

# **MEDICARE: A Promise, A Solution**

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President

# People with Medicare

**Most people with Medicare have modest incomes.**

Half of all people with Medicare live on incomes less than \$22,000 per year and have less than \$53,000 in personal savings.

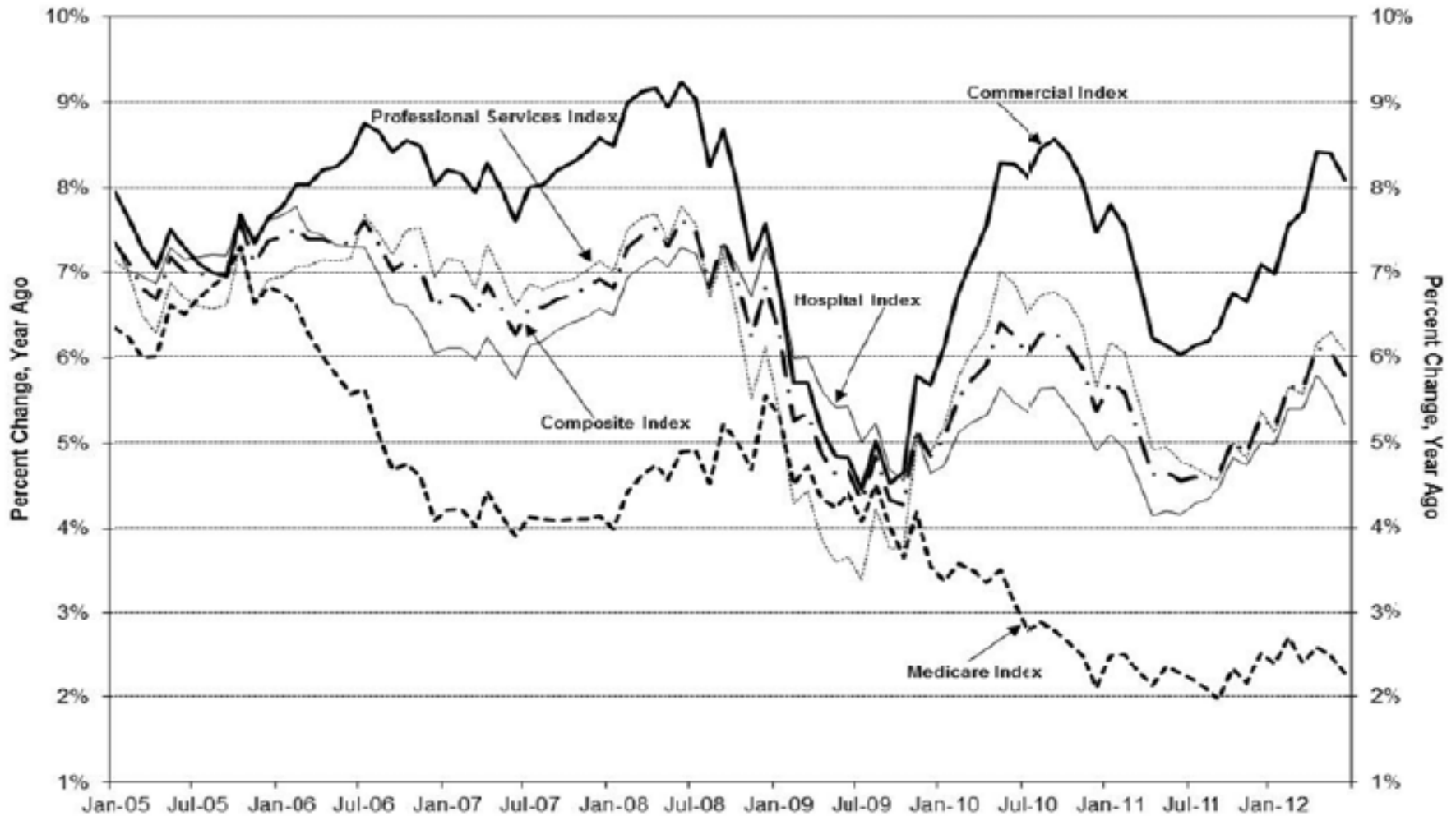
**People with Medicare already pay a significant amount towards health care.** In 2009, they paid 15% of household expenses towards health care costs, compared with only 5% for those not yet on Medicare.

# Medicare is not in crisis

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Medicare costs are slowing—below that of private health care spending. **Medicare is a solution to the real threat: rising health care costs system wide.**

### S&P Healthcare Economic Indices Year-over-Year Percentage Change in 12 Month Moving Averages



Source: S&P Dow Jones Indices

# Medicare is a solution

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**Medicare is a leader.** Medicare surpasses private health care plans in cost control. Medicare spending is expected to grow at rates of 3.1% per person per year over the next ten years compared to 5% for private insurance.

**Medicare is an innovator.** Medicare is a testing ground for payment and delivery system reforms advanced by the Affordable Care Act. The ACA is credited with slowed growth in Medicare spending.

# Build on what works

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- ❖ Expand comparative effectiveness research
- ❖ Advance delivery system and payment reforms
- ❖ Establish reasonable prices—especially for pharmaceutical drugs and medical equipment

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