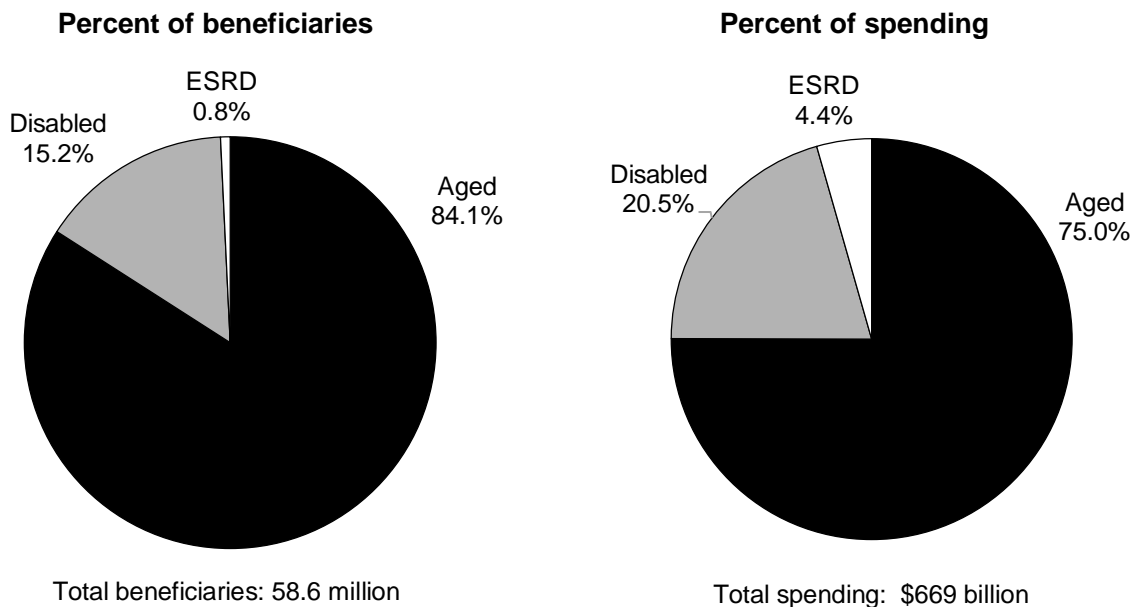


SECTION

2

**Medicare beneficiary
demographics**

Chart 2-1. Aged beneficiaries accounted for the greatest share of the Medicare population and program spending, 2016

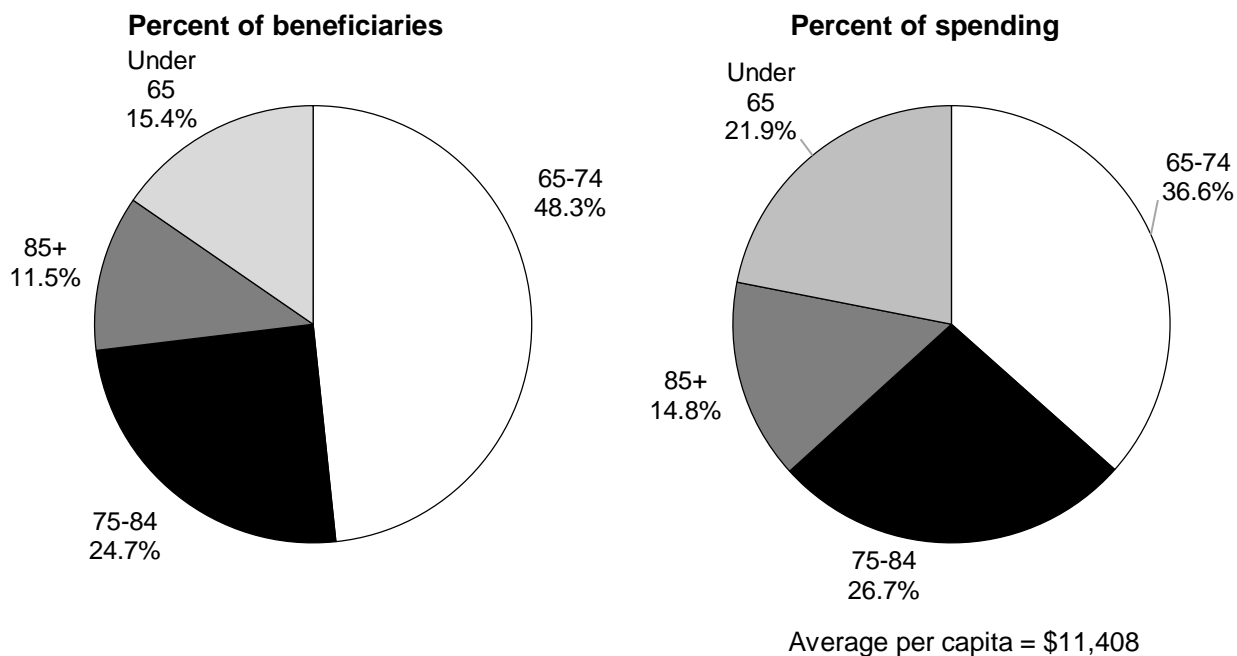


Note: ESRD (end-stage renal disease). The “aged” category includes beneficiaries ages 65 and older without ESRD. The “disabled” category includes beneficiaries under age 65 without ESRD. The “ESRD” category includes beneficiaries with ESRD, regardless of age. Results include fee-for-service, Medicare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

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2016.

- In 2016, beneficiaries ages 65 and older without ESRD composed 84.1 percent of the beneficiary population and accounted for 75.0 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 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) and more than four times greater than spending for beneficiaries under age 65 with disability (non-ESRD). In 2016, \$67,116 was spent per ESRD beneficiary versus \$10,182 per aged beneficiary and \$15,437 per beneficiary under age 65 enrolled because of disability (data not shown).

Chart 2-2. Beneficiaries younger than 65 accounted for a disproportionate share of Medicare spending, 2016

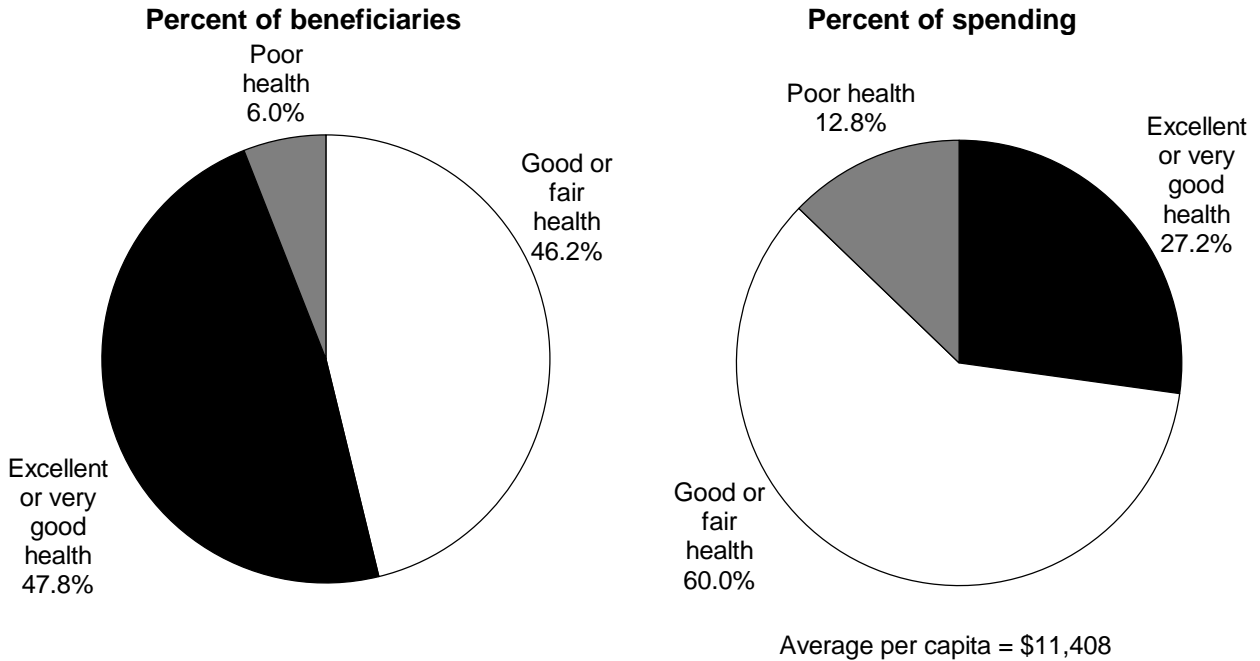


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2016.

- Beneficiaries younger than 65 made up 15.4 percent of the beneficiary population in 2016 but accounted for 21.9 percent of Medicare spending.
- In 2016, average Medicare spending per beneficiary was \$11,408.
- For the aged population (65 and older), per capita expenditures increase with age. In 2016, per capita expenditures were \$8,631 for beneficiaries 65 to 74 years old, \$12,305 for those 75 to 84 years old, and \$14,676 for those 85 or older (data not shown).
- In 2016, per capita expenditures for Medicare beneficiaries under age 65 who were enrolled because of end-stage renal disease or disability were \$16,238 (data not shown).

Chart 2-3. Beneficiaries who reported being in poor health accounted for a disproportionate share of Medicare spending, 2016

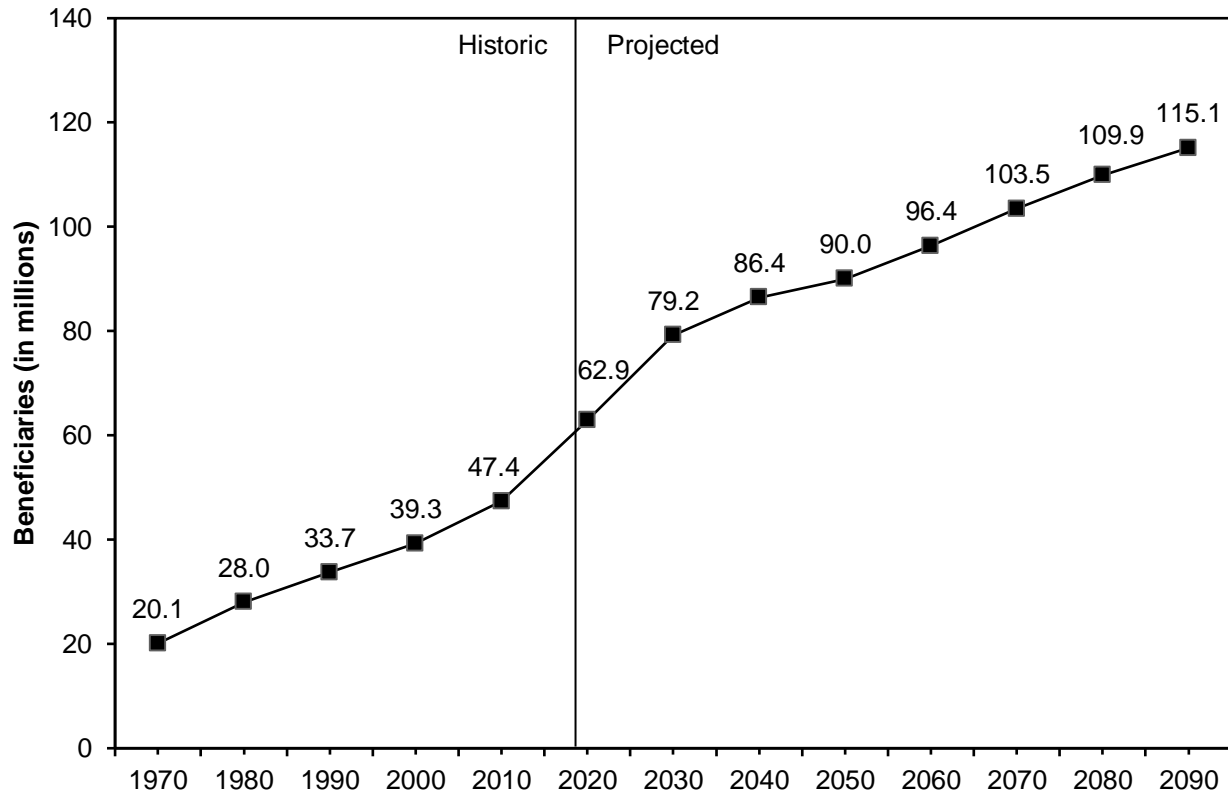


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding and exclusion of an “other” category.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2016.

- In 2016, most beneficiaries reported fair to excellent health. Only 6 percent reported poor health.
- Medicare spending is strongly associated with self-reported health status. In 2016, per capita expenditures were \$6,418 for those who reported excellent or very good health, \$13,675 for those who reported good or fair health, and \$23,393 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 2019.

- The total number of people enrolled in the Medicare program will increase from about 60 million in 2018 to about 79 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, 2016

Characteristic	Percent of the Medicare population	Characteristic	Percent of the Medicare population
Total (53.7 million)	100%	Living arrangement	
Sex		Institution	3%
Male	45	Alone	28
Female	55	With spouse	49
Race/ethnicity		Other	20
White, non-Hispanic	75	Education	
African American, non-Hispanic	10	No high school diploma	17
Hispanic	9	High school diploma only	27
Other	7	Some college or more	54
Age		Income status	
<65	16	Below poverty	15
65–74	47	100–125% of poverty	7
75–84	26	125–200% of poverty	17
85+	11	200–400% of poverty	28
Health status		Over 400% of poverty	32
Excellent or very good	45	Supplemental insurance status	
Good or fair	48	Medicare only	14
Poor	7	Managed care	35
Residence		Employer-sponsored insurance	22
Urban	80	Medigap	16
Rural	20	Medigap with employer-sponsored insurance	1
		Medicaid	12
		Other	1

Note: Age and health status values may slightly differ from previous figures, because only beneficiaries with complete characteristic data were included in this analysis. Totals 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 2016, poverty was defined as income of \$11,511 for people living alone and \$14,522 for married couples. 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.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2016.

- Most Medicare beneficiaries are female and White.
- About one-fifth of beneficiaries live in rural areas.
- Twenty-eight percent of the Medicare population lives alone.
- Seventeen percent of beneficiaries do not have a high school diploma.
- Most Medicare beneficiaries have some source of supplemental insurance. Managed care plans are the most common source of supplemental coverage.

