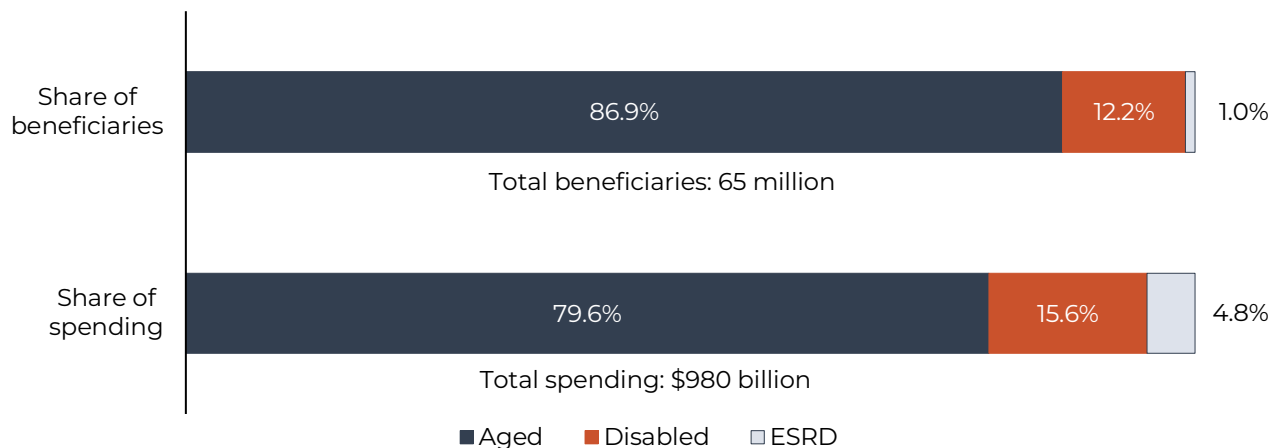


SECTION

2

Medicare beneficiary demographics

Chart 2-1 Aged beneficiaries accounted for the greatest share of the Medicare population and program spending, 2021



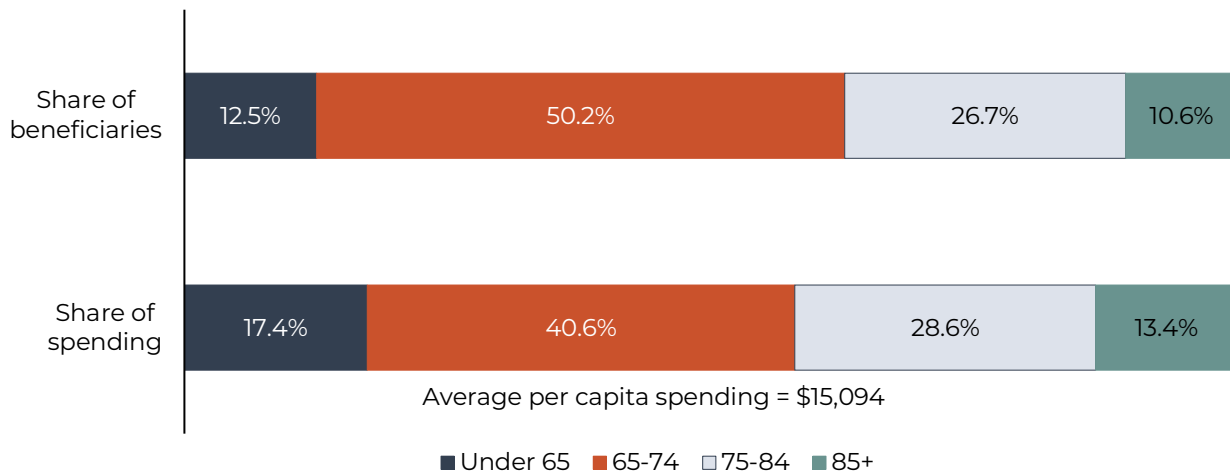
Note: ESRD (end-stage renal disease). The “aged” category comprises beneficiaries ages 65 and older without ESRD. The “disabled” category comprises beneficiaries under age 65 without ESRD. The “ESRD” category comprises beneficiaries with ESRD, regardless of age. Results include fee-for-service, Medicare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

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2021.

> In 2021, beneficiaries ages 65 and older without ESRD composed 86.9 percent of the beneficiary population and accounted for 79.6 percent of Medicare spending. Beneficiaries under 65 with a disability and beneficiaries with ESRD accounted for the remaining population and spending.

> Medicare beneficiaries with ESRD incur a disproportionate share of Medicare expenditures. On average, spending on an ESRD beneficiary is almost six times greater than spending on an aged beneficiary (age 65 years or older without ESRD) and almost four times greater than spending for a beneficiary under age 65 with a disability (non-ESRD) (data not shown).

Chart 2-2 Beneficiaries younger than 65 accounted for a disproportionate share of Medicare spending, 2021

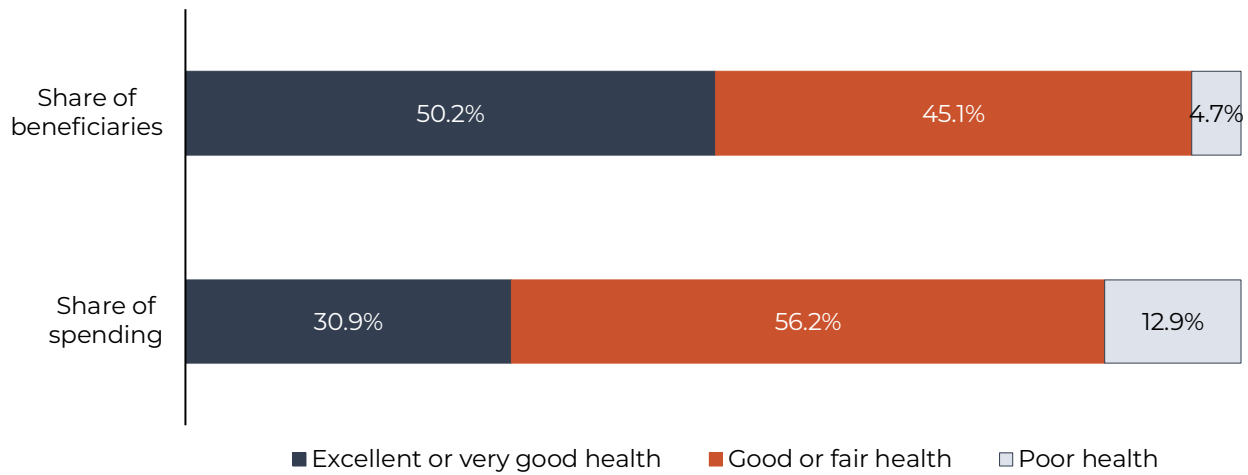


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. The Medicare Current Beneficiary Survey is collected from a sample of Medicare beneficiaries; year-to-year variation in some reported data is expected.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2021.

- > Beneficiaries younger than 65 made up 12.5 percent of the beneficiary population in 2021 but accounted for 17.4 percent of Medicare spending.
- > In 2021, average Medicare spending per beneficiary was \$15,094.
- > For the aged population (65 and older), per capita expenditures increase with age. In 2021, per capita expenditures were \$12,230 for beneficiaries 65 to 74 years old, \$16,140 for those 75 to 84 years old, and \$19,163 for those 85 or older (data not shown).
- > In 2021, per capita expenditures for Medicare beneficiaries under age 65 who were enrolled because of end-stage renal disease or disability were \$20,885 (data not shown).

Chart 2-3 Beneficiaries who reported being in poor health accounted for a disproportionate share of Medicare spending, 2021



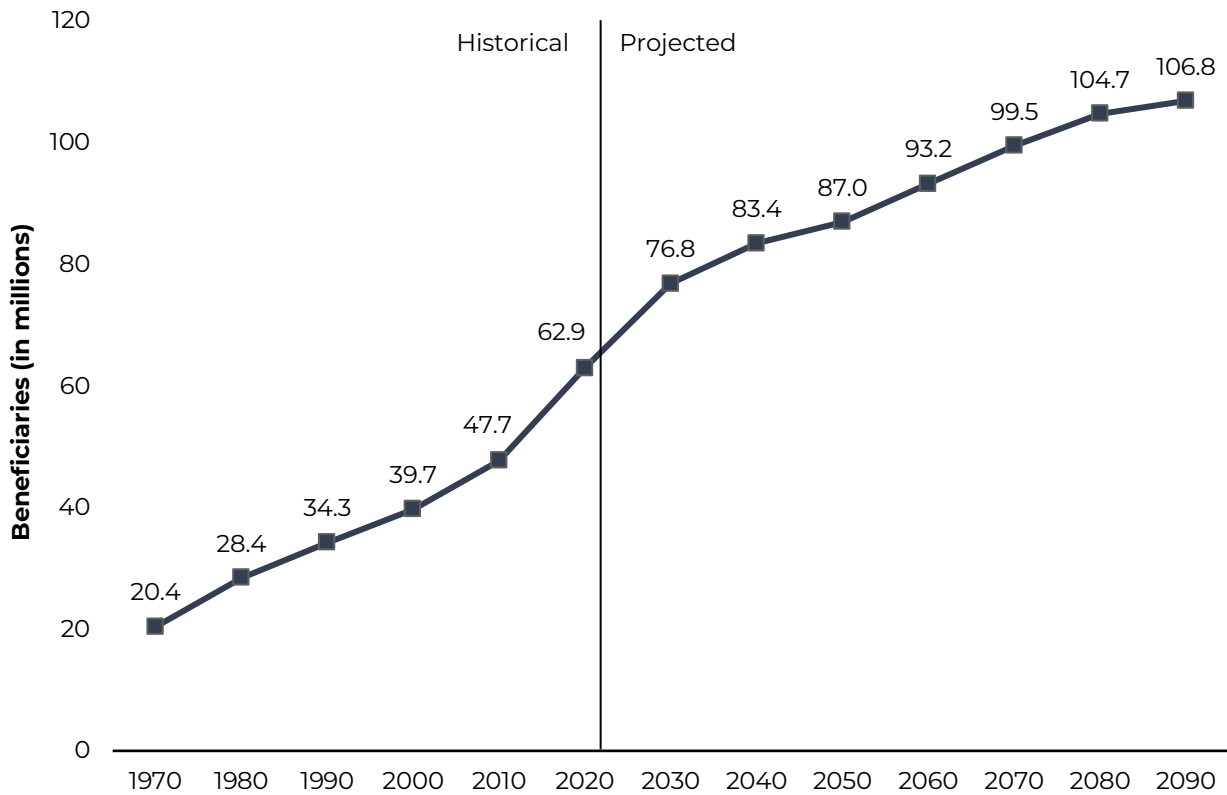
Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. The Medicare Current Beneficiary Survey is collected from a sample of Medicare beneficiaries; year-to-year variation in some reported data is expected. Beneficiaries who reported “other”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

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost Supplement file 2021.

> In 2021, most beneficiaries reported fair to excellent health. Only 4.7 percent reported poor health.

> Medicare spending is strongly associated with self-reported health status. In 2021, per capita expenditures were \$8,935 for those who reported excellent or very good health, \$18,124 for those who reported good or fair health, and \$39,962 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 2023.

> 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 been accelerating since about 2010 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, 2021

Characteristic	Share of the Medicare population	Characteristic	Share of the Medicare population
Total (59.3 million)	100%	Living arrangement	
		Institution	2
Sex		Alone	30
Male	45	With spouse	44
Female	55	Other	24
Race/ethnicity		Education	
White, non-Hispanic	75	No high school diploma	12
Black, non-Hispanic	10	High school diploma only	25
Hispanic	9	Some college or more	62
Other	6		
		Income status	
Age		Below poverty	14
<65	13	100–125% of poverty	7
65–74	49	125–150% of poverty	6
75–84	28	150–200% of poverty	12
85+	10	200–400% of poverty	27
		Over 400% of poverty	35
Health status		Supplemental insurance status	
Excellent or very good	49	Medicare only	7
Good or fair	46	Medicare managed care	44
Poor	5	Employer-sponsored insurance	21
		Medigap	20
Residence		Medigap with employer-sponsored insurance	1
Urban	83	Medicaid	7
Rural	17	Other	0

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. The income status categories were modified from previous years to align with other charts in this publication. The “Medicare managed care” category includes Medicare Advantage, cost, and health care prepayment plans. Those in the “employer-sponsored insurance” category had employer-sponsored insurance as primary payer or they had employer-sponsored Medigap coverage. Those in the “Medigap with employer-sponsored insurance” category had both Medigap and employer-sponsored coverage. 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 2021.

- > 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.

