



## Medicare Beneficiary Enrollment Trends and Demographic Characteristics

Medicare served nearly 63 million beneficiaries in 2019. 62 percent were enrolled in Part A or Part B, and the rest (37 percent) were in Medicare Advantage (Part C). 74 percent were enrolled in Part D drug coverage, 13 percent had private drug coverage, and nearly 9 percent had no drug coverage. Demographic characteristics and health status varied across these groups.

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### KEY POINTS

- In 2019, nearly 63 million beneficiaries were enrolled in one or more Parts of the Medicare program.
- Of these beneficiaries, most were enrolled in fee-for service (FFS) Part A or B coverage (62.3 percent), with a growing share (37.0 percent) enrolled in Medicare Advantage (MA, or Part C coverage). MA enrollees were disproportionately lower-income, Black or Latino, and dually enrolled in Medicaid.
- 7.5 percent of beneficiaries were enrolled in Part A only, which includes people 65 and over who are still employed and may be covered by employer sponsored insurance (ESI). White beneficiaries and those with higher incomes and college education are disproportionately represented in those who are enrolled in Part A only. A very small percentage of beneficiaries, 0.4 percent, were enrolled in Part B only.
- Most beneficiaries with both Parts A and B coverage had supplemental coverage – either through self-purchased plans (32.9 percent of FFS beneficiaries), ESI (27.4 percent), Medicaid (17.6 percent), or other supplemental coverage. Nearly 16 percent of beneficiaries had no supplement.
- About 74.4 percent of beneficiaries were enrolled in Part D, 2.9 percent were enrolled in the Retiree Drug Subsidy program, and 13.4 percent had private drug coverage. About half of Part D enrollees were enrolled in standalone Part D plans and about half in MA Prescription Drug plans, with similar characteristics of beneficiaries in both groups.
- 9.1 percent of Medicare beneficiaries did not have drug coverage. Beneficiaries in this group were more likely to have lower incomes, have less than a college degree, be unmarried, and have multiple health conditions, compared to beneficiaries with private drug coverage.
- Understanding the demographic characteristics and medical conditions of Medicare beneficiaries enrolled in the four different Parts of Medicare can help policymakers better address their needs.

## BACKGROUND

Medicare serves nearly 63 million beneficiaries, providing critical access to health care services and financial security for the nation's seniors, people with disabilities, and people with end-stage renal disease (ESRD). Medicare beneficiaries may enroll in Parts A, B, C, and D which cover different services as described below. The four "Parts" of Medicare are a result of statutory changes to the program over the years.

Medicare started in 1965 with eligibility requirements that are different for Parts A and B.

**Part A** covers inpatient services at providers including hospitals, skilled nursing facilities, home health, and hospice services. **Part B** covers professional, outpatient hospital, lab, and other ambulatory services. If a person works at least 40 quarters and pays the Hospital Insurance payroll tax into the Part A trust fund, they become entitled to Part A without paying a premium upon reaching age 65. In contrast, Part B is voluntary; eligibility is based on turning age 65. Part B enrollees must pay a premium, which on average covers a quarter of Part B spending. People younger than 65 may become eligible for Medicare two years after receiving Social Security disability benefits.

Most beneficiaries are enrolled in Medicare fee-for-service (FFS), sometimes called "original" or "traditional" Medicare, while a growing share is enrolled in Medicare Advantage (MA), or Medicare **Part C**, which offers private plan options. Medicare beneficiaries can choose their Medicare coverage: FFS (Part A "hospital insurance," Part B "medical insurance," or both), or Part C (MA) for those enrolled in both Parts A and Part B. Beneficiaries in the traditional program can also obtain supplemental coverage from several possible sources, which provide additional coverage for out-of-pocket expenses.

Starting in 2006, Medicare added voluntary drug coverage – **Part D** – that beneficiaries can receive if they choose to enroll in a Medicare drug coverage plan. Part D coverage, like Part B, is also voluntary and generally requires a premium payment by beneficiaries. Beneficiaries who opt not to enroll in Part B or Part D when first eligible to do so must pay a higher premium for the rest of their lives if they enroll at a later date. Those in FFS can choose a freestanding Medicare Prescription Drug Plan (PDP) while those in Medicare Advantage can receive their drug coverage through their MA plan that also offers prescription drug coverage (MA-PD). In addition, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 encourages employers to continue to offer prescription drug benefits to their Medicare-eligible retirees\* through the retiree drug subsidy (RDS) program.<sup>1</sup> Employers participating in this program must offer drug benefits that are actuarially equivalent to, or more generous than, PDP coverage. The different Parts of Medicare mean that there is a variation in the coverage of health services across beneficiaries, with some beneficiaries having all available coverage while others have only one type of coverage. A number of beneficiaries do not have coverage for their drugs under Part D or another source of health insurance coverage.

Enrollment in the different Parts of Medicare has changed over time. During the last decade, enrollment in MA plans more than doubled.<sup>2</sup> In 2020, approximately 25.1 million beneficiaries (40.0 percent of Medicare beneficiaries) were enrolled in MA plans.<sup>3</sup> This percent increased to 43.6 in 2021 and is projected by the Congressional Budget Office (CBO) to become 55.1 percent by 2030.<sup>4,5</sup> †

The purpose of this Issue Brief is to analyze the most recently available Medicare administrative and survey data to paint a detailed profile of Medicare enrollees across the program's four Parts.

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\* Medicare-eligible retirees are defined as individuals who are entitled to Medicare benefits under Part A and/or are enrolled in Part B, and who live in the service area of a Part D plan

† These percentages include beneficiaries enrolled in either Part A or Part B. However, enrollment in MA requires enrollment in both Parts A and B. MA enrollment has grown since 2019 (the year of data used in this issue brief).

## METHODS

We used the 2019 Medicare Current Beneficiary Survey (MCBS) linked to Medicare administrative data. The MCBS is a continuous, multipurpose survey of a nationally representative sample of the Medicare population, conducted by Centers for Medicare & Medicaid Services (CMS).<sup>6</sup> In addition to beneficiary demographics, the MCBS includes information on medical conditions, health insurance type, and coverage eligibility. We used the CMS administrative data (Common Medicare Environment / Enrollment Database) as the main source of the Medicare coverage categories to capture all four Parts of Medicare; information on supplemental coverage other than Medicare was self-reported and came from the MCBS. We also used the CMS Risk Adjustment Payment System to obtain information on the Hierarchical Condition Category (HCC) score. We linked data from the survey participants to their information in the administrative data.

We used the following Medicare coverage categories:

- Parts A and B:
  - FFS Part A and/or Part B, Part A only, Part B only
  - For those with both FFS Parts A and B, we assessed the presence and type of supplemental coverage based on survey self-report: self-purchased private plan, employer sponsored insurance (ESI), Medicaid, other coverage, and no-supplement.<sup>‡</sup> We used self-purchased private plan as a proxy for Medigap/Medicare supplement plans.<sup>§</sup>
- Part C: MA enrollment<sup>\*\*</sup>
- Part D: total enrollment, Medicare Prescription Drug Plan (PDP), other PDP, or Medicare Advantage Prescription Drug (MA-PD) plans, retiree drug subsidy (RDS), private drug coverage, and no drug coverage.<sup>††</sup>

We identified enrollment in each Part of Medicare in 2019 and assessed the following demographic characteristics from the MCBS: income as a percent of federal poverty level [FPL], reason for Medicare eligibility, age, race/ethnicity, education, marital status, sex, and Medicare-Medicaid dual enrollment. The administrative data provided information on HCC scores, which were used to create number of health conditions. HCC is a diagnostic classification system that classifies all ICD-10 diagnostic codes into Diagnostic Groups.<sup>7</sup> Each Diagnostic Group represents a well-specified medical condition or set of conditions. Hierarchies are used to group and order clinically related CCs within the classification. In addition to examining the demographic characteristics and health conditions, we examined need for assistance with Activities of Daily Living (ADLs) that came from the MCBS.<sup>††</sup> We applied the MCBS survey weights to estimate the total population size in each Part of Medicare.

## FINDINGS

Most of the 62.5 M Medicare beneficiaries were enrolled in FFS Part A or B (62.3 percent) and the rest were enrolled in MA / Part C (37.0 percent). Approximately 7.5 percent of beneficiaries were enrolled in Part A only,

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<sup>‡</sup> Both self-purchased and ESI include specialty plans. Other coverage includes Veteran's affairs plan, Tricare plan, other public plan, and other unknown insurance plan type. No-supplement is defined as no coverage by any of these types of coverage (self-purchased, ESI, Medicaid, or other). The survey data do not include detailed information on enrollment in either the Medicare Savings Program (MSP) or Part D Low-income Subsidy (LIS).

<sup>§</sup> Our dataset does not have information on Medigap enrollment. In the MCBS questionnaire, self-purchased private plan is defined as Medigap or private plans purchased through other sources (e.g., Health Exchange). So, we used self-purchased private plans as a proxy for Medigap/Medicare Supplement plans.

<sup>\*\*</sup> Beneficiaries enrolled in Medicare-Medicaid Plans (MMPs), Medicare cost plan, or the Program for All-inclusive Care for the Elderly (PACE) are included under Part C.

<sup>††</sup> Part A or B, Part A only, Part B only, Parts A & B, and Part D (PDP, other PDP) are for FFS enrollees only. MA-PD is for MA enrollees only.

<sup>††</sup> ADLs include bathing or showering, dressing, getting in and out of bed or a chair, walking, using the toilet, and eating.

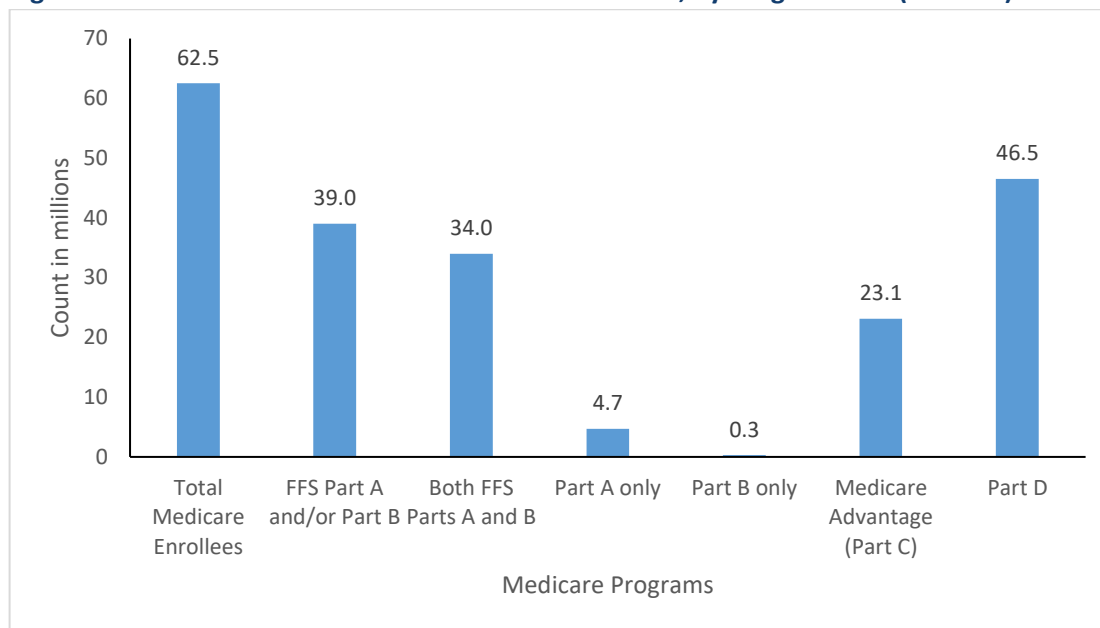
while only 0.4 percent were enrolled in Part B only. About 74.4 percent of beneficiaries had Part D coverage (Table 1).

**Table 1. Distribution of Medicare Beneficiaries in 2019, by Program Part**

Medicare Coverage Categories	Number of Medicare Beneficiaries (in millions)	Percentage of All Medicare Beneficiaries
Total Medicare Beneficiaries	62.5	100.0%
FFS (Part A and/ or Part B)	39.0	62.3%
Part A only	4.7	7.5%
Part B only	0.3	0.4%
Both Parts A and B	34.0	54.5%
Self-purchased private plan	11.2	17.9%
Employer sponsored insurance (ESI)	9.3	14.9%
Medicaid	6.0	9.6%
Other coverage	2.1	3.4%
No supplement	5.4	8.7%
MA (Part C)	23.1	37.0%
Part D Eligible	62.5	100.0%
Part D Enrollees	46.5	74.4%
PDP Plan	26.3	42.1%
MA-PD Plan	20.0	32.0%
Other Part D Plan	0.2	0.3%
No Part D Enrollment		
Retiree Drug Subsidy (RDS)	1.8	2.9%
With private drug coverage	8.4	13.4%
No drug coverage	5.7	9.1%

Notes: Analysis of the 2019 Medicare Current Beneficiary Survey (MCBS) linked to Medicare administrative data. Total Medicare beneficiaries included FFS Part A and B, Medicare Advantage, and a small percentage (less than 1 percent) of beneficiaries who were reported as deceased more than a month before their MCBS interview date (a proxy was utilized during the interview). Self-purchased private plan as a proxy for Medigap/Medicare supplement plans and includes self-purchased specialty plans. ESI is employer sponsored insurance, including ESI specialty plans. Other coverage includes Veteran’s affairs plan, Tricare plan, other public plan, and other unknown insurance plan type. No-supplement is defined as no coverage by any of these types of coverage (self-purchased, ESI, Medicaid, or other). All percentages are relative to total number of Medicare beneficiaries.

**Figure 1. Distribution of Medicare Beneficiaries in 2019, by Program Part (Millions)**



Notes: Analysis of the 2019 Medicare Current Beneficiary Survey (MCBS) linked to Medicare administrative data. Total Medicare beneficiaries included FFS Part A and B, Medicare Advantage, and a small percentage (less than 1 percent) of beneficiaries who were reported as deceased more than a month before their MCBS interview date (a proxy was utilized during the interview).

Table 2 presents characteristics of Medicare beneficiaries by program Part. Overall, the majority (86.2 percent) of Medicare beneficiaries were 65 or older. About 76.0 percent of beneficiaries were White non-Latino, and 52.1 percent reported that they had attended college. 15.4 percent of beneficiaries reported incomes below 100% FPL, and 16.8 percent were dually enrolled in Medicare and Medicaid. In terms of health and functional status, 16.6 percent reported needing assistance with at least one or two ADLs, and 27.9 percent had multiple health conditions. Overall, Medicare beneficiaries are disproportionately White, older, and have lower incomes and lower levels of education compared to the U.S. population.

Compared to beneficiaries enrolled in both Part A and Part B,<sup>§§</sup> beneficiaries enrolled in MA were more likely to report incomes below 100% FPL (17.6 percent vs. 14.6 percent), be 75 or older (39.6 percent vs. 37.5 percent), and have educational attainment less than high school (17.5 percent vs. 12.3 percent). MA included a higher percent of Black and Latino beneficiaries (13.7 percent and 10.6 percent) than in FFS Parts A and B (8.5 percent and 5.2 percent, respectively). MA enrollees were more likely than FFS enrollees to be dually enrolled (20.1 percent vs. 16.5 percent) and to have multiple health conditions (34.2 percent vs. 25.4 percent).

Compared to the overall Medicare population, beneficiaries only enrolled in Part A were more likely to be younger than 75, have higher incomes, and have attended college; they were less likely to be dually enrolled, have multiple health conditions, or functional limitations. Beneficiaries enrolled in Part B only were more likely to be dually enrolled, have lower incomes, and have health conditions and functional limitations compared to all Medicare beneficiaries. In the Discussion section, we explore what pathways commonly lead beneficiaries to be enrolled in either just Part A or just Part B.

<sup>§§</sup> Characteristics of beneficiaries enrolled in both Parts A and B are presented in Table 3.

**Table 2. Characteristics of Beneficiaries Enrolled in Medicare in 2019, by Program Part**

Beneficiary Characteristics	Total Beneficiaries	FFS (Part A or B)	Part A Only	Part B Only	MA (Part C)
Total (in millions, weighted)	62.5	39.0	4.7	0.3	23.1
Income as % of Federal Poverty Level (FPL)					
<=100%	15.4%	13.9%	5.1%	77.6%	17.6%
>100-120	6.0%	4.9%	1.9%	12.1%	7.8%
>120 -135	3.9%	3.5%	1.9%	3.3%	4.5%
>135-200	15.6%	13.8%	8.5%	5.3%	18.7%
>200	59.1%	64.0%	82.5%	1.7%	51.4%
Reason for Medicare Eligibility					
Age 65 or Older	86.2%	85.4%	83.8%	100.0%	87.6%
Disabled	13.7%	14.5%	16.0%	0.0%	12.4%
ESRD only	0.1%	0.1%	0.1%	0.0%	0.0%
Age					
<65	13.7%	14.6%	16.2%	0.0%	12.4%
65-74	49.6%	50.8%	71.0%	49.5%	47.9%
75 and Older	36.7%	34.6%	12.9%	50.5%	39.6%
Race					
White (Non-Latino)	76.0%	79.3%	73.2%	27.6%	70.5%
Black (Non-Latino)	10.9%	9.2%	12.9%	28.4%	13.7%
Latino	7.4%	5.5%	6.6%	23.9%	10.6%
Other/Unknown	5.7%	6.0%	7.3%	20.2%	5.2%
Education					
Less than High School	14.0%	11.8%	5.1%	66.5%	17.5%
High School Graduate or Vocational	32.3%	31.5%	23.8%	16.0%	33.7%
Attended College	52.1%	55.2%	71.0%	13.3%	47.1%
Marital Status					
Married	51.0%	52.3%	67.0%	25.1%	49.2%
Not-married	48.9%	47.6%	33.0%	74.1%	50.6%
Sex					
Male	45.4%	46.6%	54.6%	27.7%	43.4%
Female	54.6%	53.4%	45.4%	72.3%	56.6%
Medicare-Medicaid Dual Enrollment					
Non-dual	82.5%	84.9%	99.4%	9.4%	79.9%
Dual	16.8%	15.1%	0.6%	90.6%	20.1%
Count of Activities of Daily Living (ADLs)					
0 ADL	67.6%	68.3%	76.9%	38.9%	67.7%
1 or 2 ADLs	16.6%	16.0%	15.4%	26.0%	18.0%
3+ ADLs	9.2%	9.3%	4.7%	21.3%	9.2%
Count of HCC Scores					
0	39.3%	44.6%	94.0%	26.3%	30.9%
1 or 2	32.8%	31.8%	3.1%	24.2%	35.0%
3+	27.9%	23.6%	2.9%	49.5%	34.2%

Notes: Analysis of the 2019 Medicare Current Beneficiary Survey (MCBS) linked to Medicare administrative data. Total Medicare beneficiaries included FFS Part A and B, Medicare Advantage, and a small percentage (less than 1 percent) of beneficiaries who were reported as deceased more than a month before their MCBS interview date (a proxy was utilized during the interview). HCC scores are Hierarchical Condition Category scores. The sample of total Medicare beneficiaries had 1.7% unknown education, 0.1% unknown marital status, and 6.6% unknown ADLs count.

Table 3 presents characteristics of Medicare beneficiaries enrolled in both FFS Parts A and B, by type of self-reported supplemental coverage.

Most beneficiaries with both Parts A and B coverage reported having supplemental coverage – either through self-purchased plans (32.9 percent), ESI (27.4 percent), Medicaid (17.6 percent), or other supplement (6.2 percent). In this analysis, self-purchased private plan is used as a proxy for Medigap/Medicare supplement plans. Nearly 16 percent of Medicare beneficiaries enrolled in both Parts A and B had no supplement. Notably, nearly half of Medicare beneficiaries with no supplemental coverage had incomes above 200% FPL.

Beneficiaries with a self-purchased private plan or ESI were more likely to report higher incomes, be White non-Latino, and have attended college; they were less likely to be dually enrolled or have multiple health conditions or functional limitations.

Beneficiaries with Medicaid or no supplemental coverage were more likely to be Black, covered by Medicare based on disability, and have functional limitations. In addition, those with Medicaid coverage were more likely to be Latino. A small share of those reported Medicaid coverage in the MCBS did not in fact have Medicaid based on administrative data.

**Table 3. Supplemental Coverage and Demographic Characteristics Among Medicare FFS Beneficiaries in 2019**

Beneficiary Characteristics	Part A and B					
	Overall	Self-purchased	ESI	Medicaid	Other	No Supplement
Total (in millions, weighted)	34.0	11.2	9.3	6.0	2.1	5.4
Income as % of Federal Poverty Level (FPL)						
<=100%	14.6%	3.4%	1.5%	60.6%	3.7%	12.9%
>100-120	5.2%	2.5%	0.8%	15.3%	2.2%	8.5%
>120 -135	3.7%	3.0%	1.1%	6.3%	2.0%	7.7%
>135-200	14.5%	16.1%	8.9%	11.3%	17.6%	23.5%
>200	61.9%	75.0%	87.7%	6.5%	74.5%	47.4%
Reason for Medicare Eligibility						
Age 65 or Older	85.5%	98.7%	93.2%	53.8%	87.1%	80.0%
Disabled	14.3%	1.3%	6.6%	45.8%	12.9%	20.0%
ESRD only	0.1%	0.0%	0.1%	0.4%	0.0%	0.0%
Age						
<65	14.4%	1.3%	6.8%	46.1%	12.9%	20.0%
65-74	48.1%	56.5%	53.0%	27.6%	40.1%	48.2%
75 and Older	37.5%	42.2%	40.2%	26.3%	47.0%	31.7%
Race						
White (Non-Latino)	80.6%	90.7%	85.1%	58.7%	80.3%	76.3%

Black (Non-Latino)	8.5%	3.0%	6.1%	18.9%	8.7%	12.6%
Latino	5.2%	2.0%	3.4%	14.6%	4.0%	5.1%
Other/Unknown	5.7%	4.3%	5.4%	7.7%	6.9%	6.0%
Education						
Less than High School	12.3%	6.7%	4.8%	32.1%	8.2%	16.4%
High School Graduate or Vocational	32.6%	31.0%	27.8%	39.1%	27.7%	39.1%
Attended College	53.3%	62.0%	67.3%	22.7%	61.6%	42.1%
Marital Status						
Married	50.5%	60.1%	65.0%	19.8%	54.3%	38.3%
Not-married	49.4%	39.8%	35.0%	79.8%	45.3%	61.6%
Sex						
Male	45.7%	42.2%	48.0%	43.1%	45.1%	52.1%
Female	54.3%	57.8%	52.0%	56.9%	54.9%	47.9%
Medicare-Medicaid Dual Enrollment						
Non-dual	83.5%	100.0%	100.0%	7.9%	99.8%	98.8%
Dual	16.5%	0.0%	0.0%	92.0%	0.2%	1.2%
Count of Activities of Daily Living (ADLs)						
0 ADL	67.4%	75.9%	75.7%	45.0%	62.0%	62.5%
1 or 2 ADLs	16.0%	15.0%	14.2%	19.2%	18.9%	16.0%
3+ ADLs	9.8%	5.8%	7.2%	19.3%	8.9%	12.3%
Count of HCC Scores						
0	38.0%	37.2%	39.8%	28.4%	35.4%	48.4%
1 or 2	36.6%	39.0%	38.0%	35.2%	33.1%	32.3%
3+	25.4%	23.7%	22.2%	36.4%	31.6%	19.4%

Notes: Analysis of the 2019 Medicare Current Beneficiary Survey (MCBS) linked to Medicare administrative data. Self-purchased private plan is a proxy for Medigap/Medicare supplement plans and includes self-purchased specialty plans. ESI is employer sponsored insurance, including ESI specialty plans. Other coverage includes Veteran's affairs plan, Tricare plan, other public plan, and other unknown insurance plan type. Some beneficiaries in the "other" group are facility residents with an ESI or a self-purchased plan. MCBS facility interviews are conducted with facility staff, rather than beneficiaries themselves. While staff members know whether a beneficiary is covered by a private plan, they may not know whether coverage is obtained through employment or self-purchase. Therefore, their responses are reported as "other". No-supplement is defined as no coverage by any of these types of coverage (self-purchased, ESI, Medicaid, or other). HCC scores are Hierarchical Condition Category scores. The sample of total Medicare Part A and B enrollees had 1.8% unknown education, 0.1% unknown marital status, and 6.9% unknown ADLs count.



## 5.7 million Medicare beneficiaries (9.1%)

*had no drug coverage at all. Beneficiaries in this group were more likely to have lower incomes, have less than a college degree, be unmarried, and have multiple health conditions, compared to beneficiaries with private drug coverage.*

Table 4 presents characteristics of beneficiaries by drug coverage. There were 46.5M beneficiaries (74.4 percent) enrolled in Part D, 1.8M (2.9 percent) enrolled in the retiree drug subsidy program, and 8.4M (13.4 percent) had private drug coverage. Overall, beneficiaries enrolled in PDP and MA-PD plans had similar characteristics. However, beneficiaries enrolled in MA-PD plans were more likely to be Black or Latino and have multiple health conditions.

5.7M beneficiaries (9.1 percent) had no drug coverage at all. Beneficiaries in this group were more likely to have lower incomes, have less than a college degree, be unmarried, and have multiple health conditions, compared to beneficiaries with private drug coverage.

**Table 4. Characteristics of Medicare Beneficiaries by Drug Coverage Type, 2019**

	Part D Eligible						
	Part D Enrollees				No Part D Enrollment		No Drug Coverage
	Overall	PDP	MA-PD	Other Part D Plan Types	Retiree Drug Subsidy	With Private Drug Coverage	
Total (in millions, weighted)	46.5	26.3	20.0	0.2	1.8	8.4	5.7
Income as % of Federal Poverty Level (FPL)							
<=100%	18.8%	18.3%	19.6%	1.9%	1.3%	2.3%	11.5%
>100-120	6.9%	5.6%	8.6%	0.0%	1.6%	0.7%	7.9%
>120 -135	4.2%	3.7%	4.8%	0.0%	1.8%	1.0%	6.9%
>135-200	16.3%	13.9%	19.7%	2.2%	9.9%	8.9%	21.4%
>200	53.9%	58.5%	47.3%	95.9%	85.4%	87.2%	52.2%
Reason for Medicare Eligibility							
Age 65 or Older	85.8%	85.6%	86.0%	99.3%	95.7%	86.8%	85.9%
Disabled	14.1%	14.3%	14.0%	0.7%	4.3%	13.1%	14.1%
ESRD only	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%	0.0%
Age							
<65	14.2%	14.4%	14.0%	0.7%	4.3%	13.2%	14.1%
65-74	47.7%	47.6%	47.8%	62.9%	49.4%	58.8%	51.2%
75 and Older	38.1%	38.0%	38.2%	36.4%	46.3%	28.0%	34.6%
Race							
White (Non-Latino)	75.1%	80.1%	68.3%	88.0%	84.8%	78.5%	77.3%
Black (Non-Latino)	11.1%	8.6%	14.5%	2.9%	6.6%	10.3%	11.4%
Latino	8.3%	5.9%	11.6%	0.0%	3.5%	4.8%	5.2%

Other/Unknown Education	5.5%	5.4%	5.6%	9.1%	5.1%	6.5%	6.2%
Less than High School	15.9%	13.7%	19.0%	3.3%	6.4%	4.9%	13.8%
High School Graduate or Vocational	33.0%	32.7%	33.7%	18.3%	34.4%	23.9%	37.8%
Attended College	49.1%	51.5%	45.6%	78.4%	57.8%	70.9%	46.6%
Marital Status							
Married	48.9%	49.4%	48.1%	70.2%	58.6%	69.6%	38.0%
Not-married	50.9%	50.5%	51.7%	29.8%	41.3%	30.4%	61.8%
Sex							
Male	42.8%	42.2%	43.5%	49.0%	49.6%	49.8%	59.1%
Female	57.2%	57.8%	56.5%	51.0%	50.4%	50.2%	40.9%
Medicare-Medicaid Dual Enrollment							
Non-dual	77.5%	77.5%	77.3%	98.1%	99.0%	99.5%	92.3%
Dual	22.4%	22.4%	22.7%	1.9%	1.0%	0.5%	0.4%
Count of Activities of Daily Living (ADLs)							
0 ADL	66.8%	66.9%	66.7%	79.4%	73.2%	72.5%	65.1%
1 or 2 ADLs	16.7%	15.5%	18.4%	17.6%	14.7%	17.4%	14.4%
3+ ADLs	9.9%	10.1%	9.7%	1.6%	7.1%	7.5%	6.9%
Count of HCC Scores							
0	32.4%	34.3%	29.8%	31.8%	38.1%	63.4%	60.8%
1 or 2	37.2%	38.0%	35.8%	52.2%	39.0%	21.4%	21.4%
3+	30.5%	27.6%	34.5%	16.0%	22.9%	15.2%	17.7%

Notes: Analysis of the 2019 Medicare Current Beneficiary Survey (MCBS) linked to Medicare administrative data. PDP is Medicare prescription drug plan, and MA-PD is Medicare Advantage prescription drug plan. HCC scores are Hierarchical Condition Category scores. The sample of total Medicare Part D enrollees had 1.9% unknown education, 0.1% unknown marital status, and 6.5% unknown ADLs count.

## DISCUSSION

Of the 62.5 million beneficiaries enrolled in Medicare in 2019, approximately 39 million (62.3 percent) had FFS Part A or B coverage and 23.1 million (37.0 percent) had MA coverage. Enrollment in MA has been increasing over time and was 43.6 percent in 2021, this number is expected to continue to grow.<sup>3,4</sup> MA enrollees were more likely than FFS enrollees to be Black or Latino and were also disproportionately lower-income, dually enrolled, and had a higher number of health conditions. However, this worse apparent health status among MA beneficiaries likely reflects at least in part higher rates of coding health conditions in MA data compared to FFS data (“coding intensity”).<sup>8</sup>

Approximately 4.7 million beneficiaries (7.5 percent) were enrolled in Part A only, while only 260,000 beneficiaries (0.4 percent) were enrolled in Part B only. Beneficiaries only enrolled in Part A were disproportionately higher income, White, college-educated, without Medicaid coverage, and in better health. One common population enrolled only in Part A is individuals who continue to work after turning 65. If these individuals have ESI, that would generally be the primary payer; since these employees will not be required to

pay premiums for Part A coverage, they enroll in Part A only until they lose their ESI upon retirement. Consistent with this explanation, the percentage of aged enrollees who have only Part A declines with age.\*

Beneficiaries with only Part B are all older than 65 and generally have not worked enough quarters in the U.S. to be eligible for subsidized Part A coverage. If these beneficiaries chose to enroll in Part A, they would have to pay \$471 per month (\$5,652 per year) in 2021.<sup>9</sup> One population enrolled only in Part B are individuals who immigrated to the U.S. late in their working career or after retirement. After five years of legal permanent residence (i.e., “green card”) in the U.S., they are eligible to enroll in Part B like U.S. citizens 65 and older, but may find Part A premiums unaffordable.

Most beneficiaries with both Parts A and B coverage (nearly half of total beneficiaries) had supplemental coverage through self-purchased plans, ESI, Medicaid, or another supplement, while nearly 9 percent had no supplement. Beneficiaries with a self-purchased private plan or ESI were more likely to report higher incomes, be White, and have attended college; they were less likely to be dually enrolled or have multiple health conditions or functional limitations. Beneficiaries without any supplemental coverage were more likely to be Black, covered by Medicare based on disability, and have functional limitations. Those without supplemental coverage can face significant cost-sharing (20 percent or more on average, especially because there isn’t an out-of-pocket cap), raising important concerns about inequitable access to financial protection for these populations. Nearly half (2.6 million) of Medicare beneficiaries with no supplemental coverage had incomes above 200% FPL, which suggests cost-sharing in Medicare may present affordability challenges even in middle-income families.

46.5M (74.4 percent) of beneficiaries had Part D coverage. Enrollment in Part D plans roughly equally divided between PDP and MA-PD, with similar characteristics of enrollees in both groups. However, beneficiaries enrolled in MA Prescription Drug plans were more likely to be Black or Latino and have multiple health conditions — which again may reflect higher MA coding intensity.

Nearly 1.8M beneficiaries (2.9 percent) were covered by the retiree drug subsidy program, and 8.4M beneficiaries (13.4 percent) had private drug coverage. About 5.7M beneficiaries (9.1 percent) had no drug coverage at all. This percent is slightly lower than the projection reported by the Medicare Payment Advisory Commission (MedPAC) that 12 percent of Medicare beneficiaries would have no drug coverage in 2021; the differences are likely due to using alternative data sources and timeframe.<sup>10</sup> We found that beneficiaries who did not have any drug coverage were more likely to have lower incomes, have less than a college degree, be unmarried, and have multiple health conditions, compared to beneficiaries with private drug coverage.

Medicare plays a critical role in providing health coverage and access to care for the nation’s seniors and people with disabilities or end-stage renal disease. Examining the demographic characteristics and medical conditions of Medicare beneficiaries enrolled in the different Parts of Medicare is important to identifying these groups and better addressing their needs.

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\* Among 65-year-olds in 2020, 22% of beneficiaries had only Part A (or only Part B). This percentage falls to 10% for 70-year-olds and 4% for 80-year-olds. Source: ASPE’s analysis of data with 100% of Medicare enrollment.

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