

**Table 4.1**  
**Amount of Cost-Sharing Liability for Medicare Beneficiaries, by Type of Coverage and**  
**Type of Cost-Sharing Liability: Calendar Years 1977-2005**

Year	Total Hospital Insurance and/or Supplementary Medical Insurance Liability	Hospital Insurance (HI) Liability				Supplementary Medical Insurance (SMI) Liability			Balance Billing <sup>3</sup>
	Total	Inpatient Hospital Copayments		Skilled Nursing Facility Coinsurance	Total	Deductible <sup>1,2</sup>	Coinsurance <sup>2</sup>		
		Deductible	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 <sup>4</sup>	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 <sup>5</sup>	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

See footnotes at end of table.

**Table 4.1—Continued**  
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	Total	Inpatient Hospital Copayments		Skilled Nursing Facility Coinsurance	Total	Deductible <sup>1,2</sup>	Coinsurance <sup>2</sup>		
		Deductible	Coinsurance						
Dollars per Enrollee <sup>6</sup>									
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 <sup>4</sup>	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 <sup>5</sup>	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

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	Liability	Inpatient Hospital Copayments		Skilled Nursing Facility Coinsurance	Total	Deductible <sup>1,2</sup>	Coinsurance <sup>2</sup>		
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 <sup>4</sup>	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 <sup>5</sup>	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

<sup>1</sup>The 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

<sup>2</sup>In 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.

<sup>3</sup>Balance 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.

<sup>4</sup>Under 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

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

<sup>6</sup>Beginning 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.