

Celebrating Medicare's 56th Anniversary



For 56 years, Medicare has helped pay for medical care for Americans over the age of 65, as well as younger Americans with certain medical needs. July 30th marks Medicare's anniversary and to celebrate we are taking a look at the history of the program that benefits more than [60 million](#) Americans.

History of Medicare

1965

President Lyndon B. Johnson signed into law the Social Security Act Amendments, which created the Medicare and Medicaid programs. The original Medicare program consisted of Part A, hospital insurance and [Part B](#), medical insurance.

Did you know?

Today, spending on medicines covered under Part B represent a small and stable share of overall Medicare spending. These medicines accounted for just 3% of total Medicare spending in 2014 and continued to be just 3% of total Medicare spending in 2015.

1972

In 1972, President Richard M. Nixon signed legislation that expanded coverage to include individuals under the age of 65 with long-term disabilities and individuals with end-stage renal disease (ERSD).

Did you know?

Today, Medicare covers [9.1 million](#) people with disabilities who are under the age of 65.

1997

The Balanced Budget Act of 1997, signed by President Bill Clinton, created Part C. Originally called Medicare+Choice and later renamed Medicare Advantage, Part C is a managed care option in Medicare.

Did you know?

In 2020, [nearly four in ten](#) of all Medicare beneficiaries, 24.1 million, were enrolled in Medicare Advantage plans. The Congressional Budget Office (CBO) projects that the share of all Medicare beneficiaries enrolled in Medicare Advantage plans will rise to about 51% by 2030.

2003

President George W. Bush signed the Medicare Prescription Drug Improvement and Modernization Act of 2003. Known as MMA, this law included the creation of the Medicare prescription drug program ([Part D](#)), which is a pharmacy benefit program.

Did you know?

Part D [offers more than](#) 948 prescription drug plans across 34 regions.

2006

Medicare Part D plans [became available](#). Part D can be purchased as a stand-alone plan or integrated with Medicare Advantage plans.

Did you know?

For the last 15 years, Part D has grown to cover over [46 million](#) Americans and studies show it has strengthened access to critical immunizations and [increased medication adherence](#) which has helped [decrease hospital admissions](#).

Medicare Could Work Better

While Medicare has provided care to seniors for nearly six decades, there are practical solutions policymakers can consider to modernize Medicare drug coverage (Part D and Part B) and ensure it works even better for beneficiaries.

Part D could work better and be made fairer by improving affordability and predictability for beneficiaries who face high out-of-pocket costs for

their medicines. Policymakers should cap annual out-of-pocket costs, lower cost sharing and make out-of-pocket costs more predictable.

In Part B, policymakers could take steps to ensure Medicare and Medicare beneficiaries benefit more from the lower prices negotiated by large commercial purchasers in the private insurance market, which could save some seniors hundreds – if not thousands – of dollars each year.

To learn more about how PhRMA is working to make Medicare work better for all patients visit [PhRMA.org/betterway](https://www.phrma.org/betterway).