

Medicare: Strong and Built to Last

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.

- 59 million Americans rely on Medicare for health insurance coverage.ⁱ
- More than 95% of Americans consider Medicare an important program.ⁱⁱ
- Nearly 90% of Americans want federal Medicare spending to stay the same or increase.ⁱⁱⁱ

Medicare protects health and economic security.

- Prior to Medicare's enactment in 1965, around 50% of adults over age 65 lacked coverage for hospital or surgical care.^{iv} By 1968, only 5% were uninsured.^v
- Half of all Medicare beneficiaries have annual incomes below \$26,200 and one quarter have incomes below \$15,250. People of color live on even less. The median income for black beneficiaries is \$17,350 per year and just \$13,650 for Hispanic beneficiaries.^{vi}
- Most people with Medicare have little to no savings. In 2016, 50% of all people with Medicare had \$74,450 or less in savings, one in four had less than \$14,550 in savings, and 8% had no savings or were living with debt.^{vii}
- Baby Boomers need Medicare to retire. In the year 2035, one-quarter of people with Medicare are expected to have annual incomes of \$17,300 or less and to have less than \$27,300 in savings.^{viii}

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."

Medicare is more efficient than private insurance.

- Medicare does a better job of controlling costs than private health plans. From 2010 to 2016, Medicare spending rose by an average of 1.3% per person per year—less than half the growth rate of private insurance.^{ix}
- Over the next ten years, Medicare spending is projected to continue to grow more slowly than private insurance.^x
- Medicare has lower administrative expenses than private health plans.

Medicare is sustainable.

- Medicare will be able to fully pay on claims for inpatient care until 2026.^{xi} Improvements included in the ACA strengthened Medicare’s financial outlook.^{xii}
- 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.^{xiii}

People with Medicare: Edward

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 Juliette Cubanski, Tricia Neuman, Karen E. Smith & Anthony Damico, “Medicare Beneficiaries’ Out-of-Pocket Health Care Spending as a Share of Income Now and Projections for the Future,” Kaiser Family Foundation (January 2018), <http://files.kff.org/attachment/Report-Medicare-Beneficiaries-Out-of-Pocket-Health-Care-Spending-as-a-Share-of-Income-Now-and-Projections-for-the-Future>

ⁱⁱ Mira Norton, Bianca DiJulio & Mollyann Brodie, “Medicare and Medicaid At 50,” Kaiser Family Foundation (July 2015), <https://www.kff.org/medicaid/poll-finding/medicare-and-medicare-at-50/>

ⁱⁱⁱ *Id.*

^{iv} Robin Cohen, Diane Makuc, Amy Bernstein, Linda Bilheimer & Eve Powell-Griner, “Health Insurance Coverage Trends, 1959-2007: Estimates from the National Health Interview Survey,” National Health Statistics Reports (July 1, 2009), <https://www.cdc.gov/nchs/data/nhsr/nhsr017.pdf>

^v *Id.*

^{vi} Gretchen Jacobson, Shannon Griffin, Tricia Neuman & Karen Smith, “Income and Assets of Medicare Beneficiaries, 2016-2035,” (April 21, 2017), <https://www.kff.org/medicare/issue-brief/income-and-assets-of-medicare-beneficiaries-2016-2035/>

^{vii} *Id.*

^{viii} *Id.*

^{ix} Juliette Cubanski & Tricia Neuman, “The Facts on Medicare Spending and Financing,” Kaiser Family Foundation (July 18, 2017), <https://www.kff.org/medicare/issue-brief/the-facts-on-medicare-spending-and-financing/>

^x *Id.*

^{xi} Medicare Trustees Report (June 5, 2018), <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/Downloads/TR2018.pdf>

^{xii} Juliette Cubanski & Tricia Neuman, “The Facts on Medicare Spending and Financing,” Kaiser Family Foundation (July 18, 2017), <https://www.kff.org/medicare/issue-brief/the-facts-on-medicare-spending-and-financing/>

^{xiii} Juliette Cubanski, Christina Swoope, Cristina Boccuti, Gretchen Jacobson, Giselle Casillas, Shannon Griffin & Tricia Neuman, “A Primer on Medicare: Key Facts About the Medicare Program and the People it Covers,” Kaiser Family Foundation (March 20, 2015), <https://www.kff.org/report-section/a-primer-on-medicare-how-is-medicare-financed-and-what-are-medicares-future-financing-challenges/>