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Medicare:: Facts

- Medicare, Medicaid & Social Security are the most expensive entitlement programs in the US Budget
- Medicare payroll tax, part of FICA, equals 2.9%, half paid by the employee and half by the employer; this increases to 3.8% for tax year 2013 for individuals with salaries greater than \$200,000 and couples with \$250,000 of income. Withholding starts 1/1/2013
- Medicare **Part A** receives 84% of its funding from payroll taxes; 2% from premiums; 6% from taxation of SSA benefits; rest from misc income. **Part B**:: 74% from general revenues; 25% from premiums; rest from misc income. **Part D**:: 83% through general revenue; 11% from premiums; 6% from state funding for Medicaid dual eligibles
- Medicare spending is projected to increase from \$555 billion per year in 2011 to about \$903 billion in 2020. This includes a projection of \$424 billion of decreased growth in outlays over this period -- this figure has been revised recently to about \$720 billion
- Medicare's share of the federal budget was 15.4% in 2011, and is projected to be 17.6% in 2020. The Medicare Part A Trust Fund will be depleted in 2024
- 2011 Medicare budget is \$489.3 billion; \$1.048 trillion in 2020
- In 2011, the Medicare Trustees Board reported a \$24.4 trillion actuarial deficit for existing Medicare beneficiaries
- Part A outlays comprise about 35% of expenses; Part B 29%; Part C 23%; Part D 12%
- In 2011, Medicare expenditures were 15% of the total federal budget and 21% of overall national health care spending
- First Boomers on Medicare January 2011. 10,000 turn 65 each day for next 19 years
- Medicare enrollment will grow from about 48 million today, starting to flatten out in 2030 at about 81 million, and up to around 90 million in 2050
- In 2008 Medicare spent \$9500/person; \$11,000/person today
- In 2009, 10% of beneficiaries accounted for 64% of hospital spending
- Number of workers per Medicare beneficiary in 2010 was 3.7; in 2020 projected to be 2.9; and in 2030, 2.4 workers
- 1 of 4 beneficiaries spends 30% or more of their total income on health care expenses