

MEDICARE DATA HUB

# Financing, Solvency, and Out-of-Pocket Costs

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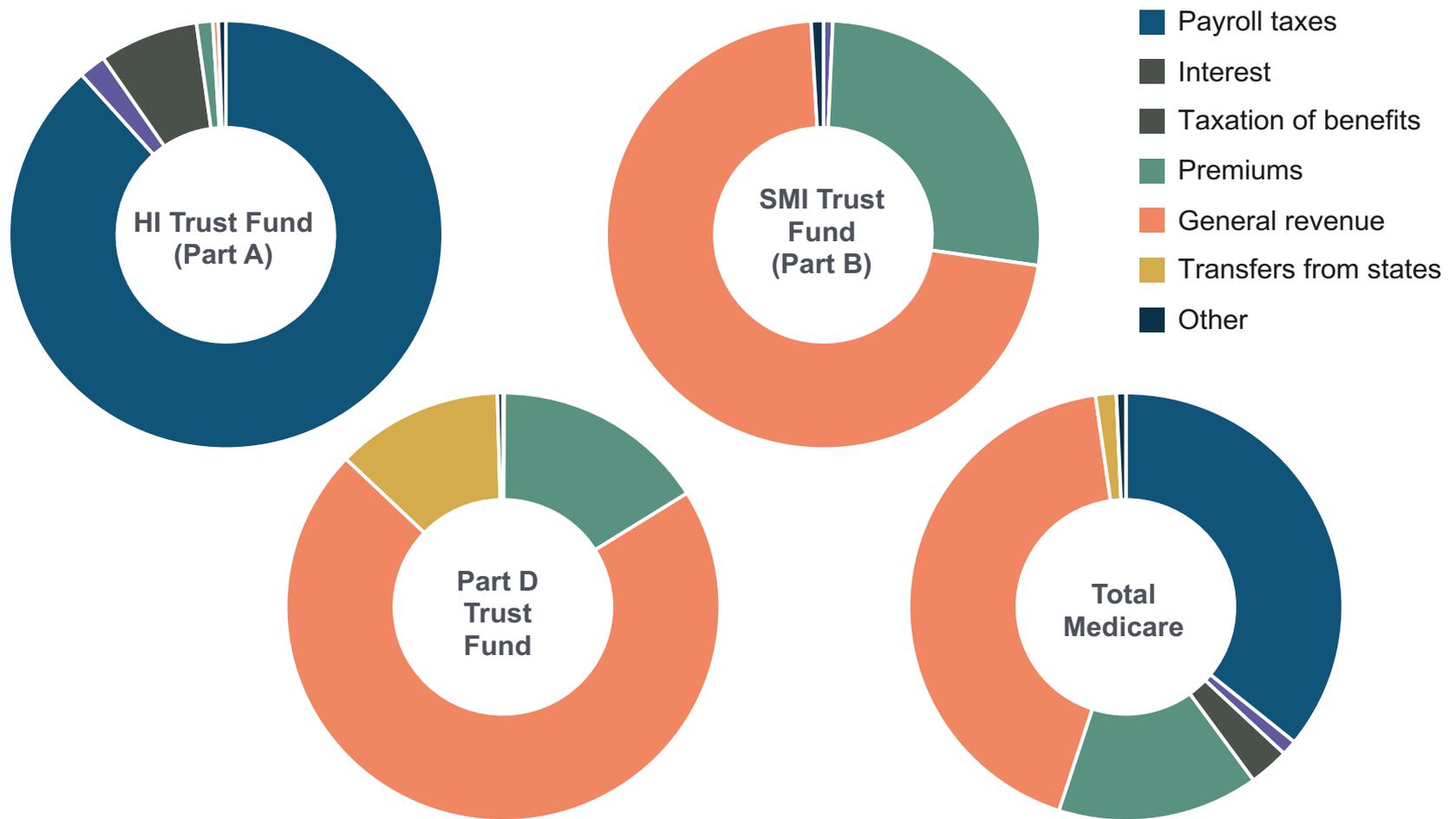
April 7, 2021



The  
Commonwealth  
Fund

## MEDICARE FINANCING, SOLVENCY, AND OUT-OF-POCKET COSTS

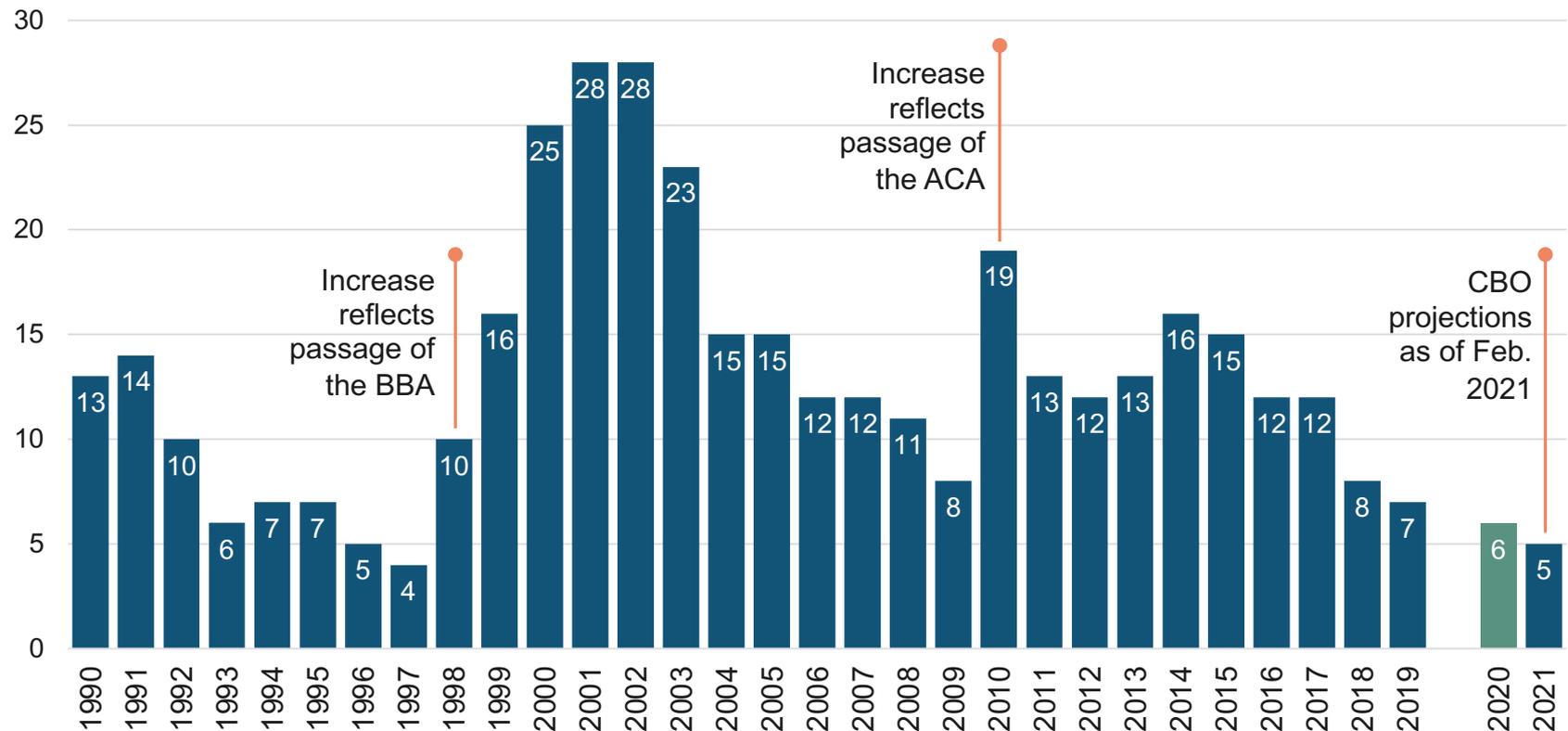
In 2019, about 88 percent of funds in the Medicare Hospital Insurance (Part A) Trust Fund were derived from payroll taxes.



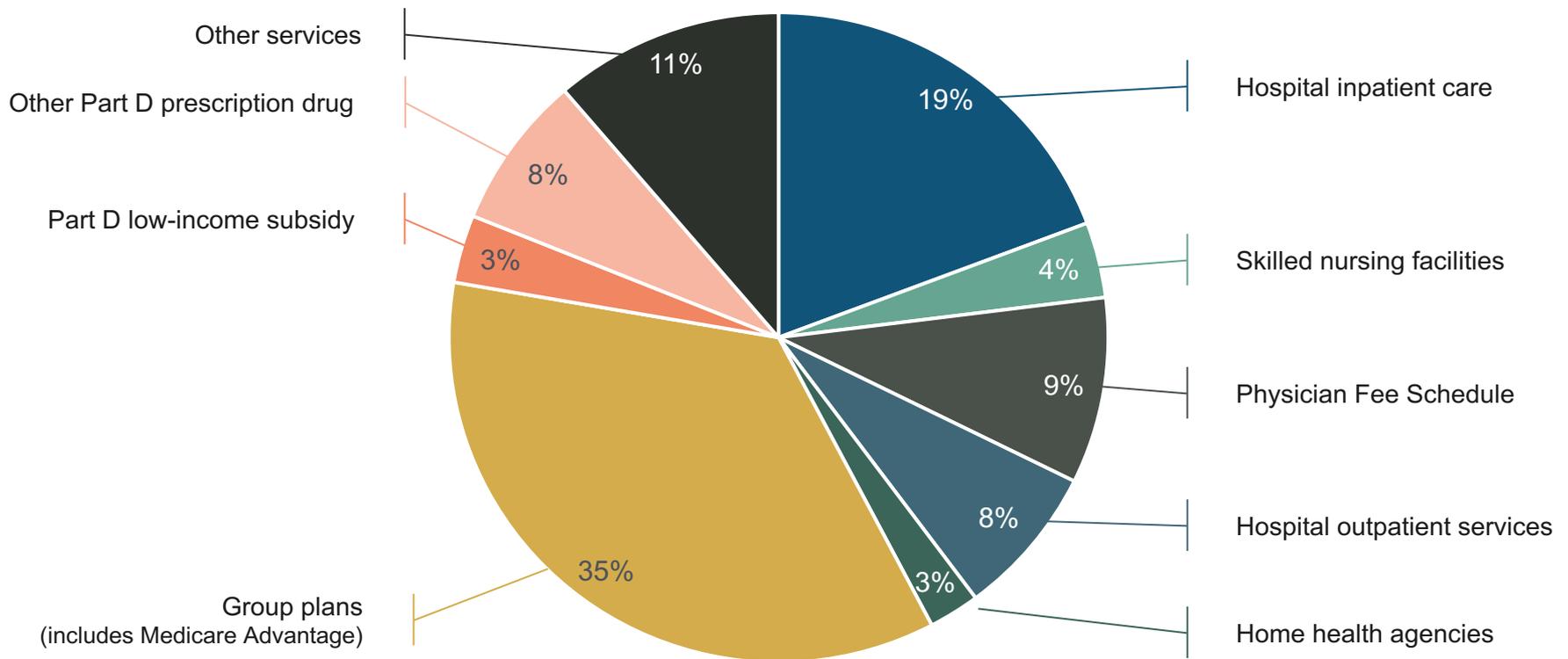
## MEDICARE FINANCING, SOLVENCY, AND OUT-OF-POCKET COSTS

Insolvency projections for the Medicare Hospital Insurance Trust Fund have varied over the years, with current estimates projecting insolvency in 2026.

Number of years until insolvency of the Medicare Hospital Insurance (Part A) Trust Fund



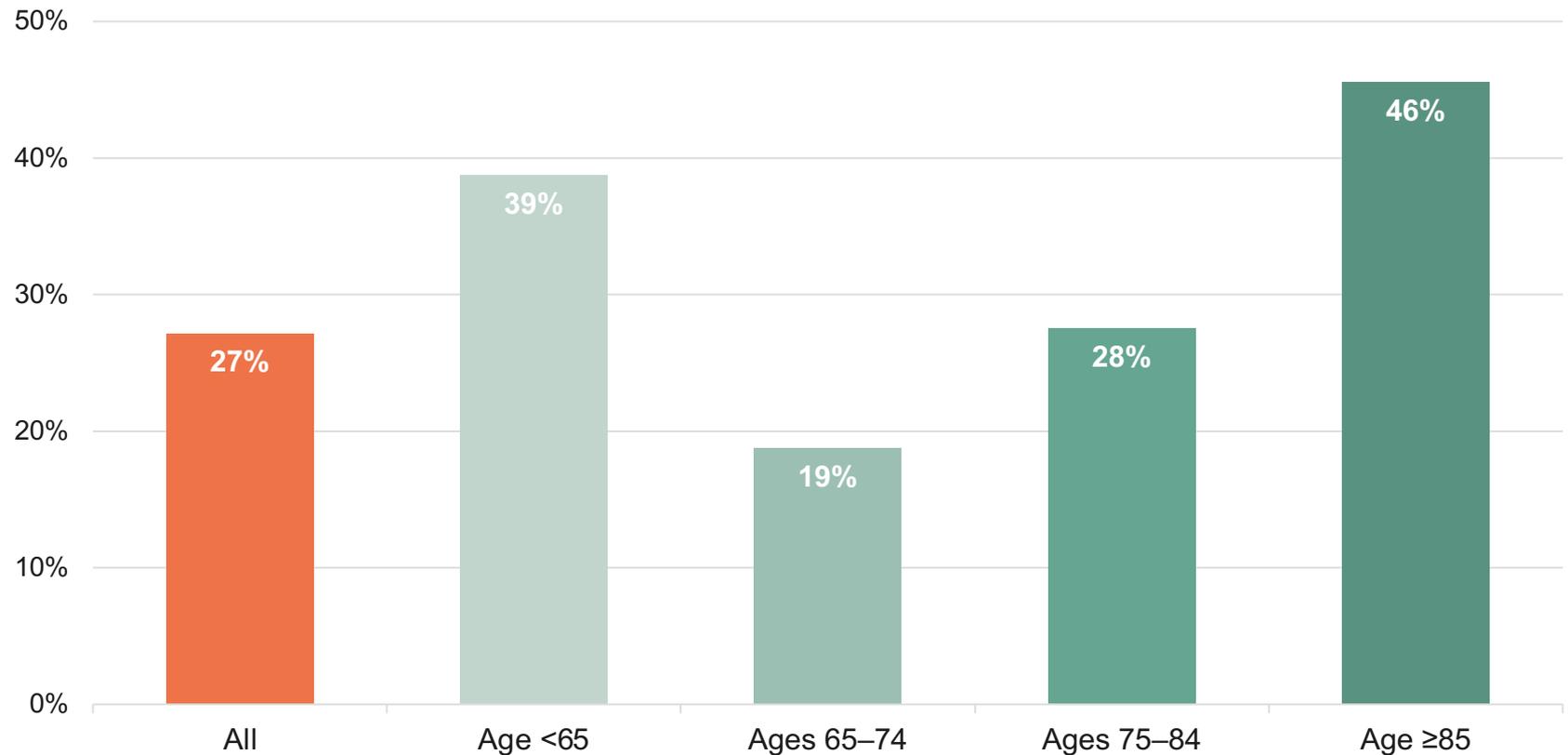
# One-fifth of federal spending on Medicare in 2020 was associated with hospital inpatient care.



Total Medicare benefits, 2020: \$814 billion

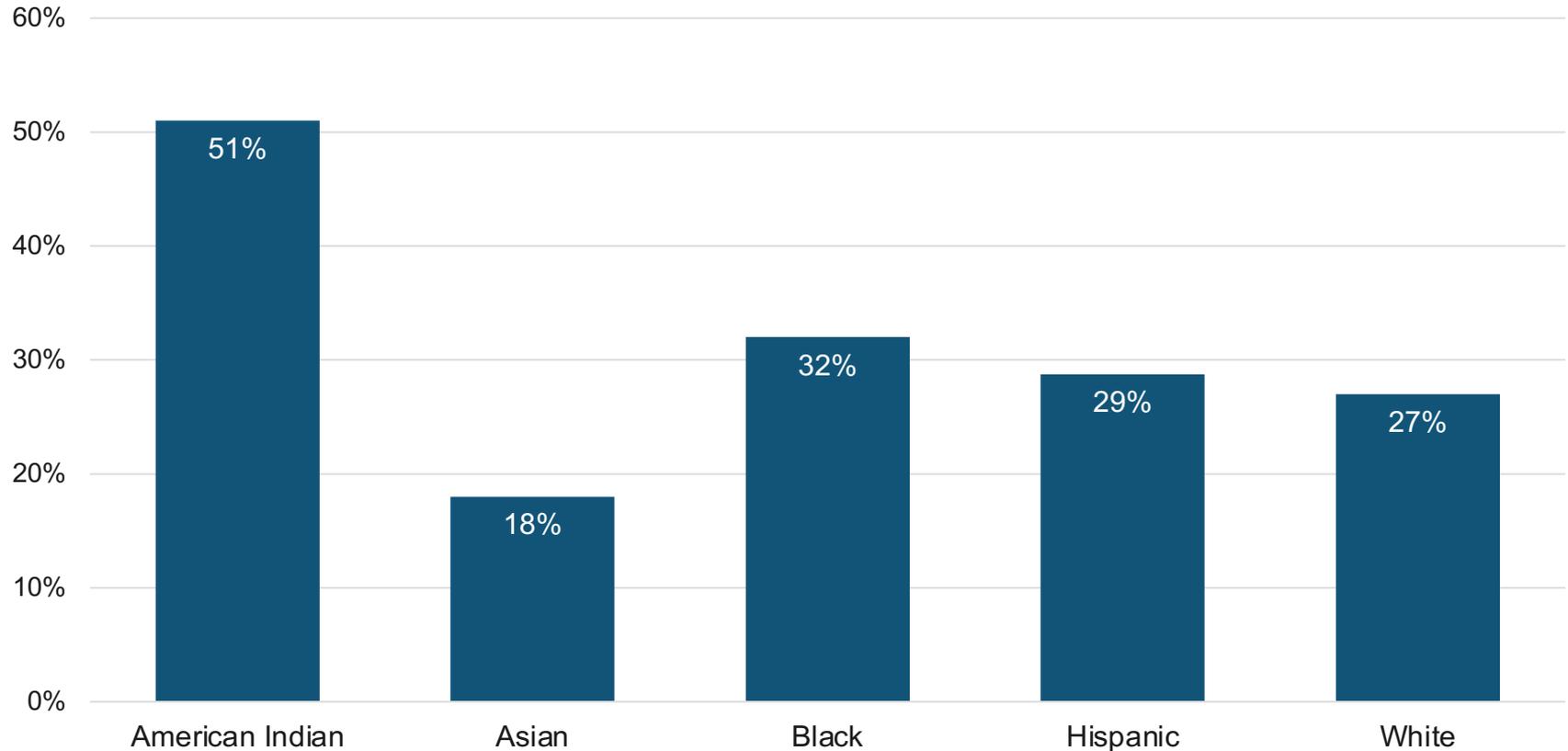
# About half of traditional Medicare beneficiaries age 85 and older were medically underinsured in 2018.

Percentage of underinsured adults, traditional Medicare, 2018



# Nearly a third of Black beneficiaries and half of American Indian beneficiaries were underinsured in 2018.

Percentage of underinsured by race/ethnicity, traditional Medicare beneficiaries, 2018



## MEDICARE FINANCING, SOLVENCY, AND OUT-OF-POCKET COSTS

On average, beneficiaries spend \$3,403 out-of-pocket on copayments and for services not covered by Medicare every year.

Average out-of-pocket expenditures by service type, 2018

