Medical Spending of Older US Adults

Comparison of 1996-2010 to 2021

Medicare Current Beneficiary Survey (MCBS)

- A continuous, in-person, longitudinal survey of a representative national sample of the Medicare population.

- Represents the population of beneficiaries aged 65 and over and beneficiaries aged below 65 with certain disabling conditions.

- CMS started gathering this data in 1991.

Goals of the MCBS

- Determine expenditures and sources of payment for all services used by Medicare beneficiaries.

- Ascertain all types of health insurance coverage and relate coverage to sources of payment.

- Trace outcomes over time.

Medical Spending of the US Elderly from 1996 to 2010

The 2016 paper "Medical Spending of the US Elderly" focuses on the medical spending of Americans aged 65 and older using the MCBS [1].

They note two important gender differences in spending (see their tables on slide 5):

- a higher percentage of women's health care is paid by Medicaid, and
- a higher percentage of women's health care costs come from nursing homes.

[1] De Nardi, M., French, E., Jones, J. B., & McCauley, J. (2016). Medical Spending of the US Elderly. *Fiscal studies*, *37*(3-4), 717–747. https://doi.org/10.1111/j.1475-5890.2016.12106

Percentage of Total Expenditures (1996 - 2010)

Payers		All	Men	Women
Out of Pocket		19.4%	17.2%	21.0%
Private Insurance		12.5%	14.3%	11.3%
Uncollected Liabilities		1.5%	1.7%	1.4%
Government		66.5%	66.9%	66.3%
	Medicaid	9.4%	6.0%	11.6%
	Medicare	54.7%	57.5%	52.8%
	Other Gov.	2.5%	3.4%	1.9%

Expenditure Types		All	Men	Women
Nursing Home Care		20.6%	14.4%	24.8%
Hospitals		34.7%	40.0%	31.1%
	Inpatients	25.8%	29.8%	23.0%
	Outpatients	8.9%	10.1%	8.0%
Professional Services		27.1%	28.9%	25.9%
Drugs		13.1%	13.1%	13.2%
Home Help and Hospice		4.5%	3.7%	5.0%

Working With the MCBS Data Set

To update these tables for the most recent data (2021), I pulled the cost supplement from the MCBS and analyzed it in R.
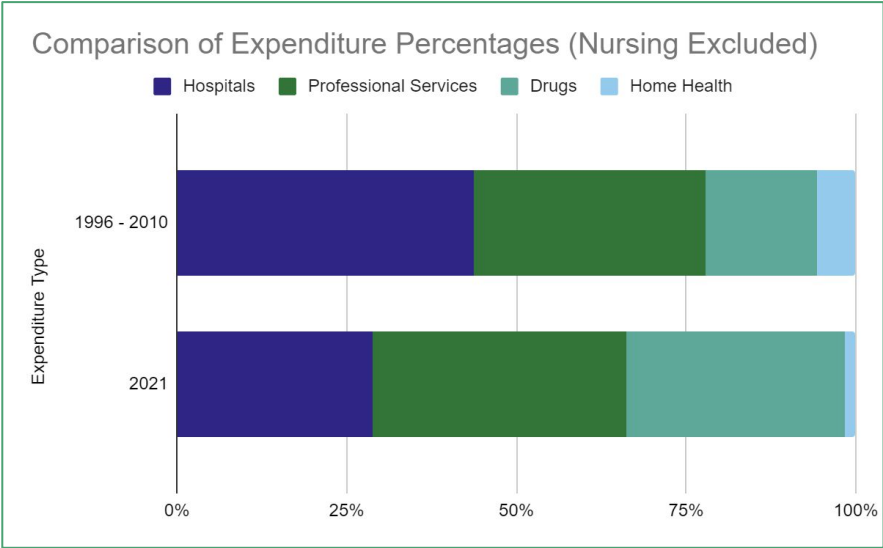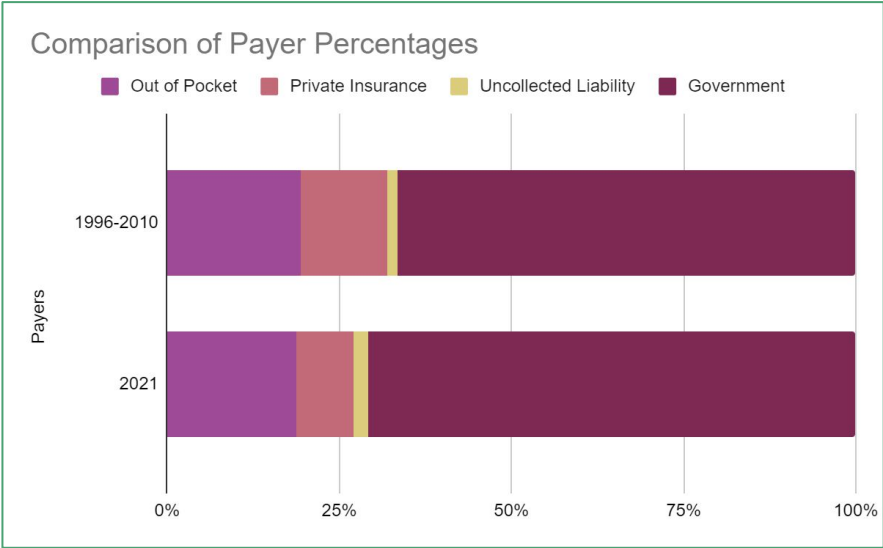
- In 2021, there are 7,323 observations over 134 variables.
- The survey methodology includes stratification, clustering, multiple stages of selection, and disproportionate sampling.
- The data have been weighted to account for survey non-response.
- The sample accounts for $110 million.
- The categories have changed from 2010
  - Notably there is no nursing home category in the PUF (due to disclosure concerns).
- From March 2020 to November 2021, the survey was done over the phone.

Percentage of Total Expenditures (2021)

Payers		All	Men	Women
Out of Pocket		18.7%	18.7%	18.6%
Private Insurance		8.4%	8.8%	8%
Uncollected Liabilities		2.1%	2.4%	1.8%
Government		70.9%	69.9%	71.6%
	Medicaid	1.8%	1.4%	2.1%
	Medicare	50.2%	51.1%	49.3%
	Medicare MCO/HMO	15.6%	13.4%	17.4%
	Other Gov.	3.3%	4%	2.8%

Expenditure Types		All	Men	Women
Hospitals		28.8%	28.8%	28.8%
	Inpatients	13.8%	13.9%	13.8%
	Outpatients	15%	14.9%	15%
Professional Services		37.4%	35.3%	39.2%
	Dental	6.8%	6.6%	7%
	Vision	0.9%	1%	0.8%
	Hearing	2%	1.6%	2.4%
	Medical Provider	27.7%	26.1%	29%
Drugs		32.1%	34.1%	30.4%
Home Help and Hospice		1.7%	1.8%	1.6%

Direct Comparison

Comparison of Payer Percentages

Legend: Out of Pocket, Private Insurance, Uncollected Liability, Government

Payers:
- 1996-2010
- 2021

X-axis: 0%, 25%, 50%, 75%, 100%

Comparison of Expenditure Percentages (Nursing Excluded)

Legend: Hospitals, Professional Services, Drugs, Home Health

Expenditure Type:
- 1996 - 2010
- 2021

X-axis: 0%, 25%, 50%, 75%, 100%

Gender Disparity Discussion

- The gender disparity in Medicaid became a gender disparity in Medicare Advantage in the 2021 PUF.

- The gender disparity for hospital expenses is not present in the 2021 PUF.

- 3.9% more of women's expenditures were on professional services.

- 3.7% more of men's expenditures were on prescription drugs.

Payers Discussion

- The amount paid out of pocket increased by 2.5%.

- The amount paid by the government increased by 4.4%.

- The amount paid by private insurance decreased by 4.1%.

Expenditures Discussion

- Home help and hospice expenditures decreased by 4%.

- Hospital expenditures decreased by 15% (outpatient is slightly up, inpatient is noticeably down).

- Prescription drug expenditures increased by 15.6%.

Thank You!