Medicare guarantees access to health care for older adults and people with disabilities. Together with the Affordable Care Act (ACA) and Medicaid, Medicare builds health security for Americans of all ages. Any changes to Medicare must aim for healthier people, better care, and smarter spending—not paying more for less.

Medicare is important and popular.

- 57 million Americans rely on Medicare for health insurance coverage.
- More than 95% of Americans consider Medicare an important program.
- Around 90% of Americans want federal Medicare spending to stay the same or increase.
- Around 85% of Americans want Medicare to negotiate drug prices.

Medicare protects health and economic security.

- Most people with Medicare have modest incomes. Half of all people with Medicare live on annual incomes of $24,150 or less. People of color live on even less: $16,150 per year for black beneficiaries and just $12,800 per year for Hispanics.
- People with Medicare already pay a significant amount toward health care. In 2012, they paid 14% of household expenses toward health care costs, nearly three times as much as those not yet on Medicare.
- Most people with Medicare have little to no savings. In 2014, half of all people with Medicare had $63,350 or less in savings, one in four had less than $11,900 in savings, and 8% had no savings altogether or were living with debt.

People with Medicare: Arthur

“When I was young, my grandmother lived with my family. I was a teenager when Medicare became law, and I remember the day my grandmother received her first Medicare card. It was a momentous occasion in my household, because up until then, my parents were paying for all of my grandmother’s health bills for doctor’s visits, procedures, prescriptions—for everything.

After my grandmother became eligible for Medicare, my family was financially able to buy our first car. And being a 17-year-old who passed driver’s education, I could drive it. Having that car helped me juggle work, school, and eventually college. Medicare did more than provide for my grandmother’s care—it allowed my parents to become more financially secure and helped me on a path towards a brighter future.”
• Baby Boomers need Medicare to retire. Among future retirees, half are expected to have annual incomes of $28,450 or less. In the year 2030, one-quarter of people with Medicare are projected to have less than $23,900 in savings.iii

• Past proposals to implement premium support would give people with Medicare a voucher or coupon to purchase health coverage, either a private plan or Original Medicare. The value of the voucher is not likely to keep pace with rising health care costs, meaning people with Medicare would pay significantly more.

• Under past premium support proposals, Original Medicare would wither away. Over time, younger, healthier people with Medicare would likely opt for private plans, leaving older, sicker beneficiaries in Original Medicare and causing costs to go up substantially.iv

Medicare is more efficient than private insurance.

• Medicare does a better job of controlling costs than private health plans. From 2010 to 2015, Medicare spending rose by an average of 1.4% per person per year—less than half the growth rate of private insurance.

• Medicare provides health coverage less expensively than private insurance and has lower administrative expenses than private health plans which, by design, turn a profit.v

Medicare is not going bankrupt.

• Medicare will be able to fully pay on claims for inpatient care until 2028.vi Improvements included in the Affordable Care Act (ACA) strengthened Medicare’s financial outlook.

• Medicare will be able to fully pay for outpatient care and prescription drugs for the foreseeable future. A combination of premiums and taxpayer contributions pay for the cost of this care.vii

Edward called the Medicare Rights Center helpline frightened that proposals to change Medicare would end his life as he knows it. Edward explained that he is able to live independently because he has Medicare. Although he has many chronic conditions, like hearing loss, heart disease, and arthritis, Edward values his independence and his ability to live at home, in his community.

Last year, Edward was hospitalized for 10 days with a life-threatening condition. After the hospital, he stayed in a Skilled Nursing Facility that stabilized him while he received physical therapy and treatments. Today—because of Medicare—Edward is at home. He is walking, can go grocery shopping with some help, and is otherwise able to manage his own affairs.

i All polling data taken from: Kaiser Family Foundation, “Medicare and Medicaid At 50” (July 2015)
iv Center on Budget and Policy Priorities, “House Republican Health Plan Would Radically Restructure Medicare,” (July 2016)
vi Medicare Trustees Report, (July 2016)
vii Center on Budget and Policy Priorities, “Medicare is Not ‘Bankrupt’,” (July 2016)