

Administrative/Operating

Information on activities and services related to oversight of the day-to-day operations of CMS programs

Included are data on Medicare contractors, contractor activities and performance, CMS and State agency administrative costs, quality control, and summaries of the operation of the Medicare trust funds.

Table 47
Medicare administrative expenses/trends

Fiscal Year	Administrative expenses	
	Amount in millions	As a 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
2000	2,350	1.8
2004	2,920	1.8
2005	2,850	1.6
SMI Trust Fund		
1967	2135	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
2000	1,780	2.0
2004 ¹	2,817	2.1
2005 ¹	2,914	1.9

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

²Includes expenses paid in fiscal years 1966 and 1967. ³Starting in FY 2004 includes the transactions of the Part D account.

SOURCE: CMS, Office of the Actuary.

Table 48
Medicare contractors

	Intermediaries	Carriers
Blue Cross/Blue Shield	23	15
Other	2	5

NOTE: Data as of May 2005.

SOURCE: CMS, Office of Financial Management.

Table 49
Medicare appeals

	Intermediary reconsiderations	Carrier reviews
Number processed	21,177	2,967,983
Percent with increased payments ¹	32.8	70.2

¹Excludes withdrawals and dismissals.

NOTE: Data for fiscal year 2005.

SOURCE: CMS, Office of Financial Management.

Table 50
Medicare physician/supplier claims assignment rates

	2000	2001	2002	2003	2004	2005
	in thousands					
Claims total	720.5	766.8	822.0	860.7	922.2	951.6
Claims assigned	705.7	752.5	808.6	847.8	909.9	940.7
Claims unassigned	15.3	14.2	13.3	12.9	12.3	10.9
Percent assigned	97.9	98.1	98.4	98.5	98.7	98.9

SOURCE: CMS, Office of Financial Management.

Table 51
Medicare claims processing

	Intermediaries	Carriers
Claims processed in millions	185.6	979.9
Total PM costs in millions	\$386.1	\$1,103.0
Total MIP costs in millions	\$453.7	\$259.8
Claims processing costs in millions	\$246.8	\$748.5
Claims processing unit costs	\$0.88	\$0.52
Range		
High	\$1.57	\$1.05
Low	\$0.67	\$0.39

NOTES: Data for fiscal year 2005. PM= Program Management. MIP= Medicare Integrity Program. Beginning in FY 2002, provider enrollment has been removed from the claims processing costs and unit costs.

SOURCE: CMS, Office of Financial Management.

Table 52
Medicare claims received

	Claims received
Intermediary claims received in thousands	185,442
	Percent of total
Inpatient hospital	8.3
Outpatient hospital	50.5
Home health agency	6.7
Skilled nursing facility	2.7
Other	31.7
Carrier claims received in thousands	951,551
	Percent of total
Assigned	98.9
Unassigned	1.1

NOTE: Data for calendar year 2005.

SOURCE: CMS, Office of Financial Management.

Table 53
Medicare charge reductions

	Assigned	Unassigned
Claims approved		
Number in millions	816.9	9.4
Percent reduced	89.8	83.0
Total covered charges		
Amount in millions	\$228,809	\$986
Percent reduced	44.8	15.4
Amount reduced per claim	\$167.96	\$22.89

NOTES: Data for calendar year 2005. As a result of report changes effective April 1, 1992, charge reductions include: reasonable charge, medical necessity, and global fee/rebundling reductions.

SOURCE: CMS, Office of Financial Management.

Table 54
Medicaid administration

	Fiscal year	
	2003	2004
	In millions	
Total payments computable for Federal funding ¹	\$13,584	\$14,486
Federal share ¹		
Family planning	32	31
Design, development or installation of MMIS ²	470	382
Skilled professional medical personnel	367	374
Operation of an approved MMIS ²	1,071	1,081
All other	5,577	6,005
Mechanized systems not approved under MMIS ²	85	146
Total Federal Share	\$7,602	8,019
Net adjusted Federal share ³	\$7,580	\$8,048

¹Source: Form CMS-64. (Net Expenditures Reported--Administration).

²Medicaid Management Information System.

³Includes CMS adjustments.

Sources: CMS, Center for Medicaid and State Operations