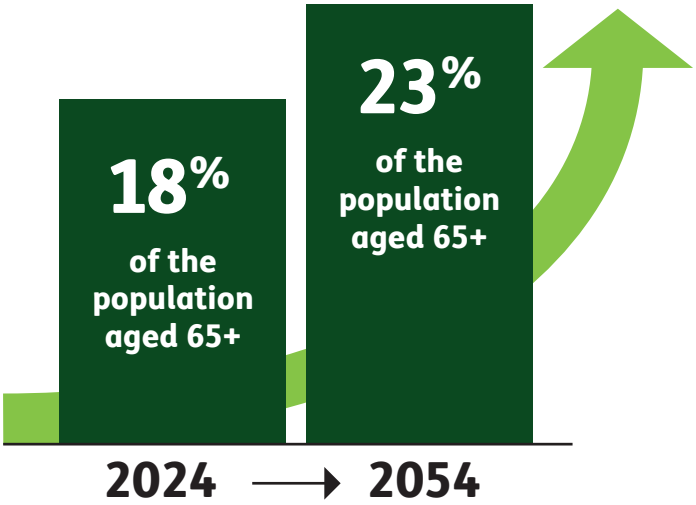
Group Medicare Insights: Industry news and trends

Under pressure:
An aging population and an overburdened healthcare system



A graying nation

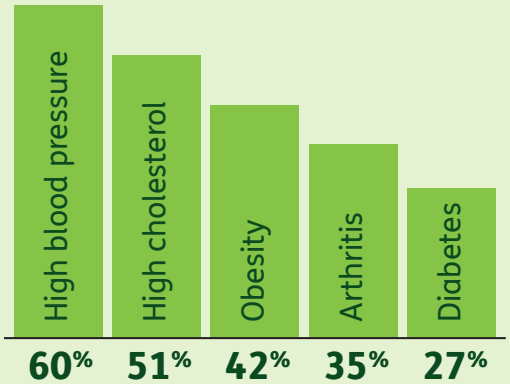
- Americans aged 65+ make up 18% of the population[1]
- By 2054, this will climb to an estimated 23% of the population[1]
- Between 2024 and 2027, more Americans will turn 65 than at any other point in history[2]

Leading to a spike in the Medicare-eligible population

More seniors = more health issues

64%
of adults aged 65+ have two or more chronic conditions[3].

Common chronic conditions[4]:



The impact of an aging population

More healthcare usage:

Adults aged 65+:

Visit doctors **20%** more frequently than younger adults[3]

Have a **3x** increase in hospitalization rates[3]

Account for more than **40%** of all inpatient operations[5]

More healthcare spending:

$22,356 per person

Personal healthcare spending for adults aged 65+ in 2020 (almost **2.5x higher** than the spending per working-age person)[6]

9.2%

Projected federal spending on health programs for older adults in 2050, **up from 6.6%** of GDP in 2020[7]

55%

Percentage of total health spending that people aged 55+ were responsible for in 2021 (despite making up **31% of the population**). In comparison, people under age 35 accounted for **21% of health spending**, but made up **44% of the population**.[8]

More medication needs:

1/3

Adults aged 65+ account for over a third of all prescribed medications in the U.S.

89%

Adults 65+ who regularly take prescription drugs[9]

54%

Adults 65+ who take four (or more) prescription drugs[9]

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A system under stress

139,000 Projected shortage of physicians by 2033[3]

1.2 million Projected shortage of registered nurses by 2030[3]

21% Percentage of nursing homes that are downsizing due to staffing shortages[10]

Impact of healthcare worker shortage

• Increased mortality • Less preventive care • Higher healthcare spending

Medicare Advantage provides a solution

MA members enjoy higher:

- Quality care[11]
- Care coordination[12]
- Rates of preventive screenings[13]
- Rates of preventive care services[14]

MA members have less:

- High-risk medication use[11]
- Inpatient admissions[11]
- Hospital readmissions[11]
- Emergency room visits[15]

1. https://www.pewresearch.org/short-reads/2024/01/09/us-centenarian-population-is-projected-to-quadruple-over-the-next-30-years/
2. https://www.cbsnews.com/news/retirement-medicare-401k-what-to-know-peak-65/
3. https://www.nature.com/articles/s41514-024-00148-2
4. https://www.ncoa.org/article/the-top-10-most-common-chronic-conditions-in-older-adults
5. https://www.facs.org/media-center/press-releases/2024/acs-leads-development-of-new-cms-age-friendly-hospital-measure-to-improve-care-of-older-adult-patients/
6. https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet
7. https://pmc.ncbi.nlm.nih.gov/articles/PMC10998868/#:~:text=According%20to%20the%20Congressional%20Budget,of%20GDP%20in%20205021
8. https://www.healthsystemtracker.org/chart-collection/health-expenditures-vary-across-population/
9. https://www.kff.org/affordable-care-act/issue-brief/data-note-prescription-drugs-and-older-adults/
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15. https://www.forbes.com/sites/brucejapsen/2018/07/11/study-medicare-advantage-cut-er-visits-33-compared-to-fee-for-service/

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