



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Peter R. Orszag, Director

April 17, 2007

Honorable Ron Wyden
United States Senate
Washington, DC 20510

Dear Senator:

At your request, the Congressional Budget Office has prepared the attached table, which summarizes at the state level the number of Medicare beneficiaries enrolled in group plans and the relationship between the Medicare Advantage benchmarks and per capita costs in the fee-for-service sector.

I hope this information is helpful to you. The CBO staff contact for further information is Tim Gronniger.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter R. Orszag".

Peter R. Orszag

Attachment

Identical letter sent to the Honorable Max Baucus.

Medicare Advantage Statistics by State, April 2007¹

State	Total Enrollment in Group Plans	Average Projected per Capita Cost in Fee-for-Service Sector (\$/month)	Average Medicare Advantage Benchmark (\$/month)	Ratio of Benchmark to FFS Cost
ALABAMA	109,975	672	774	1.15
ALASKA	53	699	820	1.17
ARIZONA	286,050	640	759	1.19
ARKANSAS	38,507	609	732	1.20
CALIFORNIA	1,440,451	733	840	1.15
COLORADO	162,802	659	773	1.17
CONNECTICUT	48,412	734	780	1.06
DELAWARE	2,744	675	738	1.09
DISTRICT OF COLUMBIA	6,255	756	882	1.17
FLORIDA	758,953	792	854	1.08
GEORGIA	99,283	631	753	1.19
HAWAII	67,020	530	746	1.41
IDAHO	39,103	596	735	1.23
ILLINOIS	133,797	687	767	1.12
INDIANA	81,814	614	743	1.21
IOWA	53,067	583	721	1.24
KANSAS	28,622	653	761	1.17
KENTUCKY	73,026	639	742	1.16
LOUISIANA	104,063	800	947	1.18
MAINE	4,314	572	727	1.27
MARYLAND	38,484	774	837	1.08
MASSACHUSETTS	167,810	728	813	1.12
MICHIGAN	215,264	679	761	1.12
MINNESOTA	206,578	666	750	1.13
MISSISSIPPI	30,520	662	778	1.17
MISSOURI	146,097	656	769	1.17
MONTANA	16,371	582	694	1.19
NEBRASKA	23,145	637	738	1.16
NEVADA	92,894	746	804	1.08
NEW HAMPSHIRE	3,104	630	754	1.20
NEW JERSEY	113,407	767	819	1.07
NEW MEXICO	58,829	530	748	1.41
NEW YORK	662,855	781	874	1.12
NORTH CAROLINA	172,255	601	750	1.25
NORTH DAKOTA	5,898	575	697	1.21
OHIO	305,970	651	761	1.17
OKLAHOMA	63,179	695	783	1.13
OREGON	206,518	582	749	1.29
PENNSYLVANIA	699,071	707	791	1.12
PUERTO RICO	339,907	328	569	1.74
RHODE ISLAND	60,732	634	765	1.21
SOUTH CAROLINA	57,849	630	748	1.19
SOUTH DAKOTA	6,203	566	694	1.23
TENNESSEE	159,666	640	755	1.18
TEXAS	368,282	753	907	1.21
UTAH	52,221	607	750	1.24
VERMONT	931	584	692	1.19
VIRGINIA	89,719	588	742	1.26
WASHINGTON	160,847	601	751	1.25
WEST VIRGINIA	36,630	639	744	1.16
WISCONSIN	159,192	580	730	1.26
WYOMING	2,847	631	710	1.13
U.S. Total	8,261,586	684	796	1.16

Sources:

The Medicare Advantage benchmark and local FFS cost information were obtained from the Centers for Medicare & Medicaid Services (CMS) announcements of payment rates at <http://www.cms.hhs.gov/MedicareAdvtgSpecRateStats/AD>.

Enrollment data were drawn from CMS's State-County-Contract file available at <http://www.cms.hhs.gov/MCRAAdvPartDENrolData/MMAESCC>.

Note:

CMS does not report county-level enrollment if a plan has 10 or fewer enrollees in a county. That results in partial undercounting of enrollment nationally. Other data from CMS show that total enrollment in group plans in April 2007 is 8.5 million, or about 250,000 more than shown in this table.

1. Also includes the District of Columbia and Puerto Rico.

Definitions:

Total enrollment in group plans includes enrollment in local coordinated care plans, regional preferred provider organizations, private fee-for-service plans, cost plans, PACE plans, health care pre-payment plans, and certain demonstration programs.

Per capita cost in the fee-for-service sector is calculated from CMS's projection of FFS spending per person in each county for 2007. Medicare Advantage benchmarks are the maximum amount that Medicare would pay in each county in 2007 for an average beneficiary. The state-level averages of those amounts are weighted by county-level enrollment in group plans.

The ratio of the MA benchmark to FFS costs is the state average MA benchmark divided by the state average FFS cost.