

Medicare Solvency Remains Stable

Improvements from Affordable Care Act Prevent Further Decline in Solvency

April 23, 2012

Year of Trustees' Report	Year of Insolvency	Years of Solvency Remaining
1970	1972	2
1971	1973	2
1972	1976	4
1973	--	none indicated
1974	--	none indicated
1975	about 1995	about 20*
1976	about 1991	about 15*
1977	about 1987	about 10*
1978	1990	12
1979	1992	13
1980	1994	14
1981	1991	10
1982	1987	5
1983	1990	7
1984	1991	7
1985	1998	13
1986	1996	10
1986 amended	1998	12
1987	2002	15
1988	2005	17
1989	--	none indicated
1990	2003	13
1991	2005	14
1992	2002	10
1993	1999	6
1994	2001	7
1995	2002	7
1996	2001	5
1997	2001	4
1998	2008	10
1999	2015	16
2000	2025	25

Year of Trustees' Report	Year of Insolvency	Years of Solvency Remaining
2001	2029	28
2002	2030	28
2003	2026	23
2004	2019	15
2005	2020	15
2006	2018	12
2007	2019	12
2008	2019	11
2009	2017	8
2010	2029	19
2011	2024	13
2012	2024	12

*Projections for 1975, 1976 and 1977 put dates of insolvency, respectively, in “the late 1990s,” “the early 1990s” and “the late 1980s.”

**Medicare's Long Term Deficit Dramatically Improved
After Enactment of the Affordable Care Act**

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Medicare's long-term 75-year deficit measures the size of the revenue increase or spending cuts (or a combination thereof) that is needed to make the trust fund actuarially balanced over 75 years, expressed as a percent increase in the payroll tax. As an example of how to interpret this data point, Medicare's long-term 75-year deficit dropped from 3.88 percent in 2009 (before ACA's enactment), to 0.79 percent last year, climbing slightly to 1.35 percent this year due to changes in the Trustees' estimating assumptions – which means that the 75-year deficit can be closed by revenue increases or spending cuts (or a combination thereof) equivalent to a 1.35 percent increase in the payroll tax.

Year of Trustees' Report	Actuarial Deficit over 75 Years (% of Taxable Payroll)
1994	4.14
1995	3.52
1996	4.52
1997	4.32
1998	2.1
1999	1.46
2000	1.21
2001	1.97
2002	2.02
2003	2.4
2004	3.12
2005	3.09
2006	3.51
2007	3.55
2008	3.54
2009	3.88
2010	0.66
2011	0.79
2012	1.35