

*Nearly 7 in 10 Medicare beneficiaries with incomes below the poverty level are women.*



**As a partner program to Social Security, Medicare provides a health and financial safety net for virtually all older Americans and for many with disabilities who are under 65. Though Medicare covers both women and men, more than half of the nearly 40 million beneficiaries are women.**

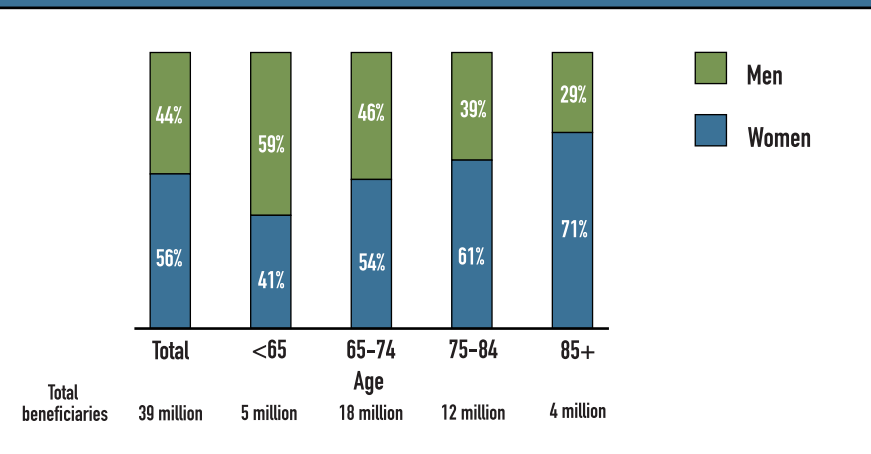
Women's life expectancy at birth, on average, is 79—seven years longer than men's. They, therefore, rely on Medicare for more years than men, and are disproportionately represented among beneficiaries 85 and older (Figure 1). Compared with men, older women are three times likelier to be widowed and far more apt to live alone. Among women 85 and older, four out of five are widowed; more than 43 percent live alone.

### Health and Long-Term Care Needs

Given their longer life span, women are likelier than men to live with multiple chronic conditions and certain health problems (Figure 2). A greater share report having often disabling conditions, such as arthritis, hypertension, urinary incontinence, and osteoporosis.

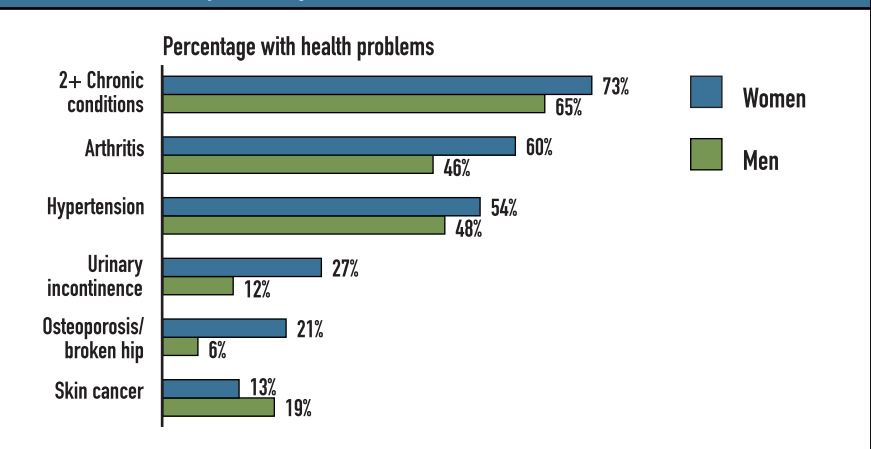
Also compared with men, women are more likely to have functional impairments and long-term care needs. Of the 6 million beneficiaries with functional limitations—measured as needing assistance with one or more activities of daily living (ADL) such as eating or bathing—two-thirds (65 percent) are women. One-third (34 percent) of women 65 to 74 report functional limitations, as do 82 percent of women 85 and older.

**Figure 1 More than half of all Medicare beneficiaries are women**



SOURCE: Urban Institute analysis of the Medicare Current Beneficiary Survey, 1996.

**Figure 2 Women on Medicare are likelier than men to have many health problems**



NOTE: Minimal differences (<4%) between genders were reported for heart disease, diabetes, pulmonary disease, strokes, and mental disorders.  
SOURCE: Medicare Current Beneficiary Survey, 1996.

*Given their disproportionately low incomes and their greater long-term care needs, women on Medicare are more likely than men to rely on Medicaid.*

Women are therefore more likely than men to use long-term care services: two-thirds of all Medicare beneficiaries who receive home health services and three-quarters of all nursing home residents are female. Policies affecting

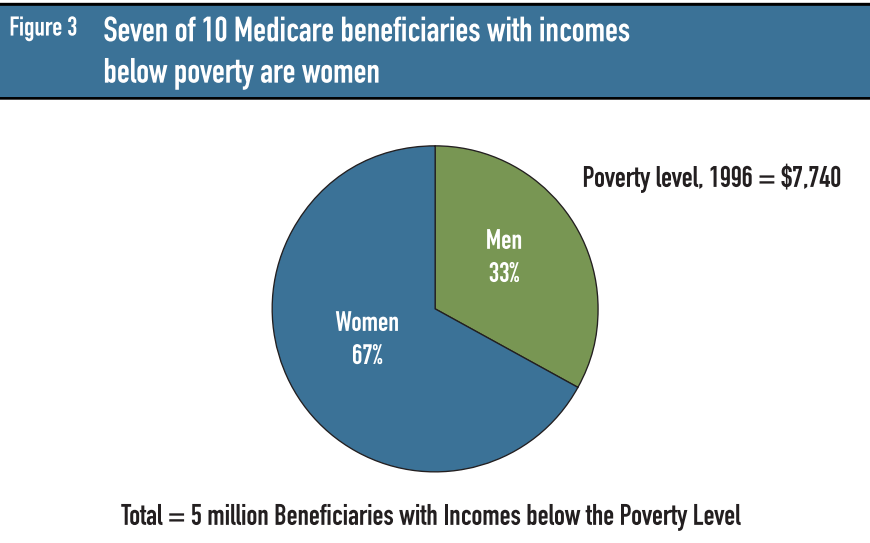
users of these services thus have a disproportionate impact on women.

**Poverty**

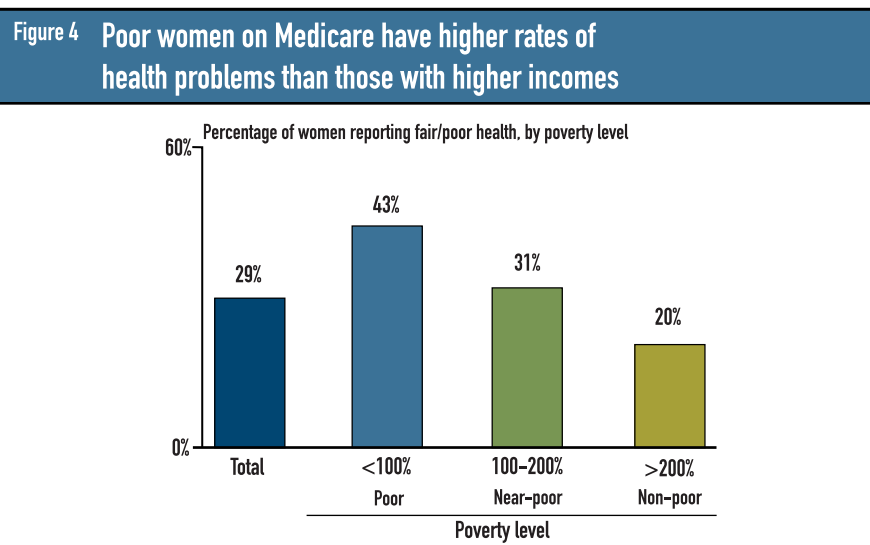
Women are especially hard-hit by changes in policies and programs

that affect poor Medicare beneficiaries. Not only do they have higher poverty rates than their male counterparts—nearly 7 in 10 with incomes below poverty are women—but disparities increase with age (Figure 3). Of all female beneficiaries, 17 percent have incomes below the federal poverty level (\$7,740 for an individual in 1996), compared with 11 percent of men. Half have incomes below twice the poverty level (\$15,480 for an individual), compared with 39 percent of men. Nearly two-thirds (62 percent) of all women 85 and older have incomes below twice the poverty rate, compared with 53 percent of all men in this age group.

Compounding the financial difficulties of living in poverty, women with low incomes are, on average, in worse health than those who are better-off financially. Of all poor female Medicare beneficiaries, 43 percent report being in fair or poor health, compared with 20 percent of those with incomes above 200 percent of poverty (Figure 4).



SOURCE: Urban Institute analysis of the Current Population Survey of noninstitutionalized population, 1997.



SOURCE: Urban Institute analysis of Medicare Current Beneficiary Survey, 1995.

**Insurance Coverage**

While Medicare provides coverage for basic acute care services, it has high cost-sharing requirements and does not cover outpatient prescription drugs. Consequently, most beneficiaries have public or private supplemental insurance to fill in the gaps in Medicare's benefit package. Like their male counterparts, 60 percent of all female beneficiaries have private supplemental insurance. In 1995, 33 percent had employer-sponsored retiree health benefits (versus 36 percent of men) and 27 percent had individually purchased Medigap policies (versus 23 percent of men). A growing share of

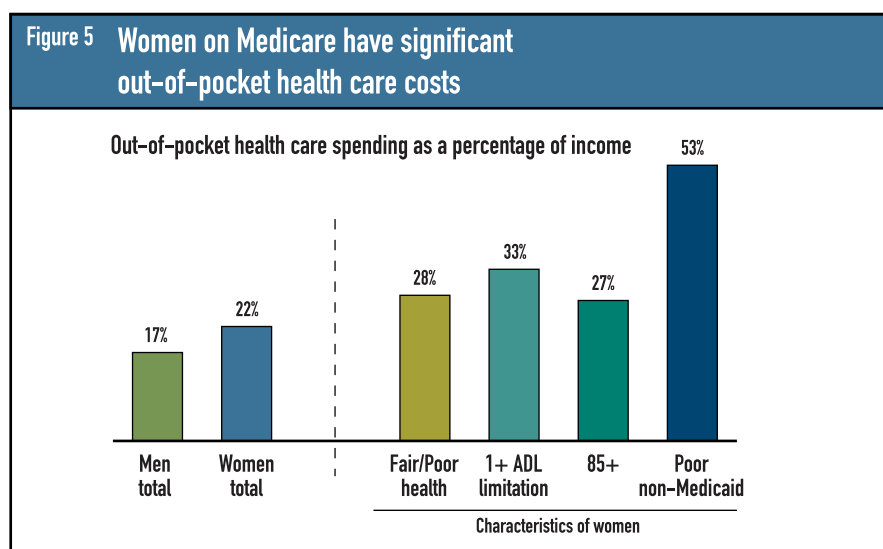
beneficiaries (9 percent for both men and women in 1995) are enrolling in Medicare HMOs for supplemental benefits.

Given their disproportionately low incomes and their greater long-term care needs, female Medicare beneficiaries are more likely than males to rely on Medicaid, the federal/state health program that provides health and long-term care coverage for the poor. Nearly 17 percent of women rely on Medicaid to fill in Medicare's gaps, compared with 11 percent of men. Despite Medicaid's protections for the very poor, nearly 10 million female Medicare beneficiaries with incomes below twice the poverty level are not on Medicaid. This group is especially vulnerable to financial burdens in the event of a serious, high-cost illness.

### Out-of-Pocket Spending

Because Medicare provides basic rather than comprehensive coverage, many beneficiaries face high out-of-pocket health care expenses. Women, on average, devote a greater share of their income to health care than men. In 1998, women spent 22 percent of their incomes for health care, compared with 17 percent for men (Figure 5). These figures mask the fact that the most vulnerable spent a significantly larger share of their incomes for health care: women 85 and older spent 27 percent of their incomes, on average, for health. Those with ADL impairments spent a third of their incomes on medical care. But the financial burden was highest for poor women without Medicaid, whose health care spending consumed over half of their income.

That traditional Medicare does not cover outpatient prescription drugs



NOTE: Excludes beneficiaries enrolled in Medicare HMO's, the under-65 disabled, and those in long-term care facilities. ADL = activity of daily living, such as eating or bathing.  
SOURCE: AARP Public Policy Institute analysis using the Medicare Benefits Simulation Model, 1998.

exposes many beneficiaries to high out-of-pocket costs. Most women on Medicare—17 million—use prescription drugs regularly. More than a quarter (29 percent) of women spend over \$50 a month for their medications, according to the Kaiser/Commonwealth 1997 Survey of Medicare Beneficiaries.

### Issues for Women

Women are major stakeholders in the debate over Medicare's future. Given their higher rates of poverty, multiple chronic conditions, and long-term care needs, adequate health insurance is especially important as women grow older. Policies that improve financial protections for the poor and near-poor would provide relief for all low-income beneficiaries, the majority of whom are women. Likewise, policies that expand access to outpatient prescription drugs and long-term care would help fill coverage gaps that drive up out-of-pocket spending for women. Conversely, policies that erode coverage or that shift costs to beneficiaries could adversely affect women, especially those with low incomes.

Understanding the full implications of proposed reforms for aging women will be an essential component of efforts to preserve and protect Medicare for future generations.