

- Another 42 percent would be expected to receive coverage from an employer, either as active workers or retirees, rather than Medicare:
  - 22 percent (1.1 million) of this group would be covered by an employer-sponsored retiree health plan; for these individuals, the employer plan would become their primary source of health insurance coverage rather than being a supplement to Medicare.
  - 20 percent (1.0 million) would be covered as an active worker by an employer plan because they or their spouse are working beyond age 65; these adults would retain their primary employer-sponsored coverage but would not have secondary coverage provided by Medicare.
- The remaining 20 percent (1.0 million) of 65- and 66-year-olds would be covered by Medicaid, including 130,000 individuals who would have been covered by both Medicare and Medicaid (full dual eligibility) if the eligibility age was 65, and 860,000 people who would qualify for Medicaid under the ACA because they have incomes up to 133 percent of the FPL.

Medicare would continue to cover some 770,000 high-cost 65- and 66-year-olds who qualified for the program prior to reaching age 65 because of disability.<sup>19</sup> Their eligibility would not be changed as it would be for other individuals ages 65 and 66.

### OUT-OF-POCKET SPENDING

Raising the age of eligibility for Medicare is expected to affect beneficiaries' out-of-pocket spending, but the direction and magnitude of the change depends on a number of factors, most importantly whether beneficiaries would be covered by Medicaid or would receive subsidies for Exchange coverage. In the aggregate, raising the age of eligibility to 67 in 2014 is projected to result in an estimated net increase of \$3.7 billion in out-of-pocket costs for people who would otherwise have been covered by Medicare.

Among the five million adults who would be directly affected by an increase in Medicare eligibility in 2014, nearly one-third (1.6 million) are estimated to pay less under their new source of coverage than they would have paid out-of-pocket under Medicare.<sup>20</sup> Yet two-thirds (3.3 million) are estimated to pay more as a result of shifting from Medicare to another source of coverage. (Exhibits 3-6)

