



JOINT ECONOMIC COMMITTEE DEMOCRATS



REPRESENTATIVE PETE STARK (D-CA) – SENIOR DEMOCRAT

ECONOMIC POLICY BRIEF

OCTOBER 2004 (REVISED)

MEDICARE PREMIUMS ARE UNDERMINING THE SOCIAL SECURITY COLA - NEW DATA SHOWS IMPACT BY STATE AND CONGRESSIONAL DISTRICT

The Bush Administration recently announced the largest premium increase in Medicare's history, which means that millions of retirees and disabled workers will have little left of their Social Security cost-of-living-adjustment (COLA) after paying the higher premium next year.

Under President Bush, rapidly rising health care costs have undermined the COLA as Medicare Part B premiums – which are automatically deducted from participants' monthly Social Security check – have absorbed a larger fraction of the cost of living adjustment.

In 2005, Part B Medicare premiums will go up by \$11.60 per month, a 17.4 percent increase. The COLA, announced on October 19, will increase only 2.7 percent. This means that an average retiree with a benefit of \$914 will spend 47 percent of his or her COLA on the Part B premium alone.¹

Next year, some 2.1 million beneficiaries nationwide will have their entire COLA taken away by the Medicare premium increase leaving nothing left for price increases in other goods and service, based upon estimates from the Congressional Budget Office (CBO). Almost 13 million beneficiaries will have over 50 percent of their COLA absorbed by the Medicare premium increase.

This report by the staff of the Joint Economic Committee (JEC) Democrats finds that Medicare beneficiaries in *all* states and Congressional Districts

will benefit from the "Social Security COLA Protection Act of 2004."

Rising Medicare Premiums Outpacing the COLA

Unlike many private pensions, Social Security benefits are automatically increased every year to reflect the previous year's change in the consumer price index – the prices paid by the typical consumer for a representative bundle of goods and services. This cost-of-living-adjustment should enable seniors and other beneficiaries to pay for the increasing cost of essentials such as health care, food, energy, and housing. However, rising health care costs are far outstripping the COLA. (For more background on the effect of the Medicare premiums on COLAs, see the JEC Democrats' report, *Rising Medicare Premiums Undermine the Social Security COLA*.)

The "Social Security Protection Act of 2004"

In order to ensure that the COLA fulfills its goal of paying for increases in the cost of all necessities, Congressional Democrats have introduced H.R. 4910, the "Social Security COLA Protection Act of 2004". This legislation would limit increases in Part B and Part D Medicare premiums to no more than 25 percent of a retiree's annual COLA.

National estimates from the CBO show that H.R. 4910 will help 29.2 million Americans or 98 percent of all beneficiaries that pay Medicare premiums in 2005. These estimates also show that without the bill's COLA

protection, 2.1 million Medicare beneficiaries will have their entire COLA absorbed by the increased Medicare premium. Approximately 42 percent of those who pay Medicare premiums – 12.6 million beneficiaries – will have 50 percent or more of their COLA taken away by the Medicare premium increase (**Table 1**).

The Joint Economic Committee Democratic staff has estimated the number helped by the bill in each State and Congressional District and the results appear in the attached tables.

State-by-State Findings

The JEC Democrats’ analysis shows that in all states, the average retiree will have at least 40 percent of their COLA absorbed by next year’s premium hike (**Table 2**). The average retiree will pay 50 percent or more of his or her COLA towards Medicare Part B in Arkansas, Louisiana, Maine, Mississippi, New Mexico, North Dakota, and South Dakota.

In 21 states, more than a half million Medicare beneficiaries would benefit from the legislation. In six of those states – Illinois, Michigan, New York, Ohio, Pennsylvania, and Texas – more than one million beneficiaries stand to gain from the legislation; and in two of those states – California and Florida – more than 2 million beneficiaries would keep more of their COLA.

Congressional District Findings

The JEC Democrats’ analysis shows that the COLA protection bill will help retirees and disabled workers in *all* Congressional Districts (**Table 3**). More than 78 percent of all Congressional Districts – 341 out of 435 districts – have 50,000 or more Medicare beneficiaries who would be helped by H.R. 4910. Nearly one-third of the districts – 142 – have over 75,000 beneficiaries aided by the bill.

Conclusion

Without passage of H.R. 4910, more than 29 million seniors and disabled people will lose a significant portion of their COLA and will not be able to maintain their standard of living. Unless H.R. 4910 is enacted, more than 2 million people will see their entire COLA absorbed by the Medicare Part B increase in 2005. As the cost of health care continues to rise faster than inflation, this bill will become more and more vital.

(Endnotes)

¹ Joint Economic Committee Democrats calculation based on data from the Social Security Administration.

Table 1		
Medicare Beneficiaries Who Have Various Percentages of Their 2005 Social Security COLA Absorbed By the Medicare Part B Increase		
Percent of Social Security COLA Absorbed by the Medicare Part B Increase	Number of Beneficiaries ¹ (in millions)	Percent of Beneficiaries
All of the COLA	2.1	7
More than 75 percent	5.6	19
More than 50 percent	12.6	42
More than 25 percent	29.2	98
Less than 25 percent	0.5	2
Total	29.7	100.0

¹ Excludes beneficiaries whose Part B premiums are paid by Medicaid. The increase in the Social Security cost of living adjustment (COLA) will be 2.7 percent in 2005.

Source: Congressional Source: Congressional Budget Office

Table 2

29 Million Medicare Beneficiaries Would Benefit from Limiting the 2005 Medicare Premium Increase to 25 Percent of the Social Security COLA

	Number of Medicare Beneficiaries Who Would Benefit ¹	Average Monthly Social Security Check for Retirees, 2004 (dollars)	Percent of COLA Spent on Medicare Premium Increase ² (percent)
Alabama	506,700	879	49
Alaska	35,200	890	48
Arizona	612,400	938	46
Arkansas	298,900	856	50
California	2,709,500	927	46
Colorado	376,400	904	48
Connecticut	369,700	1,009	43
Delaware	95,700	969	44
District of Columbia	41,000	788	55
Florida	2,309,300	917	47
Georgia	720,200	892	48
Hawaii	131,300	911	47
Idaho	157,900	899	48
Illinois	1,264,500	962	45
Indiana	679,000	969	44
Iowa	373,600	920	47
Kansas	309,000	943	46
Kentucky	392,100	870	49
Louisiana	424,700	860	50
Maine	160,100	852	50
Maryland	506,400	931	46
Massachusetts	611,000	927	46
Michigan	1,091,400	993	43
Minnesota	509,200	920	47
Mississippi	269,700	843	51
Missouri	638,900	907	47
Montana	117,700	882	49
Nebraska	196,100	907	47
Nevada	229,700	931	46
New Hampshire	140,500	944	46
New Jersey	880,300	1,017	42
New Mexico	193,600	861	50
New York	1,784,900	976	44
North Carolina	867,800	899	48
North Dakota	78,600	860	50
Ohio	1,351,800	937	46
Oklahoma	388,500	884	49
Oregon	405,100	932	46
Pennsylvania	1,538,100	949	45
Rhode Island	116,200	921	47
South Carolina	454,000	897	48
South Dakota	93,900	848	51
Tennessee	560,700	894	48
Texas	1,701,300	897	48
Utah	180,500	928	46
Vermont	56,100	915	47
Virginia	715,600	903	48
Washington	599,400	959	45
West Virginia	273,200	910	47
Wisconsin	616,400	946	45
Wyoming	54,700	919	47
United States	29,200,000 ³	914	47

¹ Joint Economic Committee (JEC) Democratic staff estimates. Details may not sum to totals because of rounding. Official administrative data on the total number of Medicare beneficiaries by state in 2003 were projected forward to 2005 and adjusted to remove a) those Medicare beneficiaries who are also eligible for Medicaid and therefore are exempt from paying Medicare Part B premiums—so called “dual eligibles” and b) the small percentage of Medicare beneficiaries for whom the increase in Medicare premiums was less than 25 percent of their projected Social Security COLA. See Appendix.

² Increase of \$11.60 in monthly Medicare Part B premium as a percentage of the projected 2.7 percent 2005 Social Security COLA for the average monthly benefit check.

Table 3

Medicare Beneficiaries in All Congressional Districts Would Benefit from Limiting the 2005 Medicare Premium Increase to 25 Percent of the Social Security COLA

Congressional District	Number of Medicare Beneficiaries Who Would Benefit ¹	Average Monthly Social Security Check for Retirees, 2004 (dollars)	Percent of COLA Spent on Medicare Premium Increase ² (percent)
United States	29,200,000³	914	47
Alabama	506,700	879	49
1	79,100	902	48
2	67,100	838	51
3	70,900	843	51
4	81,600	852	50
5	70,700	881	49
6	75,900	979	44
7	61,400	865	50
Alaska	35,200	890	48
Arizona	612,400	938	46
1	80,000	900	48
2	128,300	940	46
3	67,100	1,002	43
4	37,500	887	48
5	59,100	1,027	42
6	76,400	939	46
7	63,800	862	50
8	100,200	945	45
Arkansas	298,900	856	50
1	70,100	825	52
2	68,700	892	48
3	82,500	863	50
4	77,700	852	50
California	2,709,500	927	46
1	71,600	905	47
2	79,300	880	49
3	73,900	918	47
4	86,800	920	47
5	43,800	857	50
6	70,400	983	44
7	51,500	906	47
8	39,600	881	49
9	43,500	917	47
10	68,400	992	43
11	60,400	951	45
12	70,500	984	44
13	47,800	938	46
14	69,600	1,051	41
15	42,500	988	43
16	37,800	940	46
17	46,300	891	48
18	37,800	838	51
19	62,700	914	47
20	14,900	764	56
21	42,800	852	50
22	62,700	920	47

Congressional District	Number of Medicare Beneficiaries Who Would Benefit ¹	Average Monthly Social Security Check for Retirees, 2004 (dollars)	Percent of COLA Spent on Medicare Premium Increase ² (percent)
California			
23	60,000	911	47
24	69,100	959	45
25	41,300	914	47
26	61,100	988	43
27	49,100	969	44
28	33,200	971	44
29	44,000	930	46
30	73,600	1,094	39
31	11,700	750	57
32	29,700	864	50
33	33,500	857	50
34	17,500	806	53
35	26,600	852	50
36	55,500	992	43
37	27,800	857	50
38	35,600	875	49
39	39,700	915	47
40	53,000	991	43
41	79,100	899	48
42	55,400	1,011	43
43	22,500	831	52
44	45,900	936	46
45	82,100	944	46
46	75,300	1,018	42
47	19,900	866	50
48	59,100	1,046	41
49	69,500	927	46
50	74,000	957	45
51	35,800	776	55
52	57,200	927	46
53	47,200	898	48
Colorado	376,400	904	48
1	49,700	918	47
2	41,400	958	45
3	68,200	846	51
4	58,000	881	49
5	55,500	866	50
6	45,600	993	43
7	57,900	914	47
Connecticut	369,700	1,009	43
1	78,100	990	43
2	70,000	989	43
3	76,300	1,001	43
4	72,500	1,064	40
5	72,700	1,006	43
Delaware	95,700	969	44
District of Columbia	41,000	788	55
Florida	2,309,300	917	47
1	76,200	852	50

Congressional District	Number of Medicare Beneficiaries Who Would Benefit ¹	Average Monthly Social Security Check for Retirees, 2004 (dollars)	Percent of COLA Spent on Medicare Premium Increase ² (percent)
Florida			
2	66,700	879	49
3	55,200	843	51
4	62,700	935	46
5	188,400	915	47
6	94,100	900	48
7	108,400	928	46
8	76,000	905	47
9	113,800	923	47
10	112,500	916	47
11	55,000	862	50
12	95,400	908	47
13	145,600	952	45
14	143,300	972	44
15	119,500	924	46
16	137,700	943	46
17	40,900	814	53
18	48,100	819	52
19	156,300	1,013	42
20	79,100	960	45
21	45,300	796	54
22	104,700	1,022	42
23	58,500	877	49
24	91,600	923	47
25	34,300	816	53
Georgia	720,200	892	48
1	61,800	860	50
2	54,000	815	53
3	58,300	798	54
4	41,600	959	45
5	38,100	902	48
6	48,400	1,045	41
7	44,500	963	45
8	67,700	922	47
9	74,000	869	49
10	70,500	904	48
11	64,100	891	48
12	52,900	862	50
13	44,400	900	48
Hawaii	131,300	911	47
1	71,400	915	47
2	59,900	905	47
Idaho	157,900	899	48
1	84,100	895	48
2	73,800	904	48
Illinois	1,264,500	962	45
1	53,300	903	48
2	57,100	931	46
3	76,500	965	45
4	36,000	1,072	40
5	57,300	940	46
6	65,600	1,033	42

Congressional District	Number of Medicare Beneficiaries Who Would Benefit ¹	Average Monthly Social Security Check for Retirees, 2004 (dollars)	Percent of COLA Spent on Medicare Premium Increase ² (percent)
Illinois			
7	36,100	935	46
8	55,000	1,021	42
9	68,200	1,016	42
10	72,700	1,091	39
11	70,200	960	45
12	75,300	895	48
13	58,400	1,028	42
14	60,300	985	44
15	78,900	904	48
16	77,400	967	44
17	88,700	908	47
18	88,900	946	45
19	88,500	894	48
Indiana	679,000	969	44
1	75,800	1,014	42
2	82,000	969	44
3	72,200	981	44
4	73,200	976	44
5	74,700	1,004	43
6	89,000	968	44
7	54,500	956	45
8	85,000	927	46
9	72,600	931	46
Iowa	373,600	920	47
1	71,100	925	46
2	67,500	941	46
3	69,100	944	46
4	81,400	911	47
5	84,600	886	48
Kansas	309,000	943	46
1	96,500	906	47
2	75,000	898	48
3	62,000	1,015	42
4	75,500	974	44
Kentucky	392,100	870	49
1	74,800	846	51
2	72,100	849	51
3	74,900	946	45
4	65,800	892	48
5	48,200	804	53
6	56,200	879	49
Louisiana	424,700	860	50
1	76,600	928	46
2	44,700	820	52
3	62,700	889	48
4	65,500	829	52
5	61,300	798	54
6	53,700	899	48
7	60,200	852	50

Congressional District	Number of Medicare Beneficiaries Who Would Benefit ¹	Average Monthly Social Security Check for Retirees, 2004 (dollars)	Percent of COLA Spent on Medicare Premium Increase ² (percent)
Maine	160,100	852	50
1	84,900	873	49
2	75,200	829	52
Maryland	506,400	931	46
1	87,100	946	45
2	67,600	950	45
3	63,700	968	44
4	40,600	847	51
5	52,100	875	49
6	76,400	931	46
7	56,300	911	47
8	62,700	974	44
Massachusetts	611,000	927	46
1	63,100	902	48
2	62,800	909	47
3	56,600	911	47
4	63,700	919	47
5	50,700	941	46
6	74,500	954	45
7	67,600	970	44
8	20,900	851	51
9	61,400	932	46
10	89,800	946	45
Michigan	1,091,400	993	43
1	108,200	917	47
2	78,400	951	45
3	60,000	981	44
4	84,100	951	45
5	72,100	997	43
6	74,000	968	44
7	82,600	977	44
8	57,300	1,025	42
9	74,400	1,109	39
10	74,500	996	43
11	71,100	1,053	41
12	92,300	1,029	42
13	41,100	962	45
14	60,400	996	43
15	60,700	1,043	41
Minnesota	509,200	920	47
1	83,200	880	49
2	50,500	957	45
3	64,200	1,026	42
4	53,500	971	44
5	46,400	964	45
6	48,500	938	46
7	81,200	825	52
8	81,700	878	49

Congressional District	Number of Medicare Beneficiaries Who Would Benefit ¹	Average Monthly Social Security Check for Retirees, 2004 (dollars)	Percent of COLA Spent on Medicare Premium Increase ² (percent)
Mississippi	269,700	843	51
1	74,800	836	51
2	45,100	815	53
3	75,700	858	50
4	74,000	860	50
Missouri	638,900	907	47
1	62,100	940	46
2	73,100	1,028	42
3	68,000	957	45
4	77,700	858	50
5	64,800	942	46
6	75,000	898	48
7	76,300	867	50
8	67,100	817	53
9	74,800	894	48
Montana	11,770	882	49
Nebraska	196,100	907	47
1	66,600	912	47
2	48,100	956	45
3	81,400	871	49
Nevada	229,700	931	46
1	58,100	920	47
2	81,500	914	47
3	90,100	953	45
New Hampshire	140,500	944	46
1	66,400	932	46
2	74,100	955	45
New Jersey	880,300	1,017	42
1	61,600	967	44
2	73,900	964	45
3	100,300	1,002	43
4	93,000	1,008	43
5	75,400	1,084	40
6	62,700	1,020	42
7	73,600	1,082	40
8	58,200	1,021	42
9	72,900	1,030	42
10	42,000	957	45
11	71,500	1,088	39
12	67,300	1,069	40
13	27,900	878	49
New Mexico	193,600	861	50
1	64,200	900	48
2	73,000	838	51
3	56,400	849	51
New York	1,784,900	976	44
1	77,800	1,029	42
2	71,700	1,044	41

Congressional District	Number of Medicare Beneficiaries Who Would Benefit ¹	Average Monthly Social Security Check for Retirees, 2004 (dollars)	Percent of COLA Spent on Medicare Premium Increase ² (percent)
New York			
3	88,300	1,066	40
4	80,700	1,058	41
5	66,900	1,040	41
6	39,000	919	47
7	46,600	912	47
8	46,100	1,004	43
9	71,200	996	43
10	22,700	854	50
11	27,300	880	49
12	15,400	768	56
13	65,600	971	44
14	62,600	1,114	39
15	18,500	871	49
16	500	757	57
17	59,100	1,022	42
18	77,500	1,101	39
19	70,900	1,033	42
20	82,500	955	45
21	76,100	948	45
22	70,800	958	45
23	67,100	907	47
24	77,700	909	47
25	81,400	981	44
26	84,200	991	43
27	89,900	949	45
28	65,700	958	45
29	81,300	958	45
North Carolina	867,800	899	48
1	50,500	812	53
2	48,900	840	51
3	64,800	864	50
4	50,100	982	44
5	82,300	894	48
6	88,900	942	46
7	62,600	870	49
8	57,600	891	48
9	65,800	991	43
10	80,900	896	48
11	100,000	889	48
12	58,000	914	47
13	57,400	925	46
North Dakota	78,600	860	50
Ohio	1,351,800	937	46
1	67,100	922	47
2	72,000	960	45
3	80,300	932	46
4	79,300	928	46
5	80,600	935	46
6	88,200	913	47
7	70,200	893	48
8	68,800	940	46
9	75,300	952	45
10	80,500	957	45
11	69,400	928	46

Congressional District	Number of Medicare Beneficiaries Who Would Benefit ¹	Average Monthly Social Security Check for Retirees, 2004 (dollars)	Percent of COLA Spent on Medicare Premium Increase ² (percent)
Ohio			
12	54,000	917	47
13	79,300	966	44
14	85,100	992	43
15	56,200	931	46
16	87,500	950	45
17	79,800	943	46
18	78,200	886	48
Oklahoma	388,500	884	49
1	77,800	973	44
2	80,900	825	52
3	85,900	879	49
4	75,300	856	50
5	68,700	898	48
Oregon	405,100	932	46
1	63,900	977	44
2	95,000	901	48
3	61,400	937	46
4	101,800	922	47
5	82,900	943	46
Pennsylvania	1,538,100	949	45
1	37,500	861	50
2	51,900	918	47
3	79,500	946	45
4	94,200	982	44
5	82,700	921	47
6	79,200	1,024	42
7	84,000	1,037	41
8	80,000	1,025	42
9	82,400	875	49
10	89,700	899	48
11	93,000	888	48
12	92,900	925	46
13	86,800	1,003	43
14	76,700	932	46
15	85,600	970	44
16	73,500	976	44
17	88,400	913	47
18	98,000	994	43
19	81,900	943	46
Rhode Island	116,200	921	47
1	59,800	913	47
2	56,400	930	46
South Carolina	454,000	897	48
1	78,500	900	48
2	74,800	941	46
3	91,700	906	47
4	83,900	932	46
5	70,400	880	49
6	54,800	811	53
South Dakota	93,900	848	51

Congressional District	Number of Medicare Beneficiaries Who Would Benefit ¹	Average Monthly Social Security Check for Retirees, 2004 (dollars)	Percent of COLA Spent on Medicare Premium Increase ² (percent)
Tennessee	560,700	894	48
1	75,400	869	49
2	71,600	922	47
3	70,400	915	47
4	64,000	851	50
5	53,200	955	45
6	68,700	881	49
7	57,200	915	47
8	60,700	856	50
9	39,400	900	48
Texas	1,701,300	897	48
1	81,700	863	50
2	82,600	919	47
3	39,200	1,005	43
4	82,700	909	47
5	60,600	918	47
6	56,100	937	46
7	41,600	1,075	40
8	51,000	1,020	42
9	65,300	964	45
10	37,100	926	46
11	63,600	855	50
12	61,600	958	45
13	73,900	893	48
14	71,800	871	49
15	20,400	715	60
16	37,400	741	58
17	84,300	871	49
18	45,500	865	50
19	64,400	917	47
20	43,800	748	57
21	81,600	935	46
22	46,000	1,004	43
23	35,700	777	55
24	41,600	903	48
25	43,800	1,002	43
26	40,800	1,008	43
27	35,000	783	55
28	42,300	745	58
29	26,100	877	49
30	44,800	869	49
31	48,200	936	46
32		1,078	40
Utah	180,500	928	46
1	56,400	871	49
2	72,900	964	45
3	51,300	942	46
Vermont	56,100	915	47
Virginia	715,600	903	48
1	69,400	896	48
2	54,900	898	48
3	53,900	849	51
4	66,600	882	49
5	82,600	881	49

Congressional District	Number of Medicare Beneficiaries Who Would Benefit ¹	Average Monthly Social Security Check for Retirees, 2004 (dollars)	Percent of COLA Spent on Medicare Premium Increase ² (percent)
Virginia			
6	86,900	909	47
7	74,300	970	44
8	43,900	932	46
9	92,000	872	49
10	45,100	943	46
11	46,000	946	45
Washington	599,400	959	45
1	59,300	991	43
2	69,300	952	45
3	80,400	955	45
4	64,000	927	46
5	73,900	920	47
6	76,200	920	47
7	57,500	1,004	43
8	59,600	1,035	42
9	59,000	964	45
West Virginia	273,200	910	47
1	91,500	919	47
2	87,800	908	47
3	94,000	903	48
Wisconsin	616,400	946	45
1	76,700	990	43
2	67,400	977	44
3	77,600	876	49
4	46,000	934	46
5	89,000	1,034	42
6	92,300	940	46
7	86,600	893	48
8	80,800	929	46
Wyoming	54,700	919	47

¹ Joint Economic Committee (JEC) Democratic staff estimates. Details may not sum to totals because of rounding. Official administrative data on the total number of Medicare beneficiaries by state in 2003 were projected forward to 2005 and adjusted to remove a) those Medicare beneficiaries who are also eligible for Medicaid and therefore are exempt from paying Medicare Part B premiums — so called “dual eligibles” and b) the small percentage of Medicare beneficiaries for whom the increase in Medicare premiums was less than 25 percent of their projected Social Security Cost of Living Adjustment (COLA — 2.7 percent for 2005). The number affected in the state was distributed among congressional districts based on the population receiving Medicare adjusted for the number of dual eligibles. See Appendix.

² Increase of \$11.60 in monthly Medicare Part B premium as a percentage of the projected monthly Social Security COLA for the average benefit check in the state.

³ Congressional Budget Office Estimate of total number of Medicare beneficiaries who would benefit from limiting Medicare premium increases to 25 percent of COLA.

Source: Joint Economic Committee Democratic staff, The Centers for Medicare and Medicaid Services, The Kaiser Commission on Medicaid and the Uninsured, Social Security Administration, and the Congressional Budget Office.

Appendix

Methodology Used to Estimate the Number of Medicare Beneficiaries Impacted by H.R 4910 by State and Congressional District

State by State Estimates

The number of Medicare beneficiaries in each state who would benefit from H.R. 4910 — the Social Security COLA Protection Act — was estimated using the national estimates from the Congressional Budget Office and administrative data from the Centers for Medicare and Medicaid Services (CMS) and the Social Security Administration (SSA). The estimate for each state was developed using the three step procedure described below.

Official CMS administrative data on the number of Medicare beneficiaries in 2003 was projected forward to 2005 based on recent enrollment trends and benchmarked to the CBO national estimate of Medicare beneficiaries.

The number of Medicare beneficiaries whose Medicare premiums are paid by Medicaid (so-called dual eligibles) was subtracted from the estimates in step 1. The best available state-by-state estimates of dual eligibles was for 2002 based on analysis by the Urban Institute/Kaiser Family Foundation. This was projected forward to 2005 by recent enrollment trends and benchmarked to the national CBO estimate.

CBO also estimated that slightly less than 2 percent of beneficiaries would not be impacted because their Social Security check exceeds \$1,700 per month. This estimate was based on SSA state-by-state data on the percentage of beneficiaries with checks over \$1,300 and was again benchmarked to the CBO national estimate.

Congressional District Estimates

The estimate of the number of Medicare beneficiaries impacted by H.R. 4910 for each Congressional District was developed using the state estimates. The number of Medicare beneficiaries (combination of step one and two above) in each Congressional District was allocated according to December, 2003 SSA administrative data on the number of Social Security beneficiaries aged 65 and over and the number of disabled workers in each district. Then the number of dual eligibles (step 2) was distributed by the number of Supplemental Security Income (SSI) recipients who also receive Social Security. The number of people in each district who are impacted by H.R. 4910 is the difference between the two numbers described above — number of Medicare beneficiaries (adjusted for very high Social Security checks) less the number of dual eligibles.