

**Table 3.1**

**Growth in Personal Health Care Expenditures (PHCE) and Medicare Program Payments: Selected Calendar Years 1967-2007**

Year	Medicare Program Payments			Total <sup>3</sup>	PHCE			
	Total <sup>1</sup>	Inpatient Hospital	Physician/Supplier <sup>2</sup>		Total	Hospital Medicare <sup>4</sup>	Physician and Clinic Medicare <sup>5</sup>	
Amount in Billions								
1967	\$4.2	\$2.7	\$1.2	\$43.6	\$18.1	\$3.2	\$10.1	\$1.2
1983	53.4	34.5	13.7	308.2	146.3	41.2	67.8	13.7
1990	101.4	56.7	30.2	609.4	253.9	67.8	157.5	30.2
1993	129.4	68.2	34.7	775.8	320.0	90.1	201.2	34.7
1994	146.5	75.7	38.5	816.5	332.4	98.9	210.5	37.9
1995	159.0	78.9	41.6	865.7	343.6	107.0	220.5	41.7
1996	167.1	79.9	42.5	911.9	355.9	115.1	229.4	44.3
1997	175.4	82.3	43.6	959.2	367.5	121.4	241.0	47.1
1998	168.2	83.0	44.2	1,009.9	379.2	119.9	256.8	51.3
1999	166.7	83.9	46.5	1,062.6	392.2	120.4	270.2	55.3
2000	174.3	85.2	51.5	1,130.4	412.1	125.7	286.4	59.6
2001	197.5	93.0	59.1	1,231.3	444.3	137.2	315.1	65.1
2002	215.4	99.4	64.3	1,342.9	484.2	148.6	340.8	69.0
2003	232.8	104.3	71.8	1,445.7	525.5	154.0	367.0	73.7
2004	255.3	110.5	79.3	1,560.2	570.8	163.4	399.9	81.8
2005	274.1	116.6	83.8	1,661.4	611.6	180.3	421.2	89.3
2006	280.7	116.3	85.3	1,762.0	648.2	187.2	447.6	92.1
2007	288.5	116.9	85.7	1,878.3	696.5	196.2	478.8	96.1
Average Annual Rate of Change								
1967-1983	17.2	17.3	16.4	13.0	14.0	17.3	12.6	16.4
1983-2007	7.3	5.2	7.9	7.8	6.7	6.7	8.5	8.5
1967-2007	11.2	9.9	11.3	9.9	9.6	10.8	10.1	11.6
2006-2007	2.8	0.5	0.5	6.6	7.5	4.8	7.0	4.3

<sup>1</sup>Includes Medicare program payments for other types of services not shown separately.

<sup>2</sup>Includes program payments for physicians, practitioners, durable medical equipment, supplies and other medical services.

<sup>3</sup>Includes other types of expenditures not shown separately.

<sup>4</sup>Includes total benefit payments for inpatient hospital, facility-based skilled nursing facilities, facility-based home health agencies, facility-based hospices, and, for certain years, facility-based physicians.

<sup>5</sup>Includes total benefit payments for physicians, laboratory services performed in a physician's office, independent laboratory services, and freestanding end stage renal disease facilities.

NOTES: Medicare program payments represent unadjusted amounts paid for covered services incurred during a calendar year under Medicare fee-for-service only and exclude payments for managed care services. Program payments differ from PHCE, which reflect estimates of interim and retroactive adjustments made to institutional providers as well as prorated shares of payments for managed care. Refer to glossary for definitions of and differences between program payments and benefit payments. In addition, the PHCE defines hospital and physician and clinic services differently than Medicare defines inpatient hospital and physician/supplier. Because of these differences in methodology and completeness, the Medicare payment amounts under the PHCE categories will differ from the corresponding amounts under the Medicare categories.

SOURCES: Centers for Medicare & Medicaid Services, Office of Information Services: Medicare program payments from the Medicare Decision Support Access Facility. Effective 2002 Medicare program payments from the Medicare Data Extract System; data development by the Office of Research, Development, and Information. PHCE developed by the Office of the Actuary, National Health Statistics Group.

**Table 3.2**

**Medicare Program Payments, by Type of Coverage, and Type of Entitlement: Calendar Years 1967-2007**

Year	Hospital Insurance and/or Supplementary Medical Insurance			Hospital Insurance			Supplementary Medical Insurance		
	Total	Aged <sup>1</sup>	Disabled <sup>2</sup>	Total	Aged <sup>1</sup>	Disabled <sup>2</sup>	Total	Aged <sup>1</sup>	Disabled <sup>2</sup>
	Amount in Millions								
1967	\$4,239	\$4,239	---	\$2,967	\$2,967	---	\$1,272	\$1,272	---
1968	5,290	5,290	---	3,767	3,767	---	1,523	1,523	---
1969	6,268	6,268	---	4,597	4,597	---	1,670	1,670	---
1970	6,572	6,572	---	4,740	4,740	---	1,832	1,832	---
1971	7,354	7,354	---	5,358	5,358	---	1,996	1,996	---
1972	8,019	8,019	---	5,836	5,836	---	2,184	2,184	---
1973	9,251	9,039	\$213 <sup>3</sup>	6,848	6,674	\$174 <sup>3</sup>	2,403	2,364	\$39 <sup>3</sup>
1974	11,238	10,257	981	8,118	7,454	664	3,120	2,803	317
1975	14,549	13,056	1,492	10,519	9,537	982	4,029	3,519	511
1976	17,619	15,637	1,983	12,794	11,496	1,298	4,825	4,141	684
1977	20,477	18,015	2,462	14,710	13,116	1,594	5,767	4,898	869
1978	23,543	20,579	2,964	16,630	14,741	1,890	6,912	5,838	1,074
1979	27,699	24,005	3,694	19,258	16,940	2,317	8,441	7,065	1,377
1980	33,725	29,224	4,501	23,194	20,404	2,790	10,531	8,820	1,710
1981	39,918	36,614	5,304	27,486	24,181	3,306	12,432	10,434	1,999
1982	48,134	41,787	6,347	33,333	29,360	3,973	14,802	12,427	2,375
1983	53,438	46,727	6,711	36,314	32,141	4,173	17,124	14,586	2,538
1984	59,132	52,118	7,014	40,608	36,084	4,524	18,525	16,034	2,490
1985	63,877	56,428	7,449	42,266	37,511	4,755	21,611	18,918	2,693
1986	68,863	60,810	8,053	44,566	39,507	5,059	24,297	21,304	2,994
1987	75,817	67,098	8,719	47,414	42,131	5,283	28,402	24,966	3,436
1988	81,403	72,187	9,217	50,689	45,111	5,578	30,715	27,076	3,639
1989	93,844	82,757	11,087	57,942	51,111	6,830	35,903	31,646	4,257

See footnotes at end of table

**Table 3.2—Continued**

**Medicare Program Payments, by Type of Coverage, and Type of Entitlement: Calendar Years 1967-2007**

Year	Hospital Insurance and/or Supplementary Medical Insurance			Hospital Insurance			Supplementary Medical Insurance		
	Total	Aged <sup>1</sup>	Disabled <sup>2</sup>	Total	Aged <sup>1</sup>	Disabled <sup>2</sup>	Total	Aged <sup>1</sup>	Disabled <sup>2</sup>
	Amount in Millions								
1990	\$101,419	\$89,620	\$11,799	\$62,347	\$55,170	\$7,177	\$39,072	\$34,449	\$4,623
1991	110,887	98,059	12,828	68,998	61,280	7,718	41,889	36,779	5,110
1992	120,710	106,241	14,469	76,661	67,883	8,777	44,049	38,357	5,692
1993	129,386	113,491	15,894	82,099	72,577	9,522	47,287	40,914	6,372
1994	146,549	127,714	18,835	94,205	82,693	11,512	52,343	45,021	7,323
1995	158,980	137,952	21,029	101,835	89,131	12,704	57,145	48,821	8,325
1996	167,063	144,485	22,577	107,949	94,389	13,559	59,114	50,096	9,018
1997	175,423	151,655	23,768	114,327	100,034	14,293	61,096	51,621	9,475
1998	168,164	144,418	23,746	102,542	89,013	13,529	65,622	55,405	10,217
1999	166,687	142,425	24,262	98,847	85,413	13,434	67,839	57,012	10,828
2000	174,261	148,488	25,773	101,663	87,549	14,114	72,599	60,939	11,660
2001	197,505	167,825	29,680	113,846	97,807	16,039	83,658	70,017	13,641
2002	215,411	182,303	33,108	122,993	105,384	17,609	92,418	76,919	15,499
2003	232,821	195,726	37,095	129,552	110,396	19,156	103,269	85,331	17,939
2004	255,325	213,241	42,085	139,747	118,424	21,323	115,579	94,817	20,762
2005	274,143	227,594	46,550	149,392	125,993	23,399	124,752	101,601	23,151
2006	280,672	232,468	48,204	151,917	127,855	24,061	128,755	104,613	24,142
2007	288,504	237,806	50,697	155,785	130,478	25,307	132,719	107,329	25,390
	Average Annual Rate of Change								
1967-1983	17.2	16.2	---	16.9	16.1	---	17.6	16.5	---
1974-1983	18.9	18.4	23.8	18.1	17.6	22.7	20.8	20.1	26.0
1967-2007	11.1	10.6	---	10.4	9.9	---	12.3	11.7	---
1974-2007	10.3	10.0	12.7	9.4	9.1	11.7	12.0	11.7	14.2
1983-2007	7.3	7.0	8.8	6.3	6.0	7.8	8.9	8.7	10.1

<sup>1</sup>Represents all enrollees 65 years of age or over, including those with end stage renal disease.

<sup>2</sup>Represents all enrollees under 65 years of age, including those with end stage renal disease and those with end stage renal disease only. Disabled enrollees were not covered under Medicare until July 1, 1973.

<sup>3</sup>Represents reimbursements for the last 6 months of 1973.

NOTES: Medicare program payments represent unadjusted amounts paid for covered services incurred during a calendar year under Medicare fee-for-service only and exclude payments for managed care services. Program payments differ from benefit payments, which reflect estimates of interim and retroactive adjustments made to institutional providers as well as payments for managed care. Refer to glossary for definitions of and distinctions between program payments and benefit payments.

SOURCE: Centers for Medicare & Medicaid Services, Office of Information Services: Data from the Medicare Decision Support Access Facility. Effective 2002, data from the Medicare Data Extract System; data development by the Office of Research, Development, and Information.

**Table 3.3**

**Persons Enrolled and Persons Served Under Medicare, and Program Payments, by Type of Coverage and Service:  
Selected Calendar Years 1967-2007**

Type of Coverage and Service	Year											
	1967	1974	1980	1983	1990	1997	2000	2002	2004	2005	2006	2007
<b>Type of Coverage</b>	Number of Enrollees in Thousands											
Hospital Insurance and/or Supplementary Medical Insurance	19,521	24,201	28,478	30,026	34,213	38,465	39,632	40,503	41,729	42,500	43,339	44,263
Hospital Insurance	19,494	23,924	28,067	29,587	33,731	38,059	39,211	40,079	41,391	42,129	42,975	43,910
Supplementary Medical Insurance	17,893	23,167	27,400	28,975	32,636	36,479	37,369	38,088	39,101	39,730	40,398	41,109
<b>Type of Coverage and Service</b>	Number of Persons Served in Thousands											
<b>Persons Served<sup>1</sup></b>	Number of Persons Served in Thousands											
Total	7,154	11,833	18,031	19,732	27,099	29,847	29,583	31,754	33,016	33,506	33,063	32,404
Hospital Insurance	3,960	5,133	6,752	7,443	7,036	8,118	7,325	7,837	8,157	8,307	8,120	7,952
Inpatient Hospital Services	3,601	5,081	6,672	7,170	6,543	6,887	6,917	7,380	7,611	7,710	7,467	7,254
Skilled Nursing Facility Services	354	266	257	265	638	1,503	1,468	1,622	1,752	1,847	1,838	1,828
Home Health Agency Services	126	276	726	1,318	1,936	3,458	1,444	1,565	1,693	1,752	1,714	1,705
Hospice Services								652	797	871	939	995
Supplementary Medical Insurance	6,523	11,468	17,822	19,472	26,951	29,620	29,313	31,499	32,734	33,201	32,732	32,040
Physician and Other	6,415	11,079	17,258	18,923	26,350	28,961	28,763	30,993	32,265	32,709	32,205	31,481
Medical Services Outpatient Services <sup>2</sup>	1,511	3,431	7,538	9,089	15,511	20,543	21,029	23,015	24,003	24,423	24,010	23,587
Home Health Agency Services	118	134	327	20	38	48	1,190	1,107	1,273	1,370	1,460	1,553
<b>Persons Served</b>	Rate per 1,000 Enrollees <sup>3</sup>											
Total	366	489	633	657	792	904	904	908	908	913	922	913
Hospital Insurance	203	215	241	252	209	249	227	227	227	229	229	226
Inpatient Hospital Services	185	212	238	242	194	211	214	214	211	212	210	206
Skilled Nursing Facility Services	18	11	9	9	19	46	45	47	49	51	52	52
Home Health Agency Services	6	12	26	45	57	106	45	45	47	48	48	49
Hospice Services								19	22	24	26	28
Supplementary Medical Insurance	365	495	650	672	826	955	962	967	971	979	995	991
Physician and Other	359	478	630	653	807	934	944	952	957	964	979	974
Medical Services Outpatient Services <sup>2</sup>	84	148	275	314	475	662	690	707	712	720	730	729
Home Health Agency Services	7	6	12	1	1	2	39	34	38	40	44	48

See footnotes at end of table.

**Table 3.3—Continued**

**Persons Enrolled and Persons Served Under Medicare, and Program Payments, by Type of Coverage and Service:  
Selected Calendar Years 1967-2007**

Type of Coverage and Service	Year											
	1967	1974	1980	1983	1990	1997	2000	2002	2004	2005	2006	2007
<b>Program Payments</b>	Amount in Millions											
Total	\$4,239	\$11,179	\$33,613	\$53,446	\$101,419	\$175,423	\$174,261	\$215,411	\$255,325	\$274,143	\$280,672	\$288,504
Hospital Insurance	2,967	8,000	23,119	36,314	62,347	114,327	101,663	122,993	139,747	149,392	151,917	155,785
Inpatient Hospital Services	2,667	7,680	22,297	34,519	56,716	84,563	85,197	99,382	110,550	116,647	116,350	116,922
Skilled Nursing Facility Services	274	224	344	428	1,971	11,237	10,621	14,363	17,043	18,964	20,387	22,261
Home Health Agency Services	26	96	478	1,366	3,660	16,487	2,918	4,788	5,479	5,916	5,979	6,275
Hospice Services						2,040	2,927	4,460	6,675	7,864	9,201	10,327
Supplementary Medical Insurance	---	---	---	---	---	61,069	72,599	92,418	115,579	124,752	128,755	132,719
Physician and Other	1,217	2,740	8,358	13,660	30,222	43,621	51,474	64,272	79,271	83,838	85,305	85,694
Medical Services <sup>2</sup>												
Outpatient Services	38	397	1,962	3,443	8,773	17,256	16,787	23,346	30,335	33,931	35,411	37,560
Home Health Agency Services	17	40	175	29	78	219	4,338	4,800	5,973	6,982	8,039	9,465
<b>Program Payments</b>	Per Person Served											
Total	\$593	\$945	\$1,864	\$2,709	\$3,743	\$5,877	\$5,891	\$6,784	\$7,733	\$8,182	\$8,489	\$8,903
Hospital Insurance	749	1,559	3,424	4,879	8,861	14,083	13,878	15,694	17,132	17,984	18,709	19,592
Inpatient Hospital Services	741	1,512	3,342	4,814	8,668	12,279	12,318	13,466	14,525	15,130	15,581	16,118
Skilled Nursing Facility Services	774	842	1,339	1,615	3,089	7,476	7,235	8,855	9,728	10,267	11,093	12,176
Home Health Agency Services	206	348	658	1,036	1,890	4,768	2,021	3,059	3,236	3,377	3,489	3,680
Hospice Services								6,836	8,374	9,027	9,796	10,378
Supplementary Medical Insurance	---	---	---	---	---	---	---	---	---	---	---	---
Physician and Other	190	247	484	722	1,147	1,506	1,790	2,074	2,457	2,563	2,649	2,722
Medical Services <sup>2</sup>												
Outpatient Services	25	116	260	379	566	840	798	1,014	1,264	1,389	1,475	1,592
Home Health Agency Services	144	299	535	1,450	2,053	4,563	3,644	4,336	4,692	5,098	5,508	6,095

<sup>1</sup>Does not reflect beneficiaries who received covered services, but for whom no program payments were reported during the year. Detail does not add to totals by type of service because one person may have used several types of services.

<sup>2</sup>Prior to April 1, 1968, outpatient hospital services were covered by hospital insurance and supplementary medical insurance. All outpatient hospital services for 1967 are shown as supplementary medical insurance services for purposes of comparison.

<sup>3</sup>Beginning with 1994, Medicare enrollees in managed care plans are not included in the denominator used to calculate the utilization rates.

NOTES: The change in program payments and utilization for home health starting in 1997 is due in part to the Balanced Budget Act of 1997 (Public Law 105-33) which called for the gradual transfer of home health services unassociated with a hospital or skilled nursing facility stay from hospital insurance to supplementary medical insurance. The use of home health agency benefit was also affected by the efforts to identify fraudulent activities in the use of services, and by the introduction of interim per beneficiary cost limits at levels resulting in substantially lower aggregate payments (these cost limits were used until the prospective payment system was implemented in October 2000). The impact was first noted in 1998 (not shown). Numbers may not add to totals because of rounding. Refer to glossary for definitions of program payments and benefit payments.

SOURCE: Centers for Medicare & Medicaid Services, Office of Information Services: Data from the Medicare Decision Support Access Facility. Effective 2002 data from the Medicare Data Extract System; data development by the Office of Research, Development, and Information.

**Table 3.4**  
**Persons Served and Program Payments for Medicare Beneficiaries, by**  
**Demographic Characteristics: Calendar Year 2007**

Demographic Characteristic	Persons Served <sup>1</sup>		Program Payments			
	Number in		Amount		Per	
	Thousands	Percent	in Millions	Percent	Person Served <sup>1</sup>	Per Enrollee <sup>2</sup>
Total	32,404	100.0	\$288,504	100.0	\$8,903	\$8,129
<b>Sex</b>						
Male	13,704	42.3	126,453	43.8	9,227	7,964
Female	18,700	57.7	162,050	56.2	8,666	8,263
<b>Age</b>						
Under 65 Years	5,544	17.1	50,912	17.6	9,182	8,058
65-74 Years	12,775	39.4	89,097	30.9	6,974	5,924
75-84 Years	9,786	30.2	96,443	33.4	9,856	9,696
85 Years or Over	4,299	13.3	52,053	18.0	12,108	12,440
<b>Race<sup>3</sup></b>						
White	27,515	84.9	235,336	81.6	8,553	7,905
Non-White	4,849	15.0	52,709	18.3	10,870	9,316
<b>Type of Entitlement</b>						
Aged <sup>4</sup>	26,873	82.9	237,806	82.4	8,849	8,152
Disabled <sup>5</sup>	5,531	17.1	50,697	17.6	9,166	8,024
<b>CBSA Type<sup>6</sup></b>						
Urban	24,429	75.4	226,308	78.4	9,264	8,286
Rural	7,793	24.1	61,133	21.2	7,844	7,475

<sup>1</sup>Does not reflect beneficiaries who received covered services, but for whom no program payments were reported during the year.

<sup>2</sup>Medicare enrollees in managed care plans are not included in the denominator used to calculate average payments.

<sup>3</sup>Excludes unknown race.

<sup>4</sup>Includes aged persons with end stage renal disease (ESRD).

<sup>5</sup>Includes disabled persons with ESRD and persons entitled to Medicare because of ESRD only.

<sup>6</sup>Excludes outlying areas.

NOTES: CBSA is core-based statistical areas. Numbers may not add to totals because of rounding. Refer to glossary for definitions of program payments, benefit payments, and persons served.

SOURCE: Centers for Medicare & Medicaid Services, Office of Information Services: Data from the Medicare Data Extract System; data development by the Office of Research, Development, and Information.

**Table 3.5**  
**Program Payments for Medicare Beneficiaries Residing in Urban and Rural Areas, by Area of Residence:**  
**Calendar Year 2007**

Area of Residence	Total Program Payments			Urban Program Payments <sup>1</sup>			Rural Program Payments <sup>1</sup>		
	Amount in Millions	Per Person Served	Per Enrollee <sup>2</sup>	Amount in Millions	Per Person Served	Per Enrollee <sup>2</sup>	Amount in Millions	Per Person Served	Per Enrollee <sup>2</sup>
United States <sup>3</sup>	\$287,442	\$8,921	\$8,246	\$226,308	\$9,264	\$8,492	\$61,133	\$7,844	\$7,450
Northeast	58,753	9,734	8,726	52,699	10,066	8,988	6,054	7,562	7,040
Midwest	67,784	8,447	7,981	49,541	8,884	8,352	18,243	7,451	7,122
South	115,080	9,013	8,493	84,705	9,260	8,669	30,376	8,388	8,039
West	45,824	8,497	7,535	39,363	8,806	7,741	6,461	7,001	6,485
New England	16,018	9,106	8,185	13,786	9,423	8,449	2,232	7,538	7,078
Connecticut	4,394	9,848	9,093	4,029	9,989	9,225	365	8,524	7,852
Maine	1,568	7,230	6,553	841	7,235	6,537	726	7,223	6,572
Massachusetts	7,166	9,787	8,684	7,138	9,803	8,696	28	6,852	6,346
New Hampshire	1,358	7,847	6,947	754	8,175	7,156	604	7,471	6,702
Rhode Island	854	8,741	7,544	854	8,741	7,544	(4)	(4)	(4)
Vermont	679	7,288	6,740	169	6,705	6,314	510	7,504	6,895
Middle Atlantic	42,735	9,992	8,948	38,913	10,316	9,196	3,822	7,575	7,019
New Jersey	10,932	10,567	9,520	10,932	10,567	9,520	(4)	(4)	(4)
New York	19,663	10,328	9,128	18,188	10,779	9,483	1,475	6,811	6,246
Pennsylvania	12,140	9,071	8,239	9,793	9,323	8,406	2,347	8,150	7,611
East North Central	48,947	8,841	8,287	38,881	9,225	8,607	10,066	7,615	7,247
Illinois	13,710	9,389	8,561	11,496	9,801	8,826	2,214	7,704	7,407
Indiana	6,425	8,123	7,658	4,945	8,404	7,903	1,479	7,304	6,938
Michigan	11,685	9,468	8,974	9,517	10,064	9,515	2,168	7,516	7,181
Ohio	12,294	8,727	8,245	9,594	8,915	8,430	2,700	8,118	7,651
Wisconsin	4,833	7,524	7,187	3,329	7,714	7,390	1,504	7,135	6,776

See footnotes at end of table.

**Table 3.5—Continued**  
**Program Payments for Medicare Beneficiaries Residing in Urban and Rural Areas, by Area of Residence:**  
**Calendar Year 2007**

Area of Residence	Total Program Payments			Urban Program Payments <sup>1</sup>			Rural Program Payments <sup>1</sup>		
	Amount in Millions	Per Person Served	Per Enrollee <sup>2</sup>	Amount in Millions	Per Person Served	Per Enrollee <sup>2</sup>	Amount in Millions	Per Person Served	Per Enrollee <sup>2</sup>
West North Central	\$18,837	\$7,570	\$7,280	\$10,661	\$7,828	\$7,534	\$8,177	\$7,258	\$6,974
Iowa	2,888	6,746	6,619	1,310	6,767	6,648	1,578	6,728	6,596
Kansas	2,838	7,976	7,514	1,537	8,002	7,405	1,301	7,944	7,646
Minnesota	3,769	7,137	7,396	2,379	7,302	7,817	1,389	6,871	6,773
Missouri	6,224	8,402	7,795	4,105	8,687	7,998	2,119	7,901	7,431
Nebraska	1,783	7,750	7,279	834	8,129	7,531	949	7,445	7,071
North Dakota	602	6,395	6,029	212	6,367	5,936	389	6,410	6,082
South Dakota	734	6,581	6,081	283	6,773	6,131	451	6,466	6,050
South Atlantic	60,861	8,873	8,400	49,053	9,147	8,596	11,809	7,891	7,673
Delaware	1,098	8,854	8,197	795	9,266	8,497	304	7,930	7,503
District of Columbia	670	11,928	9,732	670	11,928	9,732	(4)	(4)	(4)
Florida	22,494	10,153	9,594	20,968	10,295	9,736	1,526	8,544	7,994
Georgia	7,562	8,024	7,577	5,537	8,131	7,632	2,025	7,748	7,431
Maryland	6,560	10,667	9,628	6,061	10,738	9,657	499	9,868	9,281
North Carolina	8,915	7,994	7,694	5,473	8,011	7,660	3,442	7,967	7,748
South Carolina	4,801	8,016	7,746	3,402	7,930	7,632	1,399	8,234	8,039
Virginia	6,525	7,423	6,907	5,028	7,492	6,902	1,497	7,203	6,924
West Virginia	2,235	7,137	7,557	1,118	7,200	7,515	1,117	7,076	7,599
East South Central	20,004	8,362	7,885	11,095	8,371	7,852	8,910	8,351	7,926
Alabama	5,246	8,287	7,815	3,393	8,377	7,893	1,853	8,128	7,676
Kentucky	4,801	8,088	7,625	2,339	8,081	7,607	2,462	8,096	7,642
Mississippi	3,654	8,961	8,440	1,332	8,936	8,297	2,322	8,975	8,524
Tennessee	6,303	8,317	7,847	4,031	8,365	7,824	2,272	8,232	7,888
West South Central	34,215	9,729	9,083	24,558	9,986	9,262	9,657	9,129	8,658
Arkansas	3,200	7,761	7,313	1,629	7,857	7,289	1,571	7,665	7,338
Louisiana	4,968	10,135	9,388	3,201	9,754	9,022	1,767	10,906	10,131
Oklahoma	4,065	8,830	8,191	2,168	8,959	8,256	1,897	8,687	8,118
Texas	21,983	10,205	9,542	17,560	10,442	9,699	4,423	8,359	8,965

See footnotes at end of table.



**Table 3.5—Continued**  
**Program Payments for Medicare Beneficiaries Residing in Urban and Rural Areas, by Area of Residence:**  
**Calendar Year 2007**

Area of Residence	Total Program Payments			Urban Program Payments <sup>1</sup>			Rural Program Payments <sup>1</sup>		
	Amount in Millions	Per Person Served	Per Enrollee <sup>2</sup>	Amount in Millions	Per Person Served	Per Enrollee <sup>2</sup>	Amount in Millions	Per Person Served	Per Enrollee <sup>2</sup>
Mountain	\$13,643	\$7,723	\$7,015	\$10,251	\$7,988	\$7,227	\$3,391	\$7,018	\$6,443
Arizona	4,114	8,395	7,576	3,664	8,407	7,621	449	8,301	7,233
Colorado	2,770	7,486	7,159	2,232	7,743	7,308	538	6,578	6,600
Idaho	977	6,393	6,014	563	6,303	5,945	414	6,518	6,110
Montana	829	6,497	6,026	289	6,901	6,518	540	6,300	5,792
Nevada	1,736	9,152	7,705	1,496	9,524	7,971	240	7,358	6,376
New Mexico	1,429	7,410	6,472	748	7,239	6,244	681	7,608	6,744
Utah	1,338	7,500	6,807	1,138	7,659	6,924	200	6,707	6,207
Wyoming	451	6,910	6,234	121	6,378	5,674	330	7,129	6,469
Pacific	32,181	8,874	7,780	29,112	9,135	7,940	3,070	6,982	6,531
Alaska	370	8,064	6,720	214	7,288	6,054	156	9,436	7,910
California	24,275	9,662	8,332	23,259	9,780	8,405	1,016	7,580	6,949
Hawaii	652	5,857	5,292	463	5,867	5,332	189	5,830	5,195
Oregon	2,241	6,719	6,451	1,382	6,882	6,476	859	6,473	6,411
Washington	4,644	7,447	6,658	3,794	7,595	6,730	850	6,853	6,356

<sup>1</sup>Beginning with 2005, the classification of enrollees living in an urban or rural area is based on the U.S. Census Bureau's Core-Based Statistical Areas (CBSA), which reflects the use of the Census new schema of metropolitan and micropolitan areas based on the 2000 census. For the purpose of this table, an area of residence is defined as rural when it does not fall into either metropolitan or micropolitan categories.

<sup>2</sup>Medicare enrollees in managed care plans are not included in the denominator used to calculate average payments.

<sup>3</sup>Excludes Puerto Rico, Guam, Virgin Islands, residence unknown, foreign countries, and other outlying areas not shown separately.

<sup>4</sup>No area for this jurisdiction is defined as rural.

NOTES: Numbers may not add to totals because of rounding. Refer to glossary for definitions of program payments and benefit payments.

SOURCE: Centers for Medicare & Medicaid Services, Office of Information Services: Data from the Medicare Data Extract System; data development by the Office of Research, Development, and Information.

**Table 3.6**

**Persons Served and Program Payments for Medicare Beneficiaries, by Type of Entitlement, Amount of Program Payments, Type of Coverage, and Type of Service: Calendar Year 2007**

Type of Entitlement and Amount of Hospital Insurance and/or Supplementary Medical Insurance Program Payments	Total Hospital Insurance and/or Supplementary Medical Insurance	Hospital Insurance			
		Total	Hospital Inpatient	Skilled Nursing Facility	Home Health Agency
<b>All Beneficiaries</b>		Number of Persons Served <sup>1</sup>			
Total	32,404,160	7,951,620	7,253,940	1,828,260	1,705,260
\$1 - \$99	1,730,580	1,900	1,220	60	260
\$100 - \$499	4,778,620	32,580	13,100	680	1,980
\$500 - \$999	4,094,300	41,740	14,780	1,320	1,380
\$1,000 - \$1,999	5,041,120	77,140	25,960	3,660	5,900
\$2,000 - \$4,999	6,312,740	440,880	315,560	15,260	32,260
\$5,000 - \$9,999	3,484,700	1,410,500	1,265,380	55,400	104,500
\$10,000 - \$14,999	1,692,120	1,205,700	1,114,500	115,360	149,780
\$15,000 - \$19,999	1,135,880	946,060	885,960	167,700	192,020
\$20,000 - \$24,999	819,300	716,560	674,300	192,080	178,040
\$25,000 or More	3,314,800	3,078,560	2,943,180	1,276,740	1,039,140
		Amount of Program Payments in Thousands			
Total	\$288,503,549	\$155,784,570	\$116,921,551	\$22,261,062	\$6,274,772
\$1 - \$99	87,036	103	58	4	18
\$100 - \$499	1,374,530	8,804	3,138	209	560
\$500 - \$999	3,006,957	25,175	7,335	794	608
\$1,000 - \$1,999	7,310,688	91,537	25,138	3,791	7,563
\$2,000 - \$4,999	20,333,342	1,160,014	819,587	32,692	72,613
\$5,000 - \$9,999	24,705,991	6,549,614	5,595,693	166,904	277,056
\$10,000 - \$14,999	20,804,273	9,246,022	7,631,506	513,968	430,939
\$15,000 - \$19,999	19,728,339	10,702,656	8,314,799	1,031,410	607,429
\$20,000 - \$24,999	18,340,930	10,782,939	7,894,203	1,494,270	609,516
\$25,000 or More	172,811,462	117,217,706	86,630,092	19,017,019	4,268,470
		Average Program Payment per Person Served			
Total	\$8,903	\$19,592	\$16,118	\$12,176	\$3,680
\$1 - \$99	50	54	48	72	70
\$100 - \$499	288	270	240	307	283
\$500 - \$999	734	603	496	602	441
\$1,000 - \$1,999	1,450	1,187	968	1,036	1,282
\$2,000 - \$4,999	3,221	2,631	2,597	2,142	2,251
\$5,000 - \$9,999	7,090	4,643	4,422	3,013	2,651
\$10,000 - \$14,999	12,295	7,669	6,847	4,455	2,877
\$15,000 - \$19,999	17,368	11,313	9,385	6,150	3,163
\$20,000 - \$24,999	22,386	15,048	11,707	7,779	3,423
\$25,000 or More	52,133	38,075	29,434	14,895	4,108

See footnotes at end of table.

**Table 3.6—Continued**

**Persons Served and Program Payments for Medicare Beneficiaries, by Type of Entitlement, Amount of Program Payments, Type of Coverage, and Type of Service: Calendar Year 2007**

Hospital Insurance	Supplementary Medical Insurance			
Hospice	Total	Physician	Outpatient	Home Health Agency
		Number of Persons Served <sup>1</sup>		
995,080	32,039,660	31,481,460	23,586,900	1,552,800
360	1,728,780	1,473,860	463,280	160
16,900	4,752,660	4,564,740	2,412,340	3,520
24,740	4,068,140	4,031,360	2,681,500	5,240
42,620	5,000,540	4,977,720	3,780,400	18,860
86,660	6,230,180	6,208,560	5,170,620	147,620
108,980	3,417,060	3,404,560	2,965,000	287,800
107,540	1,656,880	1,650,100	1,445,680	228,800
90,300	1,114,220	1,110,260	983,140	174,540
77,460	804,860	802,360	717,320	126,580
439,520	3,266,340	3,257,940	2,967,620	559,680
		Amount of Program Payments in Thousands		
\$10,327,185	\$132,718,980	\$85,693,740	\$37,560,301	\$9,464,938
22	86,933	66,300	20,620	13
4,896	1,365,726	1,057,104	307,848	775
16,437	2,981,782	2,315,395	664,799	1,588
55,045	7,219,151	5,505,078	1,696,127	17,946
235,122	19,173,328	14,035,557	4,820,967	316,804
509,961	18,156,377	12,228,369	4,916,603	1,011,404
669,608	11,558,251	7,266,582	3,077,347	1,214,322
749,018	9,025,683	5,553,230	2,336,435	1,136,017
784,950	7,557,991	4,554,093	2,093,934	909,964
7,302,126	55,593,756	33,112,030	17,625,620	4,856,106
		Average Program Payment per Person Served		
\$10,378	\$4,142	\$2,722	\$1,592	\$6,095
61	50	45	45	80
290	287	232	128	220
664	733	574	248	303
1,292	1,444	1,106	449	952
2,713	3,077	2,261	932	2,146
4,679	5,313	3,592	1,658	3,514
6,227	6,976	4,404	2,129	5,307
8,295	8,100	5,002	2,377	6,509
10,134	9,390	5,676	2,919	7,189
16,614	17,020	10,163	5,939	8,677

Table 3.6—Continued

Persons Served and Program Payments for Medicare Beneficiaries, by Type of Entitlement, Amount of Program Payments, Type of Coverage, and Type of Service: Calendar Year 2007

Type of Entitlement and Amount of Hospital Insurance and/or Supplementary Medical Insurance Program Payments	Total Hospital Insurance and/or Supplementary Medical Insurance	Hospital Insurance			
		Total	Hospital Inpatient	Skilled Nursing Facility	Home Health Agency
<b>Aged Beneficiaries</b>		Number of Persons Served <sup>1</sup>			
Total	26,872,960	6,663,800	6,009,120	1,692,140	1,518,340
\$1 - \$99	1,259,220	1,480	880	60	220
\$100 - \$499	3,793,260	26,300	8,340	620	1,260
\$500 - \$999	3,410,080	34,500	8,780	1,260	940
\$1,000 - \$1,999	4,279,320	63,540	15,540	3,380	4,700
\$2,000 - \$4,999	5,393,440	352,560	235,260	14,140	28,660
\$5,000 - \$9,999	2,910,040	1,162,200	1,026,160	52,220	95,680
\$10,000 - \$14,999	1,414,620	1,012,440	926,840	109,040	137,280
\$15,000 - \$19,999	960,480	805,720	749,040	159,100	174,080
\$20,000 - \$24,999	698,160	616,800	577,440	181,700	162,140
\$25,000 or More	2,754,340	2,588,260	2,460,840	1,170,620	913,380
		Amount of Program Payments in Thousands			
Total	\$237,806,222	\$130,477,682	\$94,442,298	\$20,627,722	\$5,621,421
\$1 - \$99	63,857	87	46	4	16
\$100 - \$499	1,103,696	7,326	2,096	191	368
\$500 - \$999	2,506,992	21,552	4,490	766	408
\$1,000 - \$1,999	6,213,909	77,425	15,340	3,491	6,068
\$2,000 - \$4,999	17,361,242	924,058	605,243	30,466	64,700
\$5,000 - \$9,999	20,618,719	5,391,148	4,494,607	157,090	255,106
\$10,000 - \$14,999	17,403,228	7,799,374	6,277,221	484,625	396,858
\$15,000 - \$19,999	16,689,179	9,184,117	6,930,157	984,815	553,818
\$20,000 - \$24,999	15,630,174	9,359,652	6,638,027	1,423,694	558,192
\$25,000 or More	140,215,226	97,712,943	69,475,070	17,542,579	3,785,885
		Average Program Payment per Person Served			
Total	\$8,849	\$19,580	\$15,716	\$12,190	\$3,702
\$1 - \$99	51	59	52	72	71
\$100 - \$499	291	279	251	307	292
\$500 - \$999	735	625	511	608	434
\$1,000 - \$1,999	1,452	1,219	987	1,033	1,291
\$2,000 - \$4,999	3,219	2,621	2,573	2,155	2,258
\$5,000 - \$9,999	7,085	4,639	4,380	3,008	2,666
\$10,000 - \$14,999	12,302	7,704	6,773	4,444	2,891
\$15,000 - \$19,999	17,376	11,399	9,252	6,190	3,181
\$20,000 - \$24,999	22,388	15,175	11,496	7,835	3,443
\$25,000 or More	50,907	37,752	28,232	14,986	4,145

See footnotes at end of table.

**Table 3.6—Continued**

**Persons Served and Program Payments for Medicare Beneficiaries, by Type of Entitlement, Amount of Program Payments, Type of Coverage, and Type of Service: Calendar Year 2007**

Hospital Insurance	Supplementary Medical Insurance			
Hospice	Total	Physician	Outpatient	Home Health Agency
		Number of Persons Served <sup>1</sup>		
941,180	26,568,900	26,176,800	19,523,160	1,364,700
320	1,257,780	1,083,900	326,260	120
16,120	3,771,500	3,643,600	1,891,240	2,860
23,900	3,386,720	3,360,880	2,206,300	4,120
40,740	4,243,320	4,225,880	3,174,860	16,160
82,620	5,325,160	5,307,700	4,387,100	130,800
103,840	2,855,820	2,845,400	2,463,980	258,200
102,580	1,385,480	1,379,820	1,198,760	204,300
86,220	942,620	939,000	825,980	154,720
73,200	686,040	683,840	606,720	111,640
411,640	2,714,460	2,706,780	2,441,960	481,780
		Amount of Program Payments in Thousands		
\$9,786,241	\$107,328,540	\$71,349,028	\$27,778,541	\$8,200,972
21	63,769	49,305	14,454	10
4,671	1,096,370	863,933	231,798	640
15,887	2,485,440	1,965,411	518,785	1,243
52,525	6,136,484	4,753,969	1,367,032	15,484
223,649	16,437,184	12,185,327	3,970,379	281,478
484,345	15,227,571	10,324,865	3,994,407	908,299
640,669	9,603,855	6,046,038	2,473,985	1,083,832
715,327	7,505,062	4,629,794	1,867,955	1,007,313
739,739	6,270,523	3,831,298	1,643,070	796,154
6,909,408	42,502,283	26,699,089	11,696,676	4,106,519
		Average Program Payment per Person Served		
\$10,398	\$4,040	\$2,726	\$1,423	\$6,009
66	51	45	44	83
290	291	237	123	224
665	734	585	235	302
1,289	1,446	1,125	431	958
2,707	3,087	2,296	905	2,152
4,664	5,332	3,629	1,621	3,518
6,246	6,932	4,382	2,064	5,305
8,297	7,962	4,931	2,262	6,511
10,106	9,140	5,603	2,708	7,131
16,785	15,658	9,864	4,790	8,524

Table 3.6—Continued

**Persons Served and Program Payments for Medicare Beneficiaries, by Type of Entitlement,  
Amount of Program Payments, Type of Coverage, and Type of Service: Calendar Year 2007**

Type of Entitlement and Amount of Hospital Insurance and/or Supplementary Medical Insurance Program Payments	Total Hospital Insurance and/or Supplementary Medical Insurance	Hospital Insurance			
		Total	Hospital Inpatient	Skilled Nursing Facility	Home Health Agency
<b>Disabled Beneficiaries</b>		Number of Persons Served <sup>1</sup>			
Total	5,531,200	1,287,820	1,244,820	136,120	186,920
\$1 - \$99	471,360	420	340	0	40
\$100 - \$499	985,360	6,280	4,760	60	720
\$500 - \$999	684,220	7,240	6,000	60	440
\$1,000 - \$1,999	761,800	13,600	10,420	280	1,200
\$2,000 - \$4,999	919,300	88,320	80,300	1,120	3,600
\$5,000 - \$9,999	574,660	248,300	239,220	3,180	8,820
\$10,000 - \$14,999	277,500	193,260	187,660	6,320	12,500
\$15,000 - \$19,999	175,400	140,340	136,920	8,600	17,940
\$20,000 - \$24,999	121,140	99,760	96,860	10,380	15,900
\$25,000 or More	560,460	490,300	482,340	106,120	125,760
		Amount of Program Payments in Thousands			
Total	\$50,697,327	\$25,306,888	\$22,479,253	\$1,633,340	\$653,352
\$1 - \$99	23,179	15	12	0	3
\$100 - \$499	270,834	1,478	1,042	18	192
\$500 - \$999	499,966	3,624	2,845	28	200
\$1,000 - \$1,999	1,096,779	14,112	9,798	300	1,495
\$2,000 - \$4,999	2,972,100	235,956	214,344	2,226	7,912
\$5,000 - \$9,999	4,087,272	1,158,466	1,101,086	9,814	21,950
\$10,000 - \$14,999	3,401,045	1,446,648	1,354,285	29,343	34,081
\$15,000 - \$19,999	3,039,160	1,518,539	1,384,642	46,595	53,611
\$20,000 - \$24,999	2,710,756	1,423,287	1,256,177	70,576	51,323
\$25,000 or More	32,596,237	19,504,764	17,155,021	1,474,439	482,585
		Average Program Payment per Person Served			
Total	\$9,166	\$19,651	\$18,058	\$11,999	\$3,495
\$1 - \$99	49	37	36	0	63
\$100 - \$499	275	235	219	308	267
\$500 - \$999	731	500	474	464	455
\$1,000 - \$1,999	1,440	1,038	940	1,072	1,246
\$2,000 - \$4,999	3,233	2,672	2,669	1,988	2,198
\$5,000 - \$9,999	7,113	4,666	4,603	3,086	2,489
\$10,000 - \$14,999	12,256	7,486	7,217	4,643	2,726
\$15,000 - \$19,999	17,327	10,820	10,113	5,418	2,988
\$20,000 - \$24,999	22,377	14,267	12,969	6,799	3,228
\$25,000 or More	58,160	39,781	35,566	13,894	3,837

<sup>1</sup> Does not reflect beneficiaries who received covered services, but for whom no program payments were reported. Numbers do not add by type of service because one person may have used several types of services

NOTES: Numbers may not add to totals because of rounding. Refer to glossary for definitions of program payments, benefit payments, and persons served.

SOURCE: Centers for Medicare & Medicaid Services, Office of Information Services: Data from the Medicare Data Extract System; data development by the Office of Research, Development, and Information.

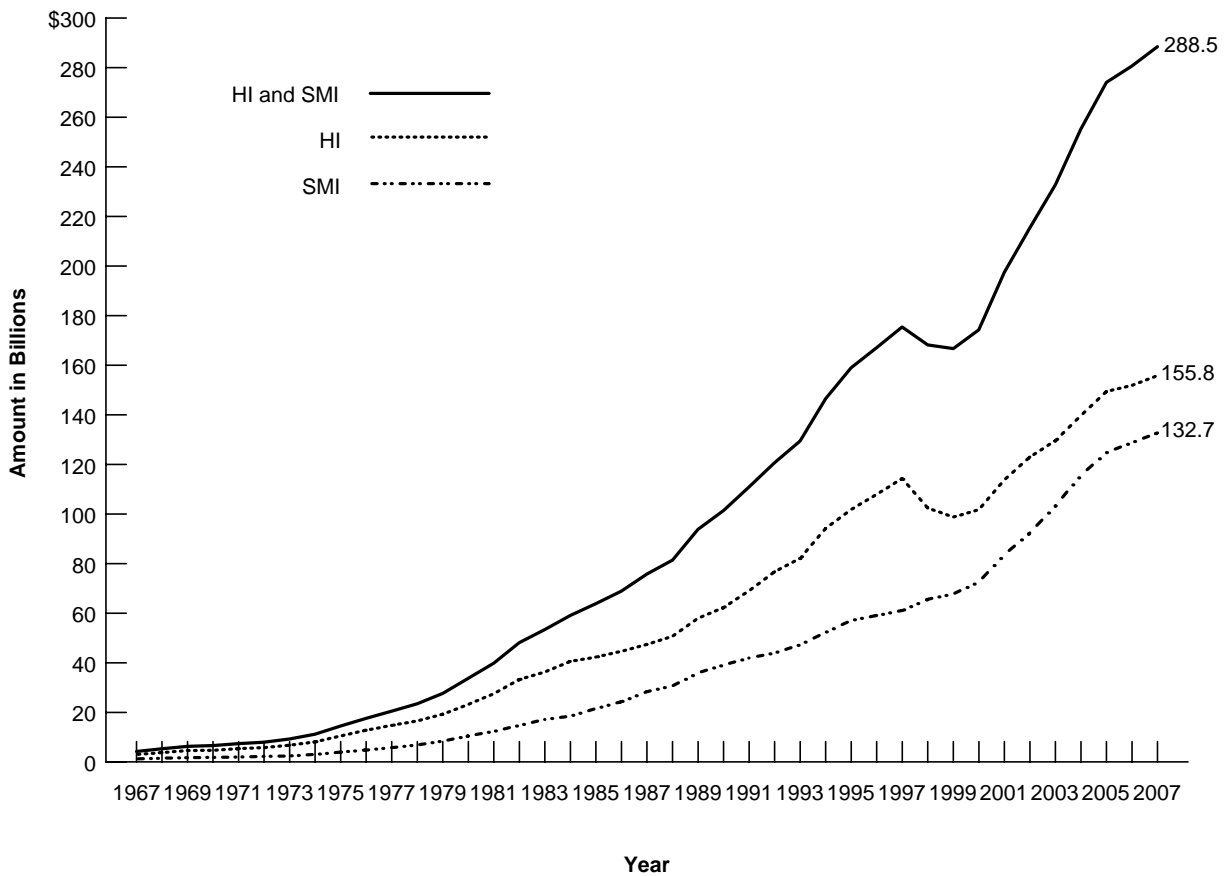
**Table 3.6—Continued**

**Persons Served and Program Payments for Medicare Beneficiaries, by Type of Entitlement, Amount of Program Payments, Type of Coverage, and Type of Service: Calendar Year 2007**

Hospital Insurance		Supplementary Medical Insurance		
Hospice	Total	Physician	Outpatient	Health Agency
		Number of Persons Served <sup>1</sup>		
53,900	5,470,760	5,304,660	4,063,740	188,100
40	471,000	389,960	137,020	40
780	981,160	921,140	521,100	660
840	681,420	670,480	475,200	1,120
1,880	757,220	751,840	605,540	2,700
4,040	905,020	900,860	783,520	16,820
5,140	561,240	559,160	501,020	29,600
4,960	271,400	270,280	246,920	24,500
4,080	171,600	171,260	157,160	19,820
4,260	118,820	118,520	110,600	14,940
27,880	551,880	551,160	525,660	77,900
Amount of Program Payments in Thousands				
\$540,943	\$25,390,439	\$14,344,713	\$9,781,761	\$1,263,966
1	23,164	16,995	6,166	3
225	269,356	193,172	76,049	135
550	496,342	349,984	146,014	344
2,519	1,082,667	751,109	329,095	2,462
11,473	2,736,145	1,850,230	850,589	35,326
25,616	2,928,806	1,903,505	922,197	103,105
28,939	1,954,397	1,220,544	603,362	130,490
33,691	1,520,621	923,436	468,480	128,704
45,211	1,287,469	722,795	450,864	113,810
392,718	13,091,473	6,412,941	5,928,944	749,587
Average Program Payment per Person Served				
\$10,036	\$4,641	\$2,704	\$2,407	\$6,720
18	49	44	45	70
288	275	210	146	205
655	728	522	307	307
1,340	1,430	999	543	912
2,840	3,023	2,054	1,086	2,100
4,984	5,218	3,404	1,841	3,483
5,834	7,201	4,516	2,444	5,326
8,258	8,861	5,392	2,981	6,494
10,613	10,835	6,099	4,077	7,618
14,086	23,722	11,635	11,279	9,622

### Figure 3.1

## Medicare Program Payments, by Type of Entitlement: Calendar Years 1967-2007

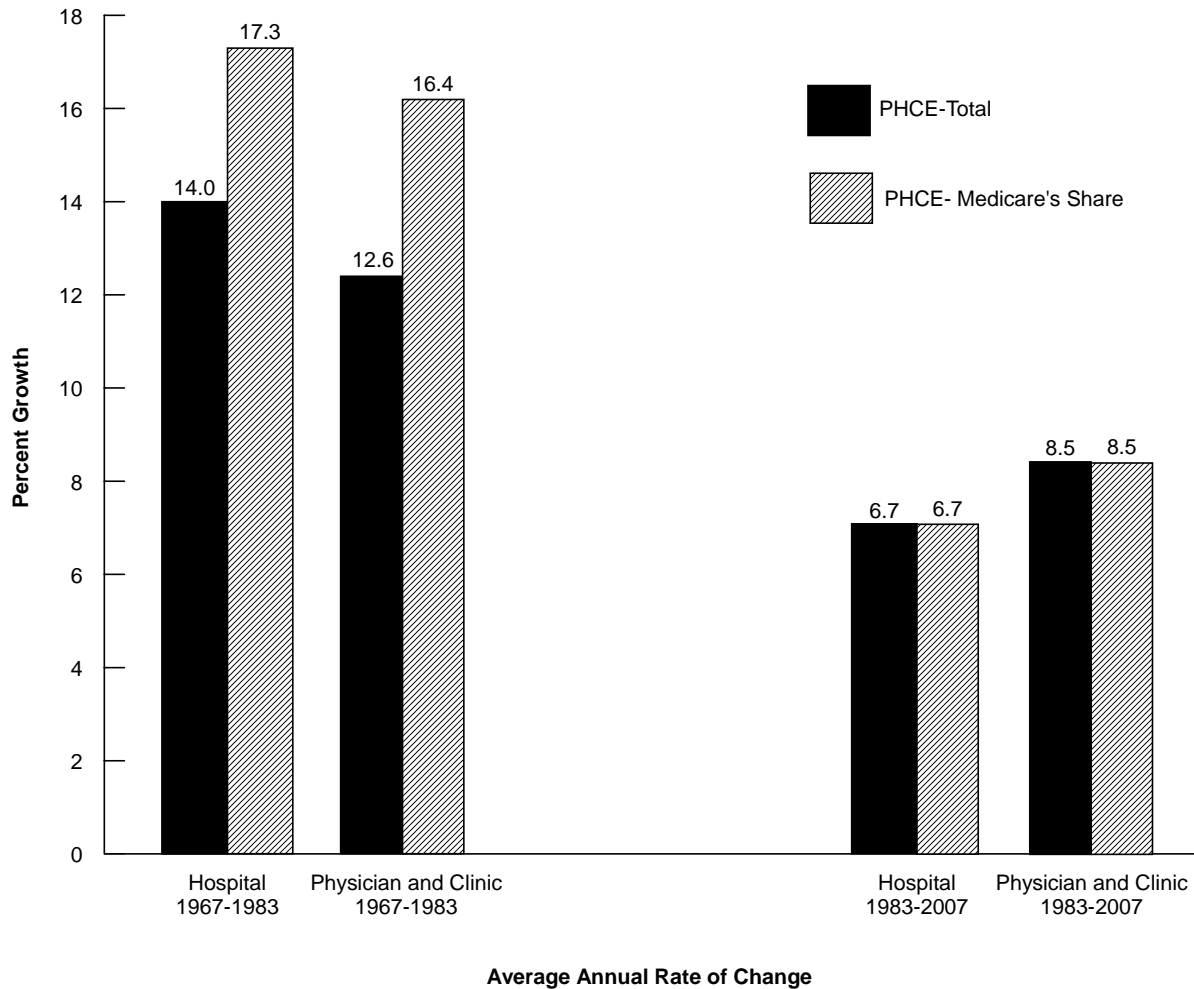


NOTES: HI is hospital insurance. SMI is supplementary medical insurance.

SOURCES: Centers for Medicare & Medicaid Services, Office of Information Services: Data from the Medicare Decision Support Access Facility. Effective 2002, data from the Medicare Data Extract System; data development by the Office of Research, Development, and Information.



**Figure 3.2**  
**Growth in Hospital and in Physician and Clinic Expenditures: Total PHCE Versus Medicare's Share: Calendar Years 1967-1983 and 1983-2007**

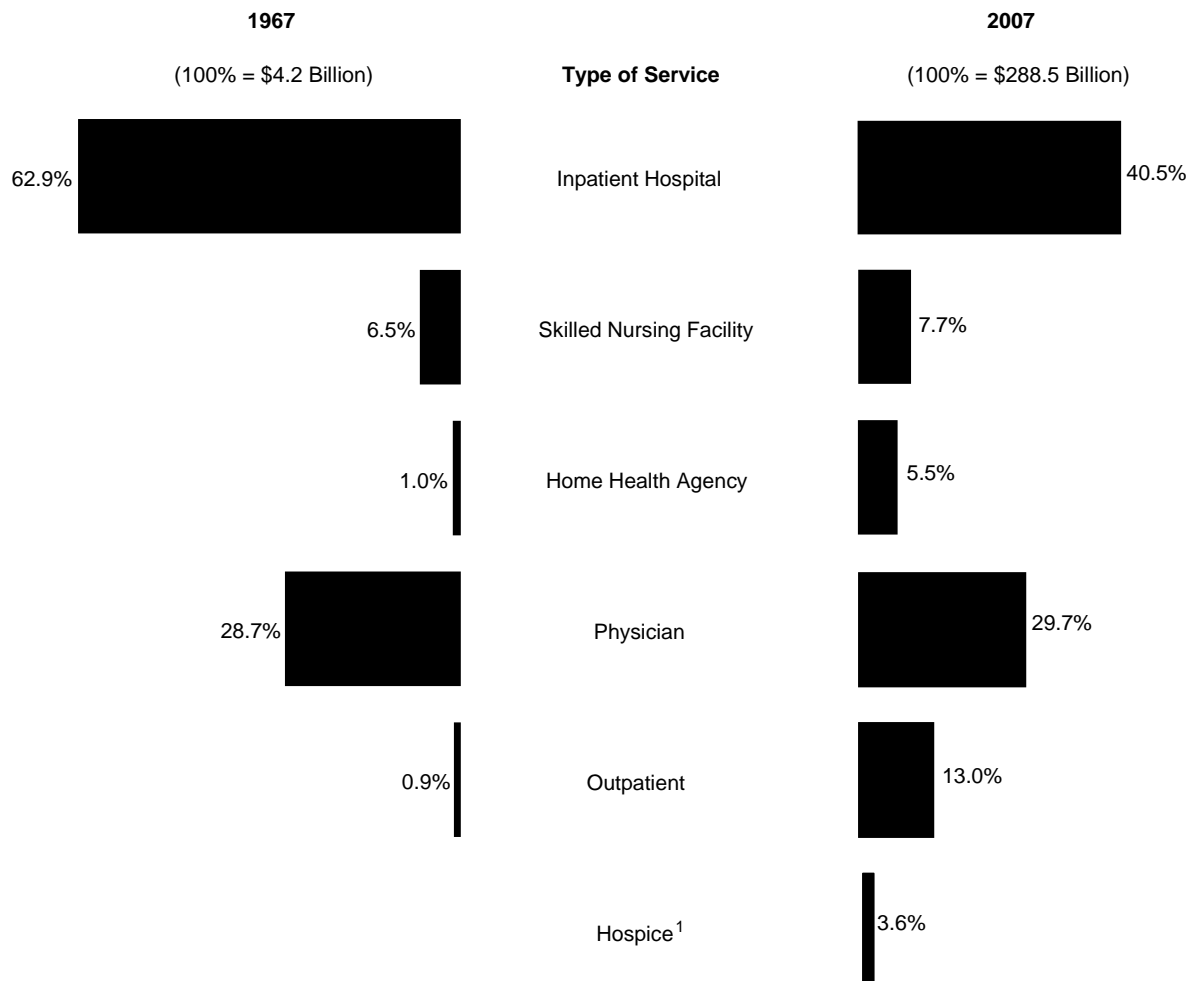


NOTES: PHCE is personal health care expenditures. PHCE are financed by public and private sources including Medicare.

SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

### Figure 3.3

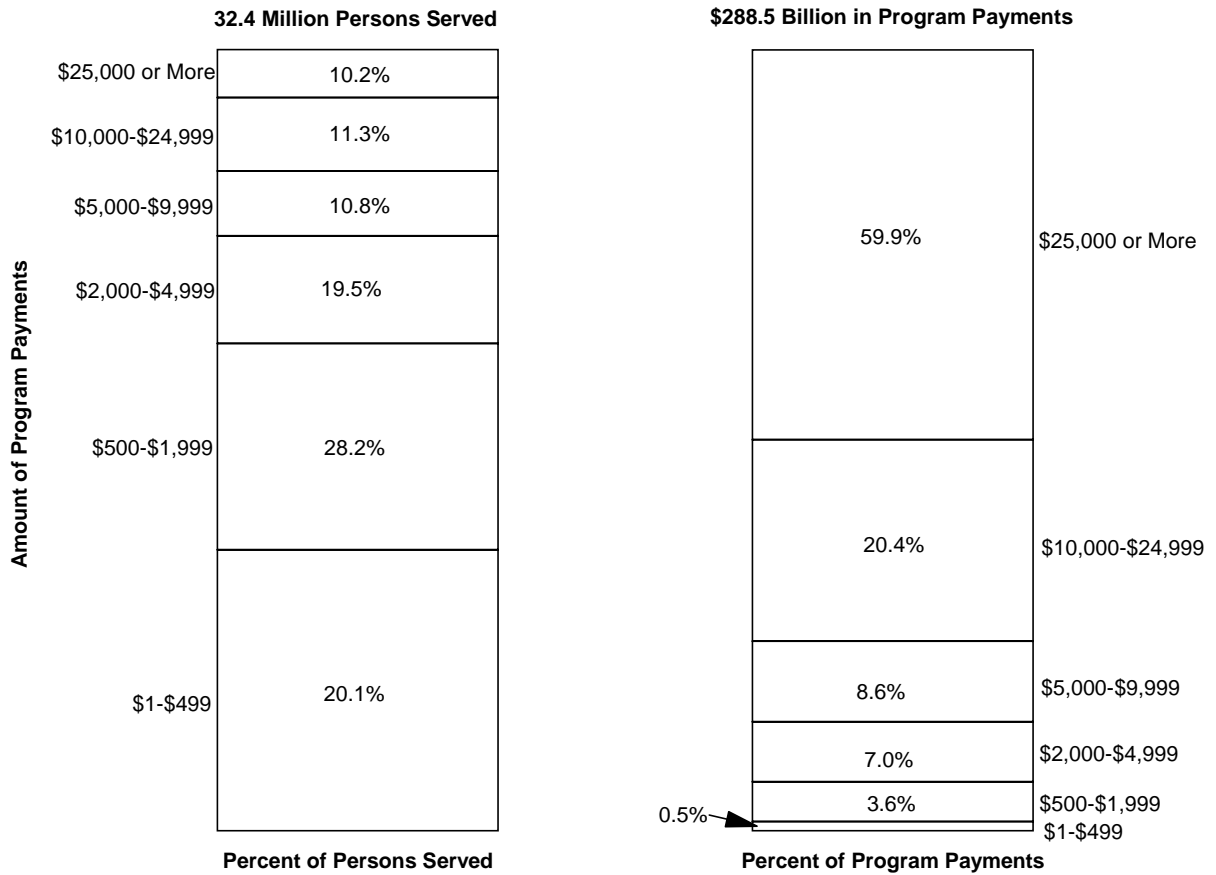
## Percent Distribution of Medicare Program Payments, by Type of Service: Calendar Years 1967 and 2007



<sup>1</sup> The Medicare hospice benefit was authorized (effective 11/1983) under the Tax Equity Fiscal Responsibility Act of 1982.

SOURCE: Centers for Medicare & Medicaid Services, Office of Information Services: Data from the Medicare Decision Support Access Facility. Effective 2002, data from the Medicare Data Extract System; data development by the Office of Research, Development, and Information.

### Figure 3.4 Percent Distribution of Medicare Persons Served and Program Payments Under Medicare: Calendar Year 2007



NOTES: Distribution may not add to 100 percent because of rounding. Refer to glossary for definitions of program payments, benefit payments, and persons served.

SOURCE: Centers for Medicare & Medicaid Services, Office of Information Services: Data from the Medicare Data Extract System; data development by the Office of Research, Development, and Information.