

Table 2.B1—Federal benefit rates, 1974–2002

Act	Living arrangement <sup>a</sup>	Amount <sup>b</sup> (dollar)		Condition
		Individual	Couple	
1972.....	Own household <sup>c</sup>	130.00	195.00	Was to be effective Jan. 1, 1974; superseded by 1973b provision.
1973b.....	...	140.00	210.00	<i>Effective Jan. 1, 1974.</i>
1973b.....	...	146.00	219.00	<i>Effective July 1, 1974.</i>
1974.....	...	...	...	Mechanism established for providing cost-of-living adjustments.
	...	157.70	236.60	<i>Effective July 1, 1975.</i>
	...	167.80	251.80	<i>Effective July 1, 1976.</i>
	...	177.70	266.70	<i>Effective July 1, 1977.</i>
	...	189.40	284.10	<i>Effective July 1, 1978.</i>
	...	208.20	312.30	<i>Effective July 1, 1979.</i>
	...	238.00	357.00	<i>Effective July 1, 1980.</i>
	...	264.70	397.00	<i>Effective July 1, 1981.</i>
	...	284.30	426.40	<i>Effective July 1, 1982.</i>
1983.....	...	304.30	456.40	<i>Effective July 1, 1983 (general benefit increase).</i>
	...	314.00	472.00	<i>Effective Jan. 1, 1984.</i>
	...	325.00	488.00	<i>Effective Jan. 1, 1985.</i>
	...	336.00	504.00	<i>Effective Jan. 1, 1986.</i>
	...	340.00	510.00	<i>Effective Jan. 1, 1987.</i>
	...	354.00	532.00	<i>Effective Jan. 1, 1988.</i>
	...	368.00	553.00	<i>Effective Jan. 1, 1989.</i>
	...	386.00	579.00	<i>Effective Jan. 1, 1990.</i>
	...	407.00	610.00	<i>Effective Jan. 1, 1991.</i>
	...	422.00	633.00	<i>Effective Jan. 1, 1992.</i>
	...	434.00	652.00	<i>Effective Jan. 1, 1993.</i>
	...	446.00	669.00	<i>Effective Jan. 1, 1994.</i>
	...	458.00	687.00	<i>Effective Jan. 1, 1995.</i>
	...	470.00	705.00	<i>Effective Jan. 1, 1996.</i>
	...	484.00	726.00	<i>Effective Jan. 1, 1997.</i>
	...	494.00	741.00	<i>Effective Jan. 1, 1998.</i>
	...	500.00	751.00	<i>Effective Jan. 1, 1999.</i>
	...	<sup>d</sup> 513.00	769.00	<i>Effective Jan. 1, 2000.</i>
	...	<sup>d</sup> 531.00	796.00	<i>Effective Jan. 1, 2001.</i>
	...	545.00	817.00	<i>Effective Jan. 1, 2002.</i>
1972.....	Receiving institutional care covered by Medicaid	25.00	50.00	<i>Effective Jan. 1, 1974. Must be receiving more than 50 percent of the cost of the care from Medicaid (Title XIX of the Social Security Act).</i>
1987.....	...	30.00	60.00	<i>Effective July 1, 1988. Must be receiving more than 50 percent of the cost of the care from Medicaid (Title XIX of the Social Security Act).</i>

a. For those in another person's household receiving support and maintenance there, the federal benefit rate is reduced by one-third.

b. For those without countable income. These payments are reduced by the amount of countable income of the individual or couple.

c. Includes persons in private institutions whose care is not provided by Medicaid.

d. Benefits originally paid in 2000 and through July 2001 were based on federal benefit rates of \$512.00 and \$530.00, respectively. Pursuant to Public Law 106-554, monthly payments beginning in August 2001 were effectively based on the higher \$531 amount. Lump-sum compensation payments were made based on an adjusted benefit rate for months prior to August 2001.

NOTE: ... = not applicable.

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## 2.C Medicare: History of Provisions

### Table 2.C1—Medicare cost sharing and premium amounts, 1966–2003

Effective date <sup>a</sup>	Hospital Insurance					Supplementary Medical Insurance					
	All expenses in "benefit period" covered except—					Monthly premium <sup>b</sup> (dollars)	Annual deductible (dollars)	Coinsurance (percents)	Monthly premium (dollars)		
	Inpatient hospital deductible (IHD) covers first 60 days (dollars)	Inpatient hospital daily coinsurance		Skilled nursing facility daily coinsurance after 20 days (1/8 X IHD) (dollars)	Government amounts for—				For enrollee <sup>c</sup> (aged and disabled)	Aged	Disabled <sup>c</sup>
		Days 61 through 90 (1/4 X IHD) (dollars)	Lifetime reserve days after 90 days (1/2 X IHD)								
July											
1966.....	40	10	d	d	...	50	20	3.00	3.00	...	
1967.....	40	10	d	5.00	...	50	20	3.00	3.00	...	
1968.....	40	10	20	5.00	...	e50	e20	f 4.00	f 4.00	...	
1969.....	44	11	22	5.50	...	50	20	4.00	4.00	...	
1970.....	52	13	26	6.50	...	50	20	5.30	5.30	...	
1971.....	60	15	30	7.50	...	50	20	5.60	5.60	...	
1972.....	68	17	34	8.50	...	50	g20	5.80	5.80	...	
1973.....	72	18	36	9.00	33	60	20	h 6.30	6.30	22.70	
1974.....	84	21	42	10.50	36	60	20	6.70	6.70	29.30	
1975.....	92	23	46	11.50	40	60	20	6.70	8.30	30.30	
1976.....	104	26	52	13.00	45	60	20	7.20	14.20	30.80	
1977.....	124	31	62	15.50	54	60	20	7.70	16.90	42.30	
1978.....	144	36	72	18.00	63	60	20	8.20	18.60	41.80	
1979.....	160	40	80	20.00	69	60	20	8.70	18.10	41.30	
1980.....	180	45	90	22.50	78	60	20	9.60	23.00	41.40	
1981.....	204	51	102	25.50	89	i,j 60	j 20	11.00	34.20	62.20	
1982.....	260	65	130	32.50	113	k 75	k 20	12.20	37.00	72.00	
1983.....	304	76	152	38.00	113	75	20	12.20	41.80	80.00	
January											
1984.....	356	89	178	44.50	155	75	20	14.60	43.80	94.00	
1985.....	400	100	200	50.00	174	75	20	15.50	46.50	89.90	
1986.....	492	123	246	61.50	214	75	20	15.50	46.50	66.10	
1987.....	520	130	260	65.00	226	75	20	17.90	53.70	88.10	
1988.....	540	135	270	67.50	234	75	20	24.80	74.40	72.40	
1989.....	l 560	l	l	m 25.50	156	75	20	n 31.90	83.70	40.70	
1990.....	592	148	296	74.00	175	75	20	28.60	85.80	59.60	
1991.....	628	157	314	78.50	177	100	20	29.90	95.30	82.10	
1992.....	652	163	326	81.50	192	100	20	31.80	89.80	129.80	
1993.....	676	169	338	84.50	221	100	20	36.60	104.40	129.20	
1994.....	696	174	348	87.00	o 245	100	20	41.10	82.50	111.10	
1995.....	716	179	358	89.50	o 261	100	20	46.10	100.10	165.50	
1996.....	736	184	368	92.00	o 289	100	20	42.50	127.30	167.70	
1997.....	760	190	380	95.00	o 311	100	20	43.80	131.40	177.00	
1998.....	764	191	382	95.50	o 309	100	20	43.80	132.00	150.40	
1999.....	768	192	384	96.00	o 309	100	20	45.50	139.10	160.50	
2000.....	776	194	388	97.00	o 301	100	20	45.50	138.30	196.70	
2001.....	792	198	396	99.00	o 300	100	20	50.00	152.00	214.40	
2002.....	812	203	406	101.50	o 319	100	20	54.00	109.30	123.10	
2003.....	840	210	420	105.00	o 316	100	20	58.70	118.70	141.00	

- a. The HI and SMI deductible and coinsurance amounts begin in January unless otherwise noted. The HI and SMI monthly premium amounts were effective in July through 1983 and in January for 1984 and succeeding years.
- b. Premium paid for voluntary participation of individuals aged 65 or older not otherwise entitled to Hospital Insurance and of certain disabled individuals who have exhausted other entitlement.
- c. Beginning in July 1973 for the disabled.
- d. Benefit not provided.
- e. Professional inpatient services of pathologists and radiologists not subject to deductible or coinsurance, beginning in April 1968.
- f. Beginning in April 1968.
- g. Home health services not subject to coinsurance, beginning in January 1973.
- h. Monthly premium for July and August 1973 was reduced to \$5.80 and \$6.10, respectively, by the Cost of Living Council.
- i. Home health services not subject to deductible.
- j. Same as footnote e, but only when physician accepts assignment.
- k. Effective October 1, 1982, professional inpatient services of pathologists and radiologists are subject to deductible and coinsurance.
- l. Unlike all other years, the 1989 deductible was applied on an annual, rather than a benefit period, basis. Once the deductible was paid by the beneficiary, Medicare paid the balance of expenses for covered hospital services, regardless of the number of days of hospitalization (except for psychiatric hospital care, which was still limited by the 190-day lifetime maximum).
- m. The coinsurance amount in 1989 was equal to 20 percent of the estimated national average daily cost of covered skilled nursing facility care, rather than 1/8 of the inpatient hospital deductible. The beneficiary paid the coinsurance amount for the first 8 days of care in 1989, rather than for days of care 21 to 100 in a benefit period as in all other years. Skilled nursing facility benefits were available for up to 150 days of care per year in 1989, rather than for up to 100 days of care per benefit period as in all other years.
- n. Includes the standard monthly SMI premium and a supplemental monthly flat premium under the Medicare Catastrophic Coverage Act of 1988. Amount shown is for most Part B enrollees. Residents of Puerto Rico and other territories and commonwealths, as well as persons enrolled in Part B only, paid different supplemental flat premiums resulting in a smaller premium than that shown.
- o. A reduced premium is available to individuals aged 65 or older who are not otherwise entitled to HI but who have (or who were married to, widowed, or divorced from a spouse for certain periods of time who has or had) at least 30 quarters of Social Security coverage. The reduced premium is \$184, \$183, \$188, \$187, \$170, \$170, \$166, \$165, \$175, and \$174, for 1994 to 2003, respectively.

SOURCE: Centers for Medicare & Medicaid Services.

NOTE: ... = not applicable.

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**Table 2.C2—Federal medical assistance percentage and enhanced federal medical assistance percentage, by state or other area, 2001 and 2002**

State or area	Federal medical assistance percentage <sup>a</sup>			Enhanced federal medical assistance percentage <sup>b</sup>	
	2001 <sup>c</sup>	2002 <sup>d</sup>	2003 <sup>e</sup>	2002	2003
Alabama .....	69.99	70.45	70.60	79.32	79.42
Alaska.....	<sup>f</sup> 56.04	<sup>f</sup> 53.01	<sup>f</sup> 58.27	<sup>f</sup> 67.11	<sup>f</sup> 70.79
Arizona .....	65.77	64.98	67.25	75.49	77.08
Arkansas.....	73.02	72.64	74.28	80.85	82.00
California .....	51.25	51.40	50.00	65.98	65.00
Colorado.....	50.00	50.00	50.00	65.00	65.00
Connecticut.....	50.00	50.00	50.00	65.00	65.00
Delaware .....	50.00	50.00	50.00	65.00	65.00
District of Columbia .....	<sup>f</sup> 70.00	<sup>f</sup> 70.00	<sup>f</sup> 70.00	<sup>f</sup> 79.00	<sup>f</sup> 79.00
Florida.....	56.52	56.43	58.83	69.50	71.18
Georgia .....	59.67	59.00	59.60	71.30	71.72
Hawaii.....	53.85	56.34	58.77	69.44	71.14
Idaho.....	70.76	71.02	70.96	79.71	79.67
Illinois.....	50.00	50.00	50.00	65.00	65.00
Indiana.....	62.04	62.04	61.97	73.43	73.38
Iowa.....	62.67	62.86	63.50	74.00	74.45
Kansas.....	59.85	60.20	60.15	72.14	72.11
Kentucky.....	70.39	69.94	69.89	78.96	78.92
Louisiana.....	70.53	70.30	71.28	79.21	79.90
Maine.....	66.12	66.58	66.22	76.61	76.35
Maryland.....	50.00	50.00	50.00	65.00	65.00
Massachusetts.....	50.00	50.00	50.00	65.00	65.00
Michigan.....	56.18	56.36	55.42	69.45	68.79
Minnesota.....	51.11	50.00	50.00	65.00	65.00
Mississippi.....	76.82	76.09	76.62	83.26	83.63
Missouri.....	61.03	61.06	61.23	72.74	72.86
Montana.....	73.04	72.83	72.96	80.98	81.07
Nebraska.....	60.38	59.55	59.52	71.69	71.66
Nevada.....	50.36	50.00	52.39	65.00	66.67
New Hampshire.....	50.00	50.00	50.00	65.00	65.00
New Jersey.....	50.00	50.00	50.00	65.00	65.00
New Mexico.....	73.80	73.04	74.56	81.13	82.19
New York.....	50.00	50.00	50.00	65.00	65.00
North Carolina.....	62.47	61.46	62.56	73.02	73.79
North Dakota.....	69.99	69.87	68.36	78.91	77.85
Ohio.....	59.03	58.78	58.83	71.15	71.18
Oklahoma.....	71.24	70.43	70.56	79.30	79.39
Oregon.....	60.00	59.20	60.16	71.44	72.11
Pennsylvania.....	53.62	54.65	54.69	68.26	68.28
Rhode Island.....	53.79	52.45	55.40	66.72	68.78
South Carolina.....	70.44	69.34	69.81	78.54	78.87
South Dakota.....	68.31	65.93	65.29	76.15	75.70
Tennessee.....	63.79	63.64	64.59	74.55	75.21
Texas.....	60.57	60.17	59.99	72.12	71.99
Utah.....	71.44	70.00	71.24	79.00	79.87
Vermont.....	62.40	63.06	62.41	74.14	73.69
Virginia.....	51.85	51.45	50.53	66.02	65.37
Washington.....	50.70	50.37	50.00	65.26	65.00
West Virginia.....	75.34	75.27	75.04	82.69	82.53
Wisconsin.....	59.29	58.57	58.43	71.00	70.90
Wyoming.....	64.60	61.97	61.32	73.38	72.92
Outlying areas					
American Samoa.....	<sup>g</sup> 50.00	<sup>g</sup> 50.00	<sup>g</sup> 50.00	<sup>g</sup> 65.00	<sup>g</sup> 65.00
Guam.....	<sup>g</sup> 50.00	<sup>g</sup> 50.00	<sup>g</sup> 50.00	<sup>g</sup> 65.00	<sup>g</sup> 65.00
Northern Mariana Islands.....	<sup>g</sup> 50.00	<sup>g</sup> 50.00	<sup>g</sup> 50.00	<sup>g</sup> 65.00	<sup>g</sup> 65.00
Puerto Rico.....	<sup>g</sup> 50.00	<sup>g</sup> 50.00	<sup>g</sup> 50.00	<sup>g</sup> 65.00	<sup>g</sup> 65.00
Virgin Islands.....	<sup>g</sup> 50.00	<sup>g</sup> 50.00	<sup>g</sup> 50.00	<sup>g</sup> 65.00	<sup>g</sup> 65.00

a. Section 1905 (b) of the Social Security Act specifies the method to be used to compute the federal medical assistance percentage. From this section the following formula is derived:  
N = 3-year average national per capita personal income  
S = 3-year average state per capita personal income  
Federal medical assistance percentage:  
State share = (S<sup>2</sup>/N<sup>2</sup>) x 45 or (45/N<sup>2</sup>) x S<sup>2</sup>  
Federal share = 100 - state share with 50–83 percent limits.

b. This is the Title XXI enhanced federal medical assistance percentage rate specified in section 2105(b) of the Act. The enhanced federal medical assistance percentage is limited to no more than 85%.

c. Effective October 1, 1998, through September 30, 1999.

d. Effective October 1, 2000, through September 30, 2001.

e. Effective October September 1, 2002, through September 30, 2003.

f. For 1998, 1999, and 2000, the values in the table were set for state plans under Titles XIX and XXI and for capitation payments and disproportionate share hospital allotments under those titles. For other purposes, the percentage for Alaska is 52.26 and for the District of Columbia 50 percent.

g. For purposes of section 1118 of the Social Security Act, the federal medical assistance percentage used under Title I, X, XIV, and XVI, and part A of Title IV will be 75 percent.

SOURCE: Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation.

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