

Medicare Beneficiary Spending Brief 2025¹

Average Out-of-Pocket Spending is Lower for Beneficiaries in Medicare Advantage than Fee-for-Service Medicare and the Gap Between Programs Has Grown in Recent Years

Over \$3,400 less

Medicare Advantage beneficiaries report spending **\$3,486 less** on out-of-pocket costs and premiums compared to Fee-for-Service Medicare beneficiaries.

46% less

Medicare Advantage beneficiaries spend 46% less than Fee-for-Service Medicare beneficiaries in out-of-pocket costs and premiums.

Medicare Advantage beneficiaries experience a 35% lower rate of cost burden² compared to Fee-for-Service Medicare beneficiaries.

Medicare Advantage beneficiaries are more likely to be financially at-risk than Fee-for-Service Medicare beneficiaries:

52% of Medicare Advantage beneficiaries live below 200% of the Federal Poverty Level

32% of Fee-for-Service Medicare beneficiaries live below 200% of the Federal Poverty Level

Medicare beneficiaries (including dual eligible individuals) living below 200% of the Federal Poverty Level experience cost burden at higher rates in Fee-for-Service Medicare compared to Medicare Advantage:

53%
Fee-for-Service Medicare

28%
Medicare Advantage

\$4,120 less

Beneficiaries with three or more chronic conditions in Medicare Advantage spend on average \$4,120 less than beneficiaries in Fee-for-Service Medicare.

79%

Fee-for-Service Medicare beneficiaries are 79% more likely to experience cost burden in micropolitan or rural areas than Medicare Advantage beneficiaries.

Medicare Advantage beneficiaries report high rates of health care satisfaction and access to care –

95% are satisfied with health care quality

96% are satisfied with ease of getting to the doctor

95% report having a usual source of care

Read the full Medicare Beneficiary Spending Brief:
BetterMedicareAlliance.org/2025BeneficiarySpending

1. Data from 2022 Medicare Current Beneficiary Survey (MCBS) and Cost Supplement files unless otherwise noted.

2. "Cost burden" is defined as spending over 20 percent of income on health care costs