

Table III.5
Medicare Administrative Expenses
Selected Fiscal Years

Fiscal Year	Administrative Expenses	
	Amount in millions	Percent of Benefit Payments
HI Trust Fund		
1967	\$89	3.5
1970	149	3.1
1975	259	2.5
1980	497	2.1
1985	813	1.7
1990	774	1.2
1995	1,300	1.1
1996	1,229	1.0
1997	1,661 ¹	1.2
1998	1,653 ¹	1.2 ⁴
1999	1,978 ¹	1.5 ⁴
2000	2,350 ¹	1.9 ⁴
2001	2,368 ¹	1.7 ⁴
2002	2,464 ¹	1.7 ⁴
2003	2,541 ¹	1.7 ⁴
2004	2,920 ¹	1.8
2005	2,850 ¹	1.6
2006	3,086 ¹	1.7
2007	2,636 ¹	1.3
2008	3,231 ¹	1.4 ⁵
2009	3,343	1.4
2010	3,328	1.3
SMI Trust Fund²		
1967	135 ³	20.3
1970	217	11.0
1975	405	10.8
1980	593	5.8
1985	922	4.2
1990	1,524	3.7
1995	1,722	2.7
1996	1,771	2.6
1997	1,420	2.0
1998	1,435	1.9 ⁴
1999	1,510	1.9 ⁴
2000	1,780	2.0 ⁴
2001	1,986	2.0 ⁴
2002	1,830	1.7 ⁴
2003	2,356	1.9 ⁴
2004	2,817	2.1
2005	2,914	1.9
2006	3,474	1.8
2007	3,426	1.5
2008	3,423	1.6 ⁵
2009	3,318	1.3
2010	3,514	1.3

¹ Includes non-expenditure transfers for Health Care Fraud and Abuse Control.

² Includes Part D beginning in FY 2004.

³ Includes expenses paid in fiscal years 1966 and 1967.

⁴ Administrative expenses as a percent of benefits and Quality Improvement Organizations/Peer Review Organizations but not including home health agency transfer.

⁵ An accounting error adjustment was included in the calculation of administrative expenses as a percent of benefits.

SOURCE: CMS/OACT

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