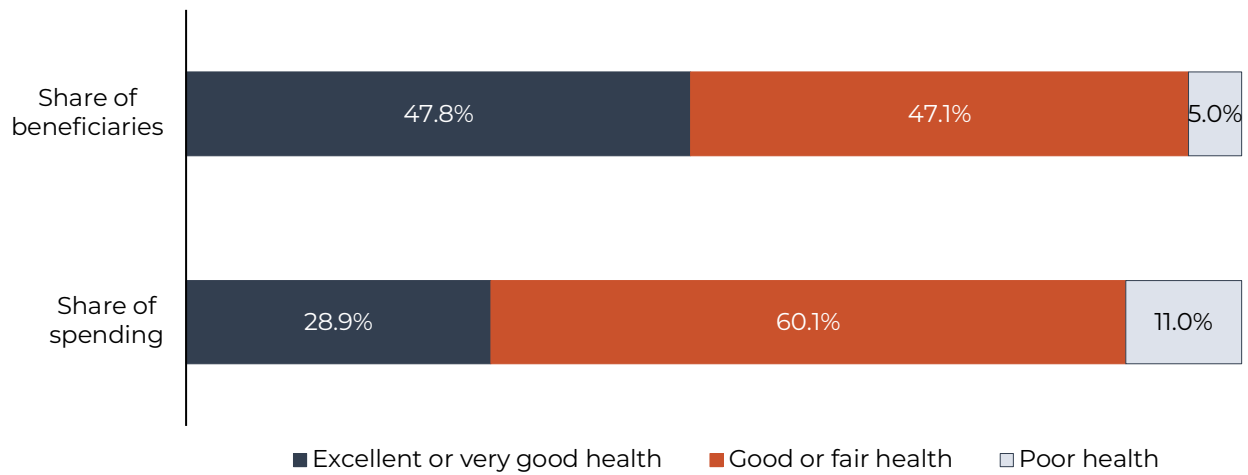


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. The Medicare Current Beneficiary Survey is collected from a sample of Medicare beneficiaries; year-to-year variation in some reported data is expected.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2020.

- > Beneficiaries younger than 65 made up 13.1 percent of the beneficiary population in 2020 but accounted for 17.8 percent of Medicare spending.
- > In 2020, average Medicare spending per beneficiary was \$13,334.
- > For the aged population (65 and older), per capita expenditures increase with age. In 2020, per capita expenditures were \$10,145 for beneficiaries 65 to 74 years old, \$15,262 for those 75 to 84 years old, and \$17,626 for those 85 or older (data not shown).
- > In 2020, per capita expenditures for Medicare beneficiaries under age 65 who were enrolled because of end-stage renal disease or disability were \$18,153 (data not shown).

Chart 2-3 Beneficiaries who reported being in poor health accounted for a disproportionate share of Medicare spending, 2020

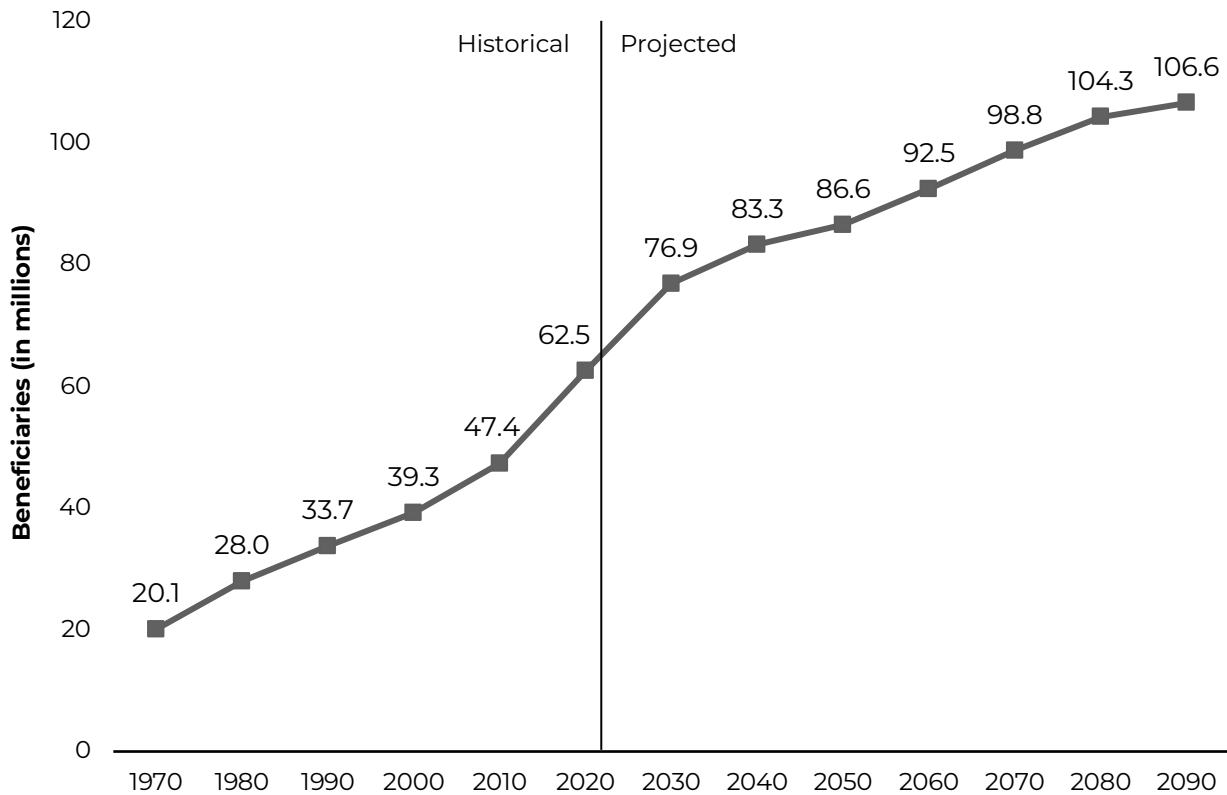


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. The Medicare Current Beneficiary Survey is collected from a sample of Medicare beneficiaries; year-to-year variation in some reported data is expected. Totals may not sum to 100 percent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

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2020.

- > In 2020, most beneficiaries reported fair to excellent health. Only 5 percent reported poor health.
- > Medicare spending is strongly associated with self-reported health status. In 2020, per capita expenditures were \$7,763 for those who reported excellent or very good health, \$16,405 for those who reported good or fair health, and \$28,040 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.

Source: The annual report of the Boards of Trustees of the Medicare trust funds 2022.

> The total number of people enrolled in the Medicare program is projected to increase from about 63 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, 2020

Characteristic	Share of the Medicare population	Characteristic	Share of the Medicare population
Total (58.6 million)	100%	Living arrangement	
		Institution	2
Sex		Alone	30
Male	45	With spouse	48
Female	55	Other	20
Race/ethnicity		Education	
White, non-Hispanic	75	No high school diploma	13
Black, non-Hispanic	10	High school diploma only	25
Hispanic	8	Some college or more	61
Other	7		
		Income status	
Age		Below poverty	13
<65	13	100–125% of poverty	6
65–74	49	125–200% of poverty	17
75–84	27	200–400% of poverty	26
85+	11	Over 400% of poverty	38
Health status		Supplemental insurance status	
Excellent or very good	48	Medicare only	10
Good or fair	46	Managed care	40
Poor	5	Employer-sponsored insurance	21
		Medigap	19
Residence		Medigap with employer-sponsored insurance	1
Urban	82	Medicaid	8
Rural	18	Other	1

Note: 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) as defined by the Office of Management and Budget. “Rural” indicates beneficiaries living outside MSAs. In 2020, “poverty” was defined as income of \$12,413 for single individuals ages 65 and older and \$15,659 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 2020.

- > A majority of Medicare beneficiaries are female (55 percent) and White (75 percent).
- > About one-fifth of beneficiaries live in rural areas.
- > Thirty 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.

