Comparison of Social Security COLAs and illustrative increases in out-of-pocket expenses under proposals to reduce Medicare costs

(Revised comparison based on all Social Security beneficiaries with Medicare coverage)

Item	Calendar year							
	1995	1996	1997	1998	1999	2000	2001	2002
Social Security COLA (effective for December of year shown).....	3.0%	3.2%	3.3%	3.4%	3.6%	3.7%	3.9%	4.0%
Annual Social Security benefit for beneficiaries with Medicare in following percentile:								
10%.....	$ 3,891	$ 4,008	$ 4,136	$ 4,272	$ 4,417	$ 4,576	$ 4,746	$ 4,930
25%.....	5,364	5,525	5,701	5,889	6,090	6,310	6,543	6,798
50%.....	7,874	8,111	8,370	8,646	8,942	9,264	9,607	9,982
75%.....	10,043	10,345	10,677	11,029	11,405	11,817	12,256	12,735
90%.....	12,271	12,641	13,046	13,477	13,936	14,438	14,974	15,559
Annual amount of COLA for beneficiaries with Medicare in following percentile:								
10%.....	—	$ 117	$ 128	$ 136	$ 145	$ 159	$ 169	$ 185
25%.....	—	161	176	188	201	220	233	255
50%.....	—	237	259	276	295	322	344	375
75%.....	—	303	332	352	376	411	439	479
90%.....	—	370	405	431	460	502	536	585
ustrative increase* in out-of-pocket xpenses for individual Medicare beneficiaries with covered services, under proposals that would increase aggregate cost sharing over the next 7 years [Assumes a 50% provider, 50% beneficiary hit]								
$50 billion		$ 48	72	82	93	100	109	121
$100 billion		64	107	139	174	209	250	299
$150 billion		81	143	196	256	318	390	473
$200 billion		98	180	255	339	429	531	648
$250 billion		116	217	314	422	537	668	817
$300 billion		135	257	375	507	649	808	988

* The actual increase in out-of-pocket expenditures for individual Medicare beneficiaries would depend critically on (i) the specific provisions of the legislation, and (ii) the specific medical services used by the beneficiary. The increases shown here represent the average amount for all Medicare beneficiaries who would incur reimbursable charges under present law. Amounts for specific individuals could be substantially different.

Note: See accompanying memorandum concerning interpretation of these figures and their limitations.

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