

## Fact Sheet

# Who Relies on Medicare? A Profile of the Medicare Population

Olivia Dean, Claire Noel-Miller, and Keith Lind  
*AARP Public Policy Institute*

1. **Medicare provides health coverage to more than 57 million Americans.**<sup>1</sup> Over 18 percent of the nation's population relies on Medicare for health security.<sup>2</sup> As more baby boomers turn 65, enrollment will reach 64 million in 2020 and 81 million in 2030.<sup>3</sup> In 2016, over one-third of people receiving Medicare benefits were ages 75 and older.<sup>4</sup>
2. **Medicare is not just for those 65 years old and over.** In 2016, about one in six beneficiaries (16 percent) qualified for coverage before turning 65, on the basis of permanent disability.<sup>5</sup> These individuals tend to have lower incomes and higher rates of health problems than older beneficiaries, including cognitive impairments and limitations in activities of daily living.
3. **Many beneficiaries are in poor health.** Two-thirds (66 percent) of the Medicare population lives with two or more chronic conditions.<sup>6</sup> These individuals rely on Medicare to help them afford essential treatment.
4. **Many beneficiaries are between the ages of 65 and 67.** Nearly 9.2 million beneficiaries were between the ages of 65 and 67 in 2016—over 16 percent of the Medicare population.<sup>7</sup> Thus, millions of older adults would be affected by an increase in the Medicare eligibility age.
5. Many beneficiaries live on modest incomes. Half have incomes less than two times the federal poverty level (\$26,200 in 2016).<sup>8</sup>
6. Many beneficiaries have limited financial resources. One in four had less than \$14,550 in total savings (e.g., retirement accounts and financial assets) in 2016.<sup>9</sup>
7. Traditional Medicare covers only about half of beneficiaries' total health costs.<sup>10</sup> While most beneficiaries in fee-for-service Medicare have supplemental insurance or Medicaid to cover some costs not covered by Medicare, 13 percent had no additional coverage in 2013.
8. Beneficiaries spend a median of \$3,685 out of pocket on health care.<sup>11</sup> In 2013, half of beneficiaries spent at least this amount of their own money on medical services and Medicare premiums.

This fact sheet provides  
10 key facts about the  
Medicare population.



Real Possibilities

**Public Policy  
Institute**

That figure accounted for about 17 percent of their income.

9. The oldest and the poorest spend more than a quarter of their income on health care.<sup>12</sup> In 2013, half of all beneficiaries 85 and older spent at least 30 percent of their income on health care expenses. In contrast, half of beneficiaries ages 65 to 69 spent at least 12 percent of their income on health care.
10. Not everyone pays the same amount for Medicare. Beneficiaries with incomes greater

than \$85,000 (\$170,000 for a couple) pay higher Medicare Part B and Part D premiums. In 2017, those with the highest incomes paid premiums of as much as \$5,143 more per year for Part B and about \$1,322 per year for Part D.<sup>13</sup> In contrast, the nearly one in four Medicare beneficiaries living below the poverty line might have qualified for Medicaid assistance to cover the cost of their Medicare premiums and cost sharing.<sup>14</sup>

---

#### Endnotes

- 1 “Medicare Enrollment Dashboard,” Center for Medicare and Medicaid Services (CMS), <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/CMSProgramStatistics/Dashboard.html>.
- 2 CMS Medicare Enrollment Dashboard; US Census Bureau Current Population Survey, <https://www.census.gov/programs-surveys/cps.html>.
- 3 Medicare Trustees Report (2017), <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/index.html?redirect=/reportstrustfunds/>.
- 4 AARP Public Policy Institute analysis of American Community Survey 2016. Public Policy Institute DataExplorer, [policydata.aarp.org](http://policydata.aarp.org).
- 5 “Medicare Enrollment Dashboard Data File,” CMS, <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/CMSProgramStatistics/Dashboard.html>.
- 6 “Medicare Chronic Conditions Dashboard: Region Level, 2015,” CMS, [https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Dashboard/chronic-conditions-region/cc\\_region\\_dashboard.html](https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Dashboard/chronic-conditions-region/cc_region_dashboard.html).
- 7 AARP Public Policy Institute analysis of American Community Survey 2016.
- 8 Gretchen Jacobson et al. *Income and Assets of Medicare Beneficiaries, 2016–2035*. Kaiser Family Foundation, April 2017), <https://www.kff.org/medicare/issue-brief/income-and-assets-of-medicare-beneficiaries-2016-2035/>.
- 9 Jacobson et al., *Income and Assets of Medicare Beneficiaries*.
- 10 AARP Public Policy Institute analysis of 2013 Medicare Current Beneficiary Survey.
- 11 Claire Noel-Miller, *Medicare Beneficiaries’ Out-of-Pocket Spending for Health Care* (Washington, DC: AARP Public Policy Institute, October 2017).
- 12 Noel-Miller, *Medicare Beneficiaries’ Out-of-Pocket Spending*.
- 13 “Medicare 2017 Costs at a Glance,” CMS, <https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html>.
- 14 AARP Public Policy Institute analysis of 2013 Medicare Current Beneficiary Survey (MCBS), <https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/MCBS/index.html?redirect=/MCBS/>.

Fact Sheet 636, November 2017

© AARP PUBLIC POLICY INSTITUTE  
601 E Street, NW  
Washington DC 20049

Follow us on Twitter @AARPolicy  
on facebook.com/AARPolicy  
[www.aarp.org/ppi](http://www.aarp.org/ppi)

For more reports from the Public Policy Institute, visit <http://www.aarp.org/ppi/>.



Real Possibilities

**Public Policy  
Institute**