

Table 4.1
Amount of Cost-Sharing Liability for Medicare Beneficiaries, by Type of Coverage, and
Type of Cost-Sharing Liability: Calendar Years 1977-2007

Year	Total Hospital Insurance and/or Supplementary Medical Insurance Liability	Hospital Insurance (HI) Liability				Supplementary Medical Insurance (SMI) Liability			Balance Billing ³
		Total	Inpatient Hospital Copayments		Skilled Nursing Facility	Total	Deductible ^{1,2}	Coinsurance ²	
			Deductible	Coinsurance	Coinsurance				
Amount in Millions									
1977	\$4,489	\$1,091	\$844	\$171	\$76	\$3,398	\$1,049	\$1,545	\$804
1978	5,046	1,311	1,019	210	82	3,735	1,102	1,723	910
1979	5,898	1,512	1,168	257	87	4,386	1,157	2,072	1,157
1980	7,074	1,807	1,395	312	100	5,267	1,207	2,519	1,541
1981	8,433	2,080	1,615	355	110	6,353	1,358	3,042	1,953
1982	10,388	2,804	2,131	524	149	7,584	1,574	3,730	2,280
1983	11,448	3,250	2,504	561	185	8,198	1,453	4,260	2,485
1984	11,802	3,403	2,775	415	212	8,399	1,532	4,607	2,260
1985	13,145	3,461	2,867	381	213	9,684	1,651	5,363	2,670
1986	14,643	4,206	3,584	409	213	10,436	1,711	6,022	2,703
1987	15,655	4,586	3,818	568	200	11,069	1,796	7,073	2,201
1988	16,315	5,006	4,004	671	332	11,309	1,864	7,649	1,795
1989 ⁴	16,891	3,903	3,607	60	236	12,988	1,943	8,942	2,104
1990	19,955	5,980	4,519	569	892	13,975	2,021	9,728	2,226
1991	23,855	6,770	4,934	868	968	17,085	2,444	12,762	1,879
1992	24,767	7,108	5,115	864	1,129	17,659	2,666	14,120	873
1993	25,880	7,665	5,394	817	1,454	18,215	2,801	14,902	512
1994	27,706	8,076	5,574	773	1,730	19,630	2,670	16,721	239
1995	29,763	8,411	5,766	685	1,960	21,352	2,754	18,411	187
1996	31,177	8,957	5,978	631	2,348	22,220	2,790	19,312	118
1997	32,786	9,264	6,147	648	2,469	23,522	3,163	20,260	99
1998	33,056	8,944	6,071	613	2,259	24,112	2,723	21,308	81
1999	33,703	8,957	6,181	637	2,139	24,746	2,712	21,959	75
2000	35,587	9,278	6,327	712	2,239	26,308	2,773	23,464	71
2001 ⁵	38,037	9,965	6,711	762	2,492	28,072	2,877	25,124	71
2002	40,251	10,945	7,094	836	3,015	29,306	2,997	26,246	63
2003	42,906	11,755	7,474	856	3,425	31,151	3,085	28,003	63
2004	46,524	12,673	7,887	935	3,852	33,851	3,143	30,645	62
2005	48,858	13,509	8,299	965	4,246	35,349	3,500	31,789	60
2006	49,238	13,916	8,368	1,001	4,547	35,322	3,855	31,411	55
2007	50,246	14,394	8,471	1,051	4,872	35,852	3,990	31,812	50

See footnotes at end of table.

Table 4.1—Continued
Amount of Cost-Sharing Liability for Medicare Beneficiaries, by Type of Coverage, and
Type of Cost-Sharing Liability: Calendar Years 1977-2007

Year	Total Hospital Insurance and/or Supplementary Medical Insurance Liability	Hospital Insurance (HI) Liability				Supplementary Medical Insurance (SMI) Liability			Balance Billing ³
		Total	Inpatient Hospital Copayments		Skilled Nursing Facility	Total	Deductible ^{1,2}	Coinsurance ²	
Dollars per Enrollee ⁶									
1977	\$174	\$42	\$32	\$7	\$3	\$132	\$42	\$58	\$32
1978	192	49	38	8	3	143	42	66	35
1979	219	55	43	9	3	164	43	78	43
1980	256	64	50	11	4	192	44	92	56
1981	301	73	56	12	4	228	49	109	70
1982	364	96	73	18	5	268	56	32	80
1983	381	110	85	19	6	283	50	147	86
1984	388	113	93	14	7	286	52	157	77
1985	423	113	94	12	7	323	55	179	89
1986	461	135	115	13	7	341	56	197	88
1987	483	144	120	18	6	355	58	227	71
1988	495	154	124	21	10	358	59	242	57
1989 ⁴	503	118	109	2	7	405	61	279	66
1990	583	177	134	17	26	428	62	298	68
1991	684	197	143	25	28	514	74	384	57
1992	696	202	145	25	32	520	79	416	26
1993	712	213	150	23	40	526	81	430	15
1994	813	240	165	23	51	608	83	518	7
1995	874	250	171	20	58	663	86	572	6
1996	925	269	180	19	71	699	88	608	4
1997	993	284	188	20	76	758	102	653	3
1998	1,022	280	190	19	71	796	90	703	3
1999	1,047	282	195	20	67	823	90	730	2
2000	1,087	287	196	22	69	863	91	770	2
2001 ⁵	1,123	298	201	23	75	891	91	797	2
2002	1,151	317	205	24	87	900	92	806	2
2003	1,198	332	211	24	97	935	93	840	2
2004	1,280	352	219	26	107	1,004	93	909	2
2005	1,332	372	229	27	117	1,042	103	937	2
2006	1,374	392	236	28	128	1,073	117	955	2
2007	1,416	410	241	30	139	1,109	123	984	2

See footnotes at end of table.

Table 4.1—Continued
Amount of Cost-Sharing Liability for Medicare Beneficiaries, by Type of Coverage, and
Type of Cost-Sharing Liability: Calendar Years 1977-2007

Year	Total Hospital Insurance and/or Supplementary Medical Insurance Liability	Hospital Insurance (HI) Liability				Supplementary Medical Insurance (SMI) Liability			Balance Billing ³
		Total	Deductible	Coinsurance	Skilled Nursing Facility Coinsurance	Total	Deductible ^{1,2}	Coinsurance ²	
Percent Distribution									
1977	100	24.3	18.8	3.8	1.7	75.7	23.4	34.4	17.9
1978	100	26.0	20.2	4.2	1.6	74.0	21.8	34.1	18.0
1979	100	25.6	19.8	4.4	1.5	74.4	19.6	35.1	19.6
1980	100	25.5	19.7	4.4	1.4	74.5	17.1	35.6	21.8
1981	100	24.7	19.2	4.2	1.3	75.3	16.1	36.1	23.2
1982	100	27.0	20.5	5.0	1.4	73.0	15.2	35.9	21.9
1983	100	28.4	21.9	4.9	1.6	71.6	12.7	37.2	21.7
1984	100	28.8	23.5	3.5	1.8	71.2	13.0	39.0	19.1
1985	100	26.3	21.8	2.9	1.6	73.7	12.6	40.8	20.3
1986	100	28.7	24.5	2.8	1.5	71.3	11.7	41.1	18.5
1987	100	29.3	24.4	3.6	1.3	70.7	11.5	45.2	14.1
1988	100	30.7	24.5	4.1	2.0	69.3	11.4	46.9	11.0
1989 ⁴	100	23.1	21.4	0.4	1.4	76.9	11.5	52.9	12.5
1990	100	30.0	22.6	2.9	4.5	70.0	10.1	48.7	11.2
1991	100	28.4	20.7	3.6	4.1	71.6	10.2	53.5	7.9
1992	100	28.7	20.7	3.5	4.6	71.3	10.8	57.0	3.5
1993	100	29.6	20.8	3.2	5.6	70.4	10.8	57.6	2.0
1994	100	29.1	20.1	2.8	6.2	70.9	9.6	60.4	0.9
1995	100	28.3	19.4	2.3	6.6	71.7	9.3	61.9	0.6
1996	100	28.7	19.2	2.0	7.5	71.3	8.9	61.9	0.4
1997	100	28.3	18.7	2.0	7.5	71.7	9.6	61.8	0.3
1998	100	27.1	18.4	1.9	6.8	72.9	8.2	64.5	0.2
1999	100	26.6	18.3	1.9	6.3	73.4	8.0	65.2	0.2
2000	100	26.1	17.8	2.0	6.3	73.9	7.8	65.9	0.2
2001 ⁵	100	26.2	17.6	2.0	6.6	73.8	7.6	66.1	0.2
2002	100	27.2	17.6	2.1	7.5	72.8	7.4	65.2	0.2
2003	100	27.4	17.4	2.0	8.0	72.6	7.2	65.3	0.1
2004	100	27.2	17.0	2.0	8.3	72.8	6.8	65.9	0.1
2005	100	27.6	17.0	2.0	8.7	72.4	7.2	65.1	0.1
2006	100	28.3	17.0	2.0	9.2	71.7	7.8	63.8	0.1
2007	100	28.6	16.9	2.1	9.7	71.4	7.9	63.3	0.1

¹The Omnibus Budget Reconciliation Act (OBRA) of 1981 raised the annual SMI deductible amount from \$60 to \$75 effective January 1, 1982. OBRA 1990 raised the deductible to \$100 effective January 1, 1991

²In previous editions of the Statistical Supplement, the cost-sharing liability amounts for SMI were understated. Estimates of cost-sharing liability beginning in 1999 are significantly higher than those reported for prior years because of improvements in the methodology used to calculate Part B cost sharing. The amounts shown for SMI deductible and coinsurance for calendar years 1991-1998 are actuarial estimates and represent revisions. Data for years prior to 1991 are not available.

³Balance billing on unassigned claims is the difference between the charge submitted by the physician and the charge allowed by Medicare; the beneficiary is liable for this difference, in addition to the 20 percent coinsurance set by law. The Medicare Physician Payment Reform Act established a limit that a physician can charge Medicare beneficiaries on unassigned claims; in 2004 a physician could not charge more than 115 percent of the amount listed in the Medicare Physician Fee Schedule for non-participating physicians.

⁴Under the Medicare Catastrophic Coverage Act (MCCA) of 1988, Medicare coverage for inpatient hospital care for calendar year 1989 was extended to an unlimited number of days, and beneficiaries paid only one hospital deductible and no inpatient hospital coinsurance. Skilled nursing facility (SNF) care under MCCA paid for 150 SNF covered days of care for calendar year 1989 at 100 percent of covered charges, except for \$25.50 a day coinsurance for days 1-8 of the SNF stay. The MCCA cost-sharing changes for Part B coverage were not scheduled to be implemented until January 1, 1990. However, the MCCA was repealed effective January 1, 1990

⁵Data for 2001 were estimated using other sources that involve estimation algorithms and should be used with caution with data for other years.

⁶Beginning 1994, managed care enrollees are excluded when calculating the average cost-sharing liability per enrollee.

NOTES: Medicare cost-sharing liability represent cost sharing for fee-for-service care only. Numbers may not add to total because of rounding.

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

Table 4.2
Medicare Persons Served and Cost-Sharing Liability, by Demographic Characteristics:
Calendar Year 2007

Demographic Characteristic	Persons Served ¹			Cost-Sharing Liability ²			
	Number in Thousands	Per 1,000 'Enrollees ³	Percent	Amount in Millions	Percent	Average per Person With Liability ⁴	Per Enrollee ³
Total	32,404	913	100.0	\$50,246	100.0	\$1,583	\$1,416
Sex							
Male	13,704	863	42.3	21,705	43.2	1,622	1,367
Female	18,700	954	57.7	28,541	56.8	1,553	1,455
Age							
Under 65 Years	5,544	878	17.1	9,250	18.4	1,703	1,464
65-74 Years	12,775	849	39.4	16,699	33.2	1,332	1,110
75-84 Years	9,786	984	30.2	16,340	32.5	1,700	1,643
85 Years or Over	4,299	1,027	13.3	7,958	15.8	1,906	1,902
Race⁵							
White	27,515	924	84.9	41,549	82.7	1,541	1,396
Other	4,849	857	15.0	8,628	17.2	1,813	1,525
Type of Entitlement							
Aged ⁶	26,873	921	82.9	41,019	81.6	1,558	1,406
Disabled ⁷	5,531	875	17.1	9,227	18.4	1,703	1,460
CBSA Type⁸							
Urban	24,429	894	75.4	38,376	76.4	1,604	1,405
Rural	7,793	953	24.1	11,659	23.2	1,523	1,425

¹Represents beneficiaries who received covered services under fee-for-service (FFS) and for whom program payments were made. Includes a small number of Medicare beneficiaries with no cost-sharing liability.

²Includes beneficiary balance billing cost-sharing liability.

³Medicare enrollees in managed care plans are not included in the denominator used to calculate utilization rates and average payments. The numerators for the ratios of persons served per 1,000 include beneficiaries alive and enrolled in FFS at any point in the year. Essentially every FFS enrollee over 85 alive at some point during the year has used a covered reimbursed service, rates over 1,000 may be seen

⁴Excludes persons who did not have cost-sharing liability.

⁵Excludes unknown race. Because of the availability of expanded codes for race, the methodology for calculating data for other race has been revised from earlier years.

⁶Includes aged persons with end stage renal disease (ESRD).

⁷Includes disabled persons with ESRD and persons entitled to Medicare because of ESRD only.

⁸Excludes outlying areas.

NOTES: A small amount of deductible payments can not be accounted for because of missing bills and truncating of cents. CBSA is core-based statistical areas. Numbers may not add to totals because of rounding.

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 4.3
Medicare Enrollees, Persons Served, and Beneficiary Cost-Sharing Liability, by Area of Residence: Calendar Year 2007

Area of Residence ¹	Enrollees		Managed Care as Percent of Total	Persons Served		Cost-Sharing Liability			
	Total	Managed Care		Thousands	Percent	Amount in Millions	Percent	Average per Person with Liability ²	Per Enrollee ³
All Areas ⁴	44,263,111	8,772,866	19.8	32,404	100.0	\$50,246	100.0	\$1,583	1,416
United States	43,259,280	8,417,084	19.5	32,223	99.4	50,035	99.6	1,584	1,436
Northeast	8,542,583	1,835,637	21.5	6,036	18.6	9,901	19.7	1,670	1,476
Midwest	9,971,421	1,482,463	14.9	8,025	24.8	12,456	24.8	1,584	1,467
South	15,997,989	2,433,286	15.2	12,769	39.4	19,915	39.6	1,586	1,468
West	8,747,287	2,665,698	30.5	5,393	16.6	7,764	15.5	1,485	1,277
New England	2,261,294	307,604	13.6	1,759	5.4	2,766	5.5	1,599	1,416
Connecticut	537,064	56,963	10.6	446	1.4	750	1.5	1,706	1,562
Maine	246,571	6,826	2.8	217	0.7	304	0.6	1,422	1,268
Massachusetts	996,741	174,087	17.5	732	2.3	1,185	2.4	1,645	1,440
New Hampshire	204,313	6,587	3.2	173	0.5	257	0.5	1,507	1,300
Rhode Island	175,012	61,240	35.0	98	0.3	142	0.3	1,502	1,248
Vermont	101,593	1,901	1.9	93	0.3	129	0.3	1,408	1,294
Middle Atlantic	6,281,289	1,528,033	24.3	4,277	13.2	7,134	14.2	1,699	1,501
New Jersey	1,257,125	119,006	9.5	1,035	3.2	1,811	3.6	1,771	1,591
New York	2,840,560	692,959	24.4	1,904	5.9	3,210	6.4	1,713	1,495
Pennsylvania	2,183,604	716,068	32.8	1,338	4.1	2,113	4.2	1,621	1,440
East North Central	6,881,981	976,226	14.2	5,536	17.1	8,844	17.6	1,629	1,498
Illinois	1,740,751	144,599	8.3	1,460	4.5	2,421	4.8	1,687	1,517
Indiana	940,825	94,981	10.1	791	2.4	1,247	2.5	1,605	1,474
Michigan	1,540,827	238,525	15.5	1,234	3.8	2,039	4.1	1,689	1,566
Ohio	1,805,235	322,744	17.9	1,409	4.3	2,224	4.4	1,610	1,500
Wisconsin	854,343	175,377	20.5	642	2.0	913	1.8	1,456	1,345
West North Central	3,089,440	506,237	16.4	2,488	7.7	3,612	7.2	1,484	1,398
Iowa	500,056	58,153	11.6	428	1.3	579	1.2	1,383	1,310
Kansas	411,660	32,076	7.8	356	1.1	536	1.1	1,529	1,412
Minnesota	729,147	219,122	30.1	528	1.6	693	1.4	1,365	1,359
Missouri	946,284	155,502	16.4	741	2.3	1,168	2.3	1,604	1,477
Nebraska	267,588	25,955	9.7	230	0.7	356	0.7	1,578	1,473
North Dakota	105,324	6,982	6.6	94	0.3	127	0.3	1,372	1,291
South Dakota	129,381	8,447	6.5	112	0.3	152	0.3	1,391	1,257
South Atlantic	8,644,415	1,393,366	16.1	6,859	21.2	10,713	21.3	1,586	1,477
Delaware	136,206	3,983	2.9	124	0.4	188	0.4	1,534	1,422
District of Columbia	74,085	6,456	8.7	56	0.2	100	0.2	1,809	1,479
Florida	3,132,634	776,264	24.8	2,215	6.8	3,862	7.7	1,775	1,639
Georgia	1,110,510	118,818	10.7	942	2.9	1,386	2.8	1,495	1,398
Maryland	723,302	44,335	6.1	615	1.9	1,017	2.0	1,675	1,498
North Carolina	1,358,548	194,704	14.3	1,115	3.4	1,637	3.3	1,486	1,407
South Carolina	697,189	71,159	10.2	599	1.8	876	1.7	1,483	1,399
Virginia	1,044,603	103,683	9.9	879	2.7	1,226	2.4	1,416	1,303
West Virginia	367,338	73,964	20.1	313	1.0	421	0.8	1,373	1,435

See footnotes at end of table.

Table 4.3—Continued
Medicare Enrollees, Persons Served, and Beneficiary Cost-Sharing Liability, by Area of Residence: Calendar Year 2007

Area of Residence ¹	Enrollees		Managed Care as Percent of Total	Persons Served		Cost-Sharing Liability			
	Total	Managed Care		Number in Thousands	Percent	Amount in Millions	Percent	Average per Person with Liability ²	Per Enrollee ³
East South Central	2,944,432	406,617	13.8	2,392	7.4	\$3,607	7.2	\$1,533	1,421
Alabama	789,250	117,605	14.9	633	2.0	927	1.8	1,488	1,380
Kentucky	710,977	81,591	11.5	594	1.8	892	1.8	1,532	1,417
Mississippi	469,402	34,256	7.3	408	1.3	643	1.3	1,596	1,478
Tennessee	974,803	173,165	17.8	758	2.3	1,146	2.3	1,538	1,430
West South Central	4,409,142	633,303	14.4	3,517	10.9	5,594	11.1	1,620	1,482
Arkansas	496,335	49,669	10.0	412	1.3	588	1.2	1,444	1,316
Louisiana	639,499	112,844	17.6	490	1.5	820	1.6	1,704	1,557
Oklahoma	565,079	68,504	12.1	460	1.4	661	1.3	1,464	1,331
Texas	2,708,229	402,286	14.9	2,154	6.6	3,526	7.0	1,669	1,529
Mountain	2,691,896	743,075	27.6	1,767	5.5	2,418	4.8	1,417	1,241
Arizona	840,527	291,216	34.6	490	1.5	681	1.4	1,446	1,240
Colorado	558,222	172,545	30.9	370	1.1	508	1.0	1,431	1,317
Idaho	206,570	43,898	21.3	153	0.5	190	0.4	1,282	1,168
Montana	155,753	19,109	12.3	128	0.4	168	0.3	1,345	1,229
Nevada	317,741	94,536	29.8	190	0.6	289	0.6	1,576	1,295
New Mexico	284,910	61,680	21.6	193	0.6	254	0.5	1,354	1,138
Utah	254,060	56,661	22.3	178	0.6	240	0.5	1,390	1,216
Wyoming	74,113	3,430	4.6	65	0.2	88	0.2	1,380	1,245
Pacific	6,055,391	1,922,623	31.8	3,627	11.2	5,346	10.6	1,517	1,294
Alaska	56,803	472	0.8	46	0.1	60	0.1	1,340	1,065
California	4,368,858	1,456,986	33.3	2,512	7.8	3,923	7.8	1,604	1,347
Hawaii	189,385	68,371	36.1	111	0.3	120	0.2	1,120	992
Oregon	566,960	223,537	39.4	333	1.0	400	0.8	1,258	1,165
Washington	873,385	173,257	19.8	624	1.9	842	1.7	1,387	1,203
Outlying Areas ⁵	1,003,831	355,782	35.4	182	0.6	211	0.4	1,235	326

¹Based on the area of residence of the beneficiary.

²Does not reflect beneficiaries who received covered services and program payments, but for whom no cost-sharing liability was reported during the year.

³Medicare enrollees in managed care plans are not included in the denominator used to calculate the average cost-sharing liability per enrollee.

⁴Includes 50 States, District of Columbia, and outlying areas.

⁵Includes Puerto Rico, Guam, Virgin Islands, residence unknown, and all other outlying areas not shown separately.

NOTES: A small amount of deductible payments can not be accounted for because of missing bills and truncating of cents. Numbers may not add to totals because of rounding.

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 4.4

**Number of Persons Served and Cost-Sharing Liability for Medicare Beneficiaries, by Type of Liability, and Type of Coverage:
Calendar Year 2007**

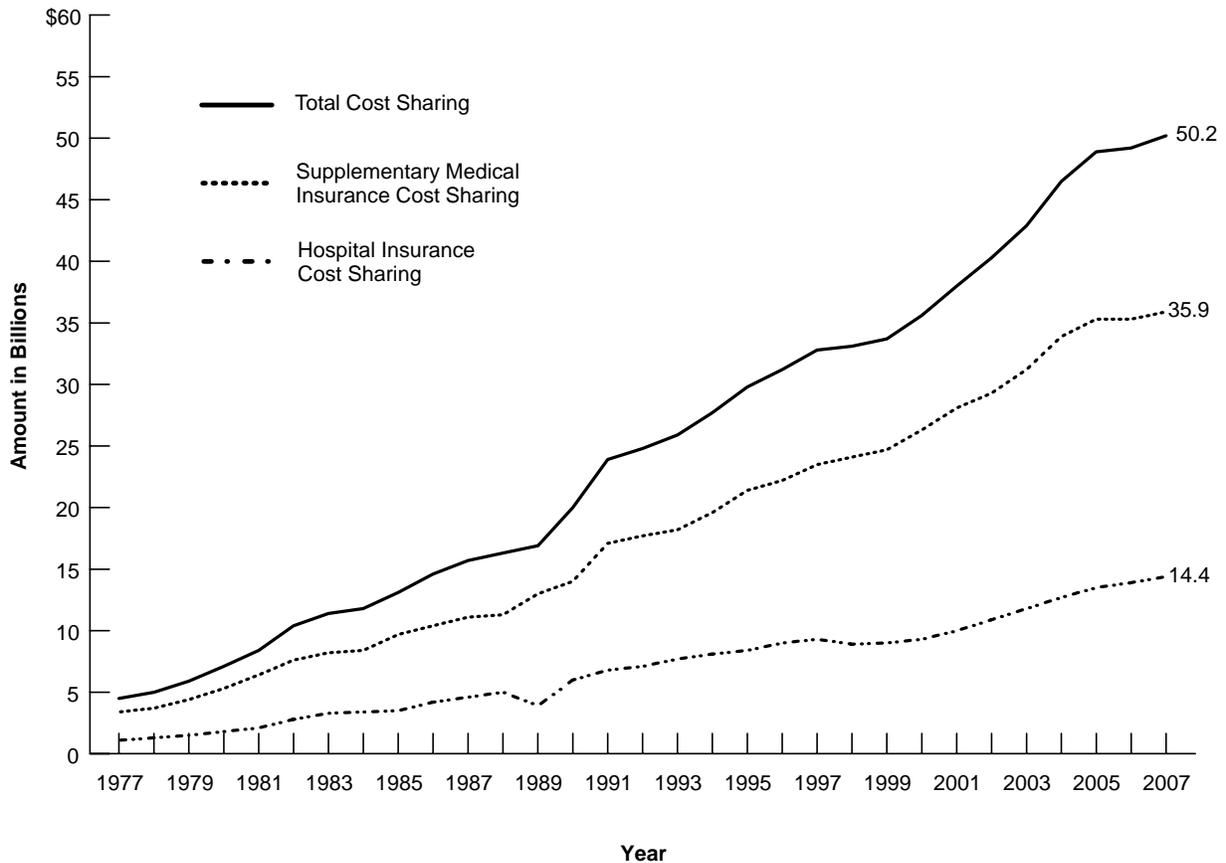
Amount of Cost-Sharing Liability Incurred	Total HI and/or SMI Liability	Supplementary Medical Insurance (SMI)						
		Hospital Insurance (HI)			Total	Deductible	Coinsurance	Balance
		Total	Deductible	Coinsurance				
		Number of Persons Served ¹					Billing	
Total	32,405,060	7,252,580	7,151,920	1,131,280	31,594,920	30,904,640	30,923,320	1,720,380
\$1 - \$499	13,884,060	1,140	80	1,060	13,229,060	12,737,220	12,568,860	508,880
\$500 - \$999	5,961,720	130,160	128,200	1,960	5,834,600	5,784,820	5,834,580	389,360
\$1,000 - \$1,999	5,546,040	1,831,880	1,824,840	19,520	5,529,460	5,447,760	5,519,040	359,440
\$2,000 - \$4,999	5,039,180	3,639,300	3,611,280	294,500	5,033,260	4,986,400	5,032,360	349,720
\$5,000 - \$9,999	1,297,220	1,048,580	1,018,740	407,320	1,294,140	1,281,160	1,294,100	81,440
\$10,000 - \$14,999	471,080	416,680	400,500	277,380	469,400	463,600	469,380	22,220
\$15,000 or More	205,760	184,840	168,280	129,540	205,000	203,680	205,000	9,320
Liability in Thousands								
Total	\$50,246,279	\$14,394,005	\$8,471,339	\$5,922,666	\$35,852,273	\$3,990,453	\$31,811,692	\$50,129
\$1 - \$499	3,433,126	276	30	246	3,432,850	1,620,515	1,804,332	8,003
\$500 - \$999	4,277,186	127,616	126,857	759	4,149,570	754,972	3,384,859	9,740
\$1,000 - \$1,999	8,107,552	1,832,377	1,822,928	9,449	6,275,176	710,202	5,553,880	11,094
\$2,000 - \$4,999	15,294,694	4,603,120	4,224,282	378,838	10,691,574	650,536	10,026,589	14,450
\$5,000 - \$9,999	8,918,340	3,001,398	1,505,393	1,496,005	5,916,943	167,172	5,745,060	4,712
\$10,000 - \$14,999	5,732,009	2,803,585	538,104	2,265,481	2,928,424	60,478	2,866,372	1,574
\$15,000 or More	4,483,372	2,025,635	253,746	1,771,889	2,457,737	26,578	2,430,601	557
Average Liability per Person Served ¹								
Total	\$1,551	\$1,985	\$1,184	\$5,235	\$1,135	\$129	\$1,029	\$29
\$1 - \$499	247	242	446	232	259	127	144	16
\$500 - \$999	717	980	990	387	711	131	580	25
\$1,000 - \$1,999	1,462	1,000	999	484	1,135	130	1,006	31
\$2,000 - \$4,999	3,035	1,265	1,170	1,286	2,124	130	1,992	41
\$5,000 - \$9,999	6,875	2,862	1,478	3,673	4,572	130	4,439	58
\$10,000 - \$14,999	12,168	6,728	1,344	8,167	6,239	130	6,107	71
\$15,000 or More	21,789	10,959	1,508	13,678	11,989	130	11,857	60

¹Represents beneficiaries who received covered services under fee-for-service and includes a small number for whom no program payments were reported.

NOTES: While the overall levels of potential liability are more accurate, the number of persons falling into certain categories and levels of cost sharing are slightly understated. This in part is because of changes during the year in some beneficiaries' health insurance claim number (HIC). Most changes to the HIC involved the beneficiary identification code (BIC), which identifies the beneficiary's relationship to the primary wage earner; for example, a wife being converted to a widow. These changes were accounted through what is known as an equatable BIC routine which was performed on the input file. Other changes involved changes in the beneficiary claim account number portion of the HIC, for example, a wife acquiring enough quarters of credit to get benefits under her own account. No cross-referencing was done to get all claims for the small number of individuals who either enter or exit the 5-percent sample. In addition, managed care people who leave managed care during the calendar year are credited with prorated shares of an estimated amount of the annual Part B deductible, based on the amount of time in managed care and estimated time for most beneficiaries to reach the Part B deductible under fee-for-service. No estimating was done to attribute such amounts to individuals. It should also be noted that certain services are not subject to deductible and/or coinsurance. Numbers may not add to totals because of rounding.

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.

Figure 4.1 Trends in Medicare Cost-Sharing Liability: Calendar Years 1977-2007

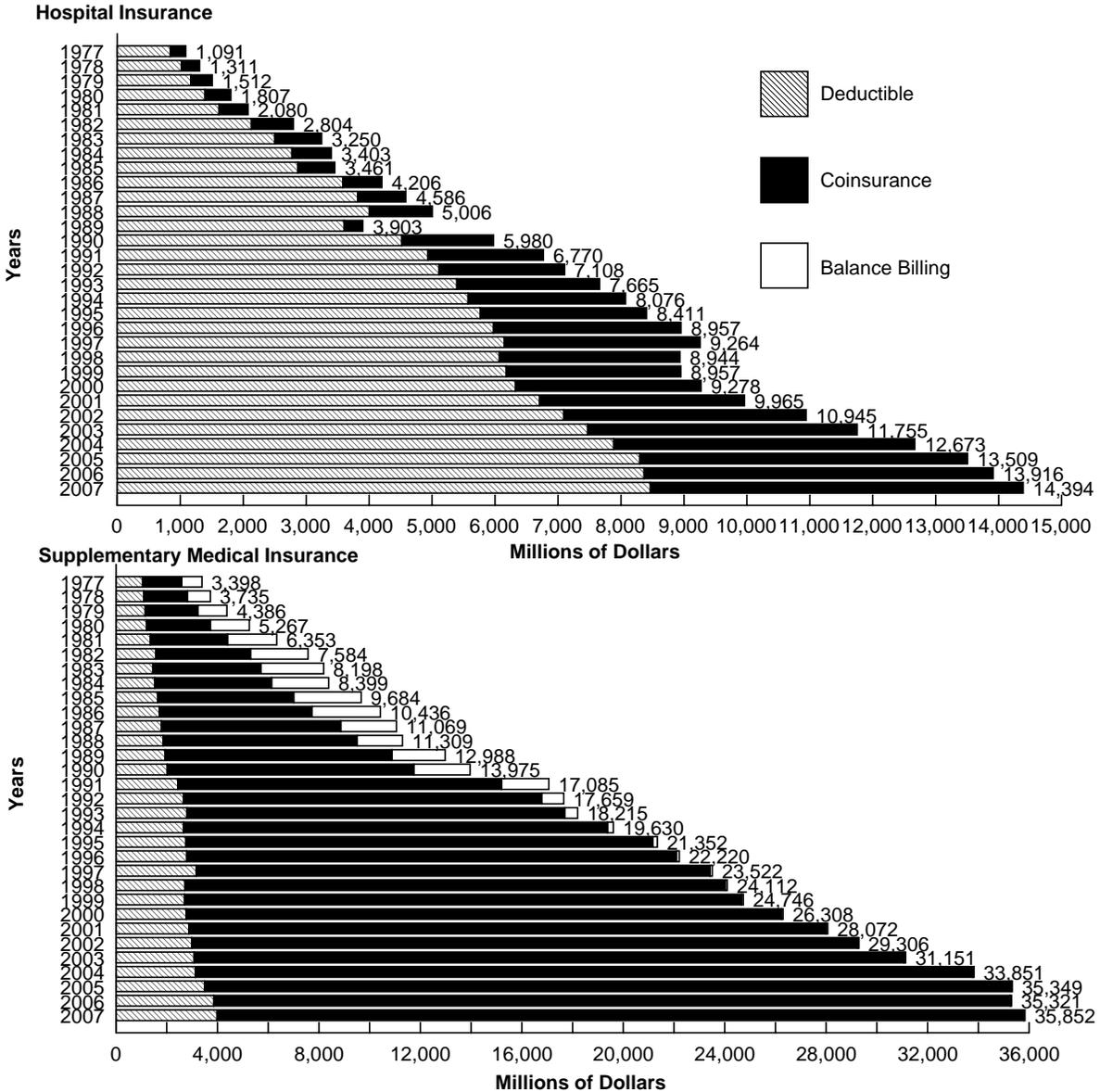


NOTES: The temporary decline in hospital insurance cost sharing in 1989 was because of the one-year impact of the Medicare Catastrophic Coverage Act of 1988 which was repealed, effective January 1, 1990. Estimates of cost-sharing liability beginning in 1999 are significantly higher than those reported for prior years because of improvements in the methodology used to calculate Part B cost sharing. The amounts shown for supplementary medical insurance for calendar years 1991-1998 are actuarial estimates and represent revisions. Data for earlier years have not been revised. Calendar year 2001 data are estimates using other sources that involve alternative estimation algorithms and should be used with caution with data for other years.

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

Figure 4.2

Total Cost-Sharing Liability for Medicare Beneficiaries, by Type of Coverage: Calendar Years 1977-2007

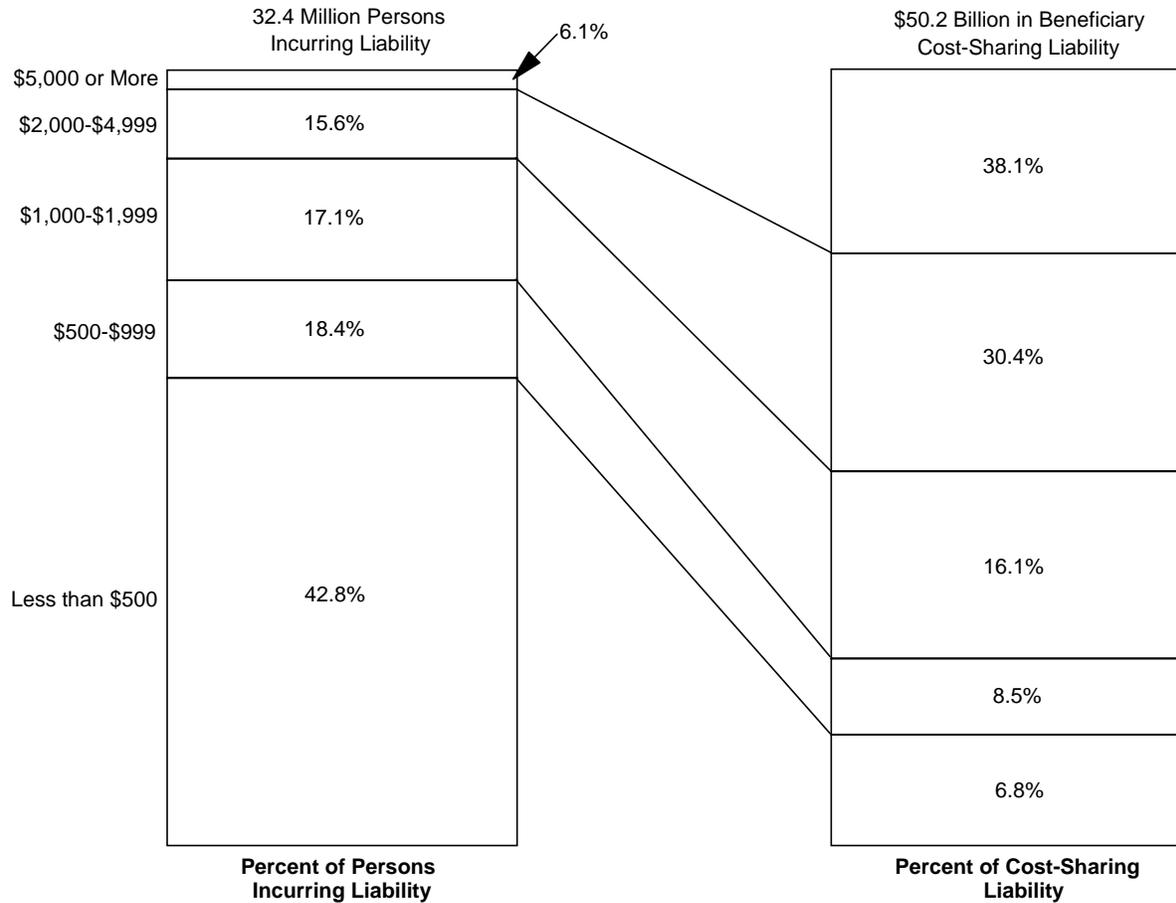


NOTES: The temporary decline in hospital insurance cost sharing in 1989 was because of the one-year impact of the Medicare Catastrophic Coverage Act of 1988 which was repealed, effective January 1, 1990. Estimates of cost-sharing liability beginning in 1999 are significantly higher than those reported for prior years because of improvements in the methodology used to calculate Part B cost sharing. The amounts shown for supplementary medical insurance for calendar years 1991-1998 are actuarial estimates and represent revisions. Data for earlier years have not been revised. Calendar year 2001 data are estimates using other sources that involve alternative estimation algorithms and should be used with caution with data for other years.

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

Figure 4.3

Distribution of Medicare Persons Served and Amount of Cost-Sharing Liability: Calendar Year 2007



NOTE: Numbers may not add to totals because of rounding.

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.