

# CRS Report for Congress

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## Medicare Prescription Drug Benefit: Estimates of Beneficiaries Who Fall Below Countable Income Thresholds, by State

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### Summary

The Medicare Prescription Drug Improvement and Modernization Act of 2003 (P.L. 108-173) establishes a prescription drug benefit that begins in 2006. The cost-sharing for prescription drugs is reduced for certain beneficiaries, depending on their income-to-poverty ratio and other factors. Using the most recent data, this report provides state-by-state estimates of the percentage and number of beneficiaries who fall below various low-income thresholds, using the definition of income specified in the law. *The asset (or "resource") limits were not factored into the analysis.* This report replaces CRS Report RL31736, *Medicare Prescription Drug Proposals: Estimates of Aged Beneficiaries Who Fall Below Income Criteria, by State* and will be updated to reflect new legislation or data.

The Medicare Prescription Drug Improvement and Modernization Act of 2003 (P.L. 108-173) establishes a prescription drug benefit that begins in 2006. The cost-sharing (for example, deductibles and coinsurance) for prescription drugs is reduced for certain beneficiaries, depending on their income-to-poverty ratio and other factors. For a full discussion of the prescription drug benefits for low-income beneficiaries and the income thresholds for which they apply under P.L. 108-173, see CRS Report RL31525, *Beneficiary Cost-Sharing Under the Medicare Prescription Drug Benefit*, as well as RS21583, *Medicare Prescription Drug Plans: Comparison of Actuarial Values*. **Table 1** shows estimates of the percentage and number of noninstitutionalized aged (age 65 or older) Medicare beneficiaries below various income thresholds, for each state and nationally. **Table 2** shows the same estimates except it is for *all* noninstitutionalized beneficiaries, not just the aged.

Even if one qualifies for cost-sharing assistance based on income, that assistance may be precluded by the beneficiary's countable assets, or resources. Resources were not accounted for in the estimates.

**Table 1. Average Percentage and Number of Aged (65 and Older), Noninstitutionalized Medicare Beneficiaries with Countable Incomes Below Specified Levels, by State, 2000-2002**

State	Below 74% of poverty		Below 100% of poverty		Below 135% of poverty		Below 150% of poverty		Below 160% of poverty		Total avg number of beneficiaries
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	
Alabama	8% ± 1.8%	43,000	20.4% ± 2.7% **	109,000	34.8% ± 3.2% **	186,000	41.2% ± 3.3% **	221,000	45.4% ± 3.3% **	243,000	535,000
Alaska	6.8% ± 2.3%	3,000	14.2% ± 3.2%	6,000	25.3% ± 3.9%	10,000	31.7% ± 4.2%	12,000	35% ± 4.3%	14,000	39,000
Arizona	5.9% ± 1.8%	36,000	10.9% ± 2.3% *	67,000	22.4% ± 3.1% *	138,000	27.6% ± 3.3% *	170,000	30.6% ± 3.4% *	188,000	616,000
Arkansas	7.5% ± 1.7%	29,000	19.4% ± 2.6% **	74,000	33.7% ± 3.1% **	128,000	40.8% ± 3.2% **	155,000	43.8% ± 3.3% **	167,000	380,000
California	8% ± 1% **	251,000	14.9% ± 1.3%	468,000	30.9% ± 1.7% **	971,000	37.4% ± 1.8% **	1,175,000	40.9% ± 1.8% **	1,285,000	3,139,000
Colorado	5.6% ± 1.5%	23,000	13.1% ± 2.2%	54,000	24.3% ± 2.8% *	101,000	30% ± 3% *	124,000	33% ± 3.1% *	137,000	414,000
Connecticut	4.6% ± 1.1% *	22,000	10.5% ± 1.7% *	51,000	20.5% ± 2.2% *	99,000	25.2% ± 2.4% *	121,000	28.3% ± 2.4% *	136,000	481,000
Delaware	4% ± 1.2% *	4,000	10% ± 1.9% *	10,000	22.8% ± 2.6% *	22,000	27.1% ± 2.8% *	26,000	30.7% ± 2.9% *	29,000	95,000
DC	14.1% ± 3% **	8,000	27.1% ± 3.9% **	16,000	39.4% ± 4.2% **	23,000	43.7% ± 4.3% **	26,000	46% ± 4.3% **	27,000	60,000
Florida	7% ± 0.9%	181,000	15.8% ± 1.2%	410,000	29.6% ± 1.6%	767,000	35.4% ± 1.6%	916,000	38.8% ± 1.7%	1,003,000	2,587,000
Georgia	7.5% ± 2.1%	54,000	20.3% ± 3.1% **	144,000	35.1% ± 3.7% **	249,000	42.2% ± 3.9% **	301,000	44.7% ± 3.9% **	318,000	711,000
Hawaii	12.1% ± 2.1% **	18,000	19.4% ± 2.6% **	29,000	31.8% ± 3.1%	47,000	36% ± 3.2%	53,000	39% ± 3.2%	58,000	147,000
Idaho	2.9% ± 1.2% *	4,000	9.6% ± 2.2% *	14,000	22.4% ± 3.1% *	32,000	29.2% ± 3.4% *	42,000	31.1% ± 3.5% *	44,000	143,000
Illinois	6.4% ± 1.1%	86,000	13.5% ± 1.6% *	180,000	25.8% ± 2% *	346,000	32.6% ± 2.2%	436,000	35.9% ± 2.2%	481,000	1,339,000
Indiana	4.9% ± 1.2% *	37,000	11.4% ± 1.8% *	87,000	28.4% ± 2.5%	216,000	34% ± 2.7%	258,000	37.7% ± 2.7%	286,000	759,000
Iowa	5.2% ± 1.3% *	20,000	11.2% ± 1.8% *	43,000	23.1% ± 2.5% *	89,000	28% ± 2.6% *	109,000	31.8% ± 2.7% *	123,000	388,000
Kansas	3.5% ± 1.1% *	13,000	11.3% ± 1.9% *	41,000	27.3% ± 2.6%	99,000	32.6% ± 2.8%	119,000	35.7% ± 2.8%	130,000	364,000
Kentucky	9.2% ± 2% **	45,000	17.7% ± 2.6%	85,000	30.8% ± 3.1%	149,000	38% ± 3.2% **	183,000	41.1% ± 3.3%	198,000	482,000
Louisiana	9.2% ± 2.2% **	44,000	20.2% ± 3% **	97,000	37.7% ± 3.6% **	180,000	42.7% ± 3.7% **	204,000	46.4% ± 3.7% **	222,000	478,000
Maine	5.4% ± 1.2% *	11,000	14.7% ± 1.9%	29,000	32% ± 2.4% **	62,000	39.5% ± 2.6% **	77,000	44.9% ± 2.6% **	87,000	194,000
Maryland	6.8% ± 1.6%	41,000	15.1% ± 2.2%	91,000	26.8% ± 2.8%	162,000	31% ± 2.9% *	187,000	34% ± 3% *	206,000	605,000
Massachusetts	7.9% ± 1.5%	62,000	16.5% ± 2%	130,000	28.9% ± 2.5%	227,000	35.7% ± 2.7%	280,000	40.5% ± 2.7%	318,000	784,000
Michigan	5.2% ± 1.1% *	57,000	12.6% ± 1.6% *	140,000	23.2% ± 2.1% *	257,000	29.3% ± 2.2% *	324,000	33.7% ± 2.3% *	373,000	1,105,000
Minnesota	5.4% ± 1.5%	26,000	11.6% ± 2.2% *	55,000	23.1% ± 2.9% *	108,000	27.6% ± 3.1% *	130,000	32.2% ± 3.2% *	151,000	469,000
Mississippi	10% ± 2.3% **	31,000	27.2% ± 3.4% **	85,000	42.2% ± 3.8% **	131,000	47.3% ± 3.8% **	147,000	50.5% ± 3.8% **	157,000	311,000
Missouri	3.6% ± 1.2% *	23,000	10.8% ± 2% *	69,000	22% ± 2.6% *	141,000	27.9% ± 2.8% *	178,000	32.4% ± 2.9% *	207,000	639,000
Montana	4.5% ± 1.4% *	6,000	12.7% ± 2.3% *	16,000	25.8% ± 3.1%	32,000	33% ± 3.3%	41,000	35.3% ± 3.3%	44,000	124,000
Nebraska	6.4% ± 1.6%	13,000	13.4% ± 2.3%	27,000	24.9% ± 2.9% *	49,000	32.2% ± 3.2%	64,000	36.2% ± 3.2%	71,000	198,000
Nevada	6% ± 1.6%	13,000	12.5% ± 2.2% *	28,000	24.5% ± 2.9% *	55,000	30.6% ± 3.1% *	68,000	34.5% ± 3.1% *	77,000	223,000
New Hampshire	4.7% ± 1.2% *	8,000	9.9% ± 1.7% *	16,000	21% ± 2.4% *	34,000	27.8% ± 2.6% *	44,000	32.1% ± 2.7% *	51,000	160,000

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State	Below 74% of poverty		Below 100% of poverty		Below 135% of poverty		Below 150% of poverty		Below 160% of poverty		Total avg number of beneficiaries
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	
New Jersey	6.1% ± 1.1%	69,000	13% ± 1.6% *	146,000	24.3% ± 2% *	273,000	30.1% ± 2.1% *	338,000	33.2% ± 2.2% *	373,000	1,122,000
New Mexico	10.9% ± 2.4% **	25,000	19.3% ± 3.1% **	43,000	33% ± 3.7% **	74,000	38.2% ± 3.8%	86,000	41.7% ± 3.9%	94,000	225,000
New York	8.5% ± 1% **	195,000	18.8% ± 1.3% **	431,000	31.2% ± 1.6% **	715,000	37.7% ± 1.7% **	864,000	40.9% ± 1.7% **	938,000	2,293,000
North Carolina	9.1% ± 1.6% **	85,000	19.8% ± 2.2% **	186,000	35.4% ± 2.7% **	332,000	39.7% ± 2.7% **	373,000	42.8% ± 2.7% **	402,000	940,000
North Dakota	7% ± 1.6%	6,000	15.8% ± 2.2%	13,000	29.8% ± 2.8%	25,000	36.2% ± 2.9%	31,000	42.6% ± 3% **	36,000	85,000
Ohio	5.9% ± 1.1%	81,000	12.6% ± 1.5% *	173,000	25.7% ± 2% *	351,000	30.9% ± 2.1% *	422,000	33.8% ± 2.2% *	462,000	1,367,000
Oklahoma	6.9% ± 1.6%	30,000	14.4% ± 2.3%	63,000	28% ± 2.9%	121,000	32.5% ± 3%	141,000	36.1% ± 3.1%	157,000	434,000
Oregon	3.9% ± 1.3% *	15,000	9.2% ± 2% *	35,000	21.6% ± 2.8% *	82,000	26.2% ± 3% *	100,000	29.7% ± 3.1% *	113,000	380,000
Pennsylvania	5.1% ± 0.9% *	85,000	12.3% ± 1.3% *	204,000	25.4% ± 1.7% *	422,000	31.5% ± 1.9% *	523,000	34.9% ± 1.9% *	580,000	1,663,000
Rhode Island	5.6% ± 1.2% *	9,000	16% ± 1.9%	25,000	31.1% ± 2.4% **	48,000	37.9% ± 2.5% **	58,000	40.5% ± 2.6%	62,000	153,000
South Carolina	9.1% ± 1.8% **	45,000	20.4% ± 2.6% **	101,000	35.8% ± 3.1% **	178,000	40.7% ± 3.2% **	202,000	44.2% ± 3.2% **	220,000	497,000
South Dakota	5.1% ± 1.3% *	5,000	12.2% ± 1.9% *	12,000	28.9% ± 2.6%	29,000	34.2% ± 2.8%	35,000	38% ± 2.8%	39,000	102,000
Tennessee	9.6% ± 2.2% **	58,000	21.2% ± 3% **	128,000	37.7% ± 3.6% **	227,000	43.9% ± 3.7% **	265,000	49.2% ± 3.7% **	297,000	603,000
Texas	9.6% ± 1.3% **	190,000	20% ± 1.8% **	399,000	34.2% ± 2.1% **	682,000	40% ± 2.2% **	798,000	43.2% ± 2.2% **	862,000	1,994,000
Utah	6.5% ± 2.1%	11,000	14.5% ± 3%	24,000	24.5% ± 3.7% *	41,000	28.5% ± 3.8% *	48,000	31.6% ± 3.9% *	53,000	168,000
Vermont	5.9% ± 1.5%	4,000	15.3% ± 2.3%	11,000	31.7% ± 3% **	23,000	38.4% ± 3.1% **	27,000	41.7% ± 3.1% **	30,000	71,000
Virginia	6.6% ± 1.7%	51,000	14.8% ± 2.4%	114,000	28.1% ± 3%	216,000	35.1% ± 3.2%	270,000	38.3% ± 3.2%	295,000	770,000
Washington	5.9% ± 1.6%	38,000	10.9% ± 2.1% *	70,000	19.6% ± 2.7% *	126,000	24.3% ± 3% *	156,000	27.6% ± 3.1% *	178,000	643,000
West Virginia	6.2% ± 1.4%	17,000	16.3% ± 2.1%	44,000	30.1% ± 2.6%	82,000	35.9% ± 2.7%	98,000	40.7% ± 2.8%	111,000	272,000
Wisconsin	3.7% ± 1.1% *	24,000	9.8% ± 1.7% *	64,000	18.9% ± 2.3% *	123,000	24.9% ± 2.5% *	162,000	29.4% ± 2.6% *	191,000	650,000
Wyoming	5% ± 1.5% *	3,000	11.6% ± 2.2% *	7,000	26.4% ± 3%	15,000	33.9% ± 3.2%	19,000	39% ± 3.3%	22,000	57,000
<b>United States</b>	<b>6.9% ± 0.2%</b>	<b>2,255,000</b>	<b>15.3% ± 0.3%</b>	<b>4,961,000</b>	<b>28.6% ± 0.4%</b>	<b>9,298,000</b>	<b>34.5% ± 0.4%</b>	<b>11,206,000</b>	<b>38% ± 0.4%</b>	<b>12,345,000</b>	<b>32,459,000</b>

**Source:** Table prepared by the Congressional Research Service based on data from the March supplement of the Current Population Survey, 2001-2003.

**Note:** Even if one qualifies for cost-sharing assistance based on income, that assistance may be precluded by the beneficiary's countable assets, or resources, a topic not addressed in this report. Income is determined based on the definition of countable income for Supplemental Security Income, not by total family income. The Department of Health and Human Services' federal poverty guidelines are used rather than the Census Bureau's federal poverty threshold. The range given for the percentages reflect the 90% confidence interval. These demonstrate that, because the estimates are based on a portion of the entire aged Medicare population, the estimates are subject to variability. The size of the confidence intervals depends primarily on sample size. A 90% confidence interval means that if all possible samples were surveyed under the same sample design and general conditions, the estimated percentage in each income category would lie within the confidence interval 9 out of 10 times. The *number* of beneficiaries is based on the corresponding percentage point estimate. The number of beneficiaries is subject to the same kind of variability as the percentage, but the 90% confidence interval is not provided because of space constraints.

\* Indicates percentage of beneficiaries is statistically lower than the national rate, at the 90% confidence level.

\*\* Indicates the percentage of beneficiaries is statistically higher than the national rate, at the 90% confidence level.

**Table 2. Average Percentage and Number of Noninstitutionalized Medicare Beneficiaries (Aged and Disabled) with Countable Incomes Below Specified Levels, by State, 2000-2002**

State	Below 74% of poverty		Below 100% of poverty		Below 135% of poverty		Below 150% of poverty		Below 160% of poverty		Total avg number of beneficiaries
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	
Alabama	11.5% ± 1.9%	77,000	25.4% ± 2.6% **	172,000	41% ± 2.9% **	277,000	47.4% ± 3% **	320,000	51% ± 3% **	345,000	676,000
Alaska	11.2% ± 2.5%	6,000	20.4% ± 3.2%	10,000	33.9% ± 3.8%	17,000	40.5% ± 3.9%	20,000	43.7% ± 4%	22,000	50,000
Arizona	7.5% ± 1.8% *	53,000	13.5% ± 2.4% *	95,000	25.8% ± 3% *	182,000	30.8% ± 3.2% *	217,000	33.6% ± 3.2% *	237,000	705,000
Arkansas	13% ± 2% **	63,000	26.9% ± 2.6% **	130,000	40.4% ± 2.9% **	195,000	47% ± 2.9% **	227,000	50% ± 2.9% **	242,000	484,000
California	9.9% ± 1%	361,000	17.8% ± 1.3% *	649,000	34.3% ± 1.6%	1,251,000	40.6% ± 1.7% **	1,481,000	44% ± 1.7% **	1,603,000	3,646,000
Colorado	9.8% ± 1.8%	47,000	17.6% ± 2.3%	85,000	29.3% ± 2.8% *	142,000	34.8% ± 2.9% *	168,000	37.6% ± 3% *	182,000	483,000
Connecticut	5.7% ± 1.2% *	30,000	13% ± 1.7% *	69,000	23.4% ± 2.2% *	125,000	28.1% ± 2.3% *	150,000	30.9% ± 2.4% *	165,000	535,000
Delaware	7.6% ± 1.5% *	9,000	14.7% ± 2% *	17,000	27.1% ± 2.5% *	31,000	31.9% ± 2.6% *	37,000	35.6% ± 2.7% *	41,000	114,000
DC	19.4% ± 3.1% **	14,000	32.3% ± 3.7% **	23,000	44.9% ± 3.9% **	32,000	49.3% ± 3.9% **	35,000	51.5% ± 3.9% **	37,000	72,000
Florida	9.1% ± 0.9%	268,000	18.7% ± 1.3%	548,000	32.4% ± 1.5%	953,000	38.4% ± 1.6%	1,128,000	41.6% ± 1.6%	1,220,000	2,936,000
Georgia	10.9% ± 2.2%	98,000	24.3% ± 3% **	218,000	39.2% ± 3.4% **	352,000	45.9% ± 3.5% **	412,000	48.1% ± 3.5% **	432,000	898,000
Hawaii	15.8% ± 2.2% **	26,000	23.4% ± 2.6% **	39,000	35.7% ± 3%	60,000	39.5% ± 3.1%	66,000	42.7% ± 3.1%	71,000	167,000
Idaho	5.1% ± 1.5% *	8,000	12.7% ± 2.3% *	21,000	25.5% ± 3% *	42,000	32.2% ± 3.3% *	52,000	34.5% ± 3.3% *	56,000	163,000
Illinois	9.7% ± 1.3%	155,000	17.9% ± 1.6%	285,000	31.4% ± 2%	501,000	37.6% ± 2.1%	599,000	40.8% ± 2.1%	650,000	1,592,000
Indiana	8.2% ± 1.4% *	72,000	15.6% ± 1.9% *	137,000	31.9% ± 2.4%	281,000	37.6% ± 2.5%	331,000	41.4% ± 2.6%	364,000	880,000
Iowa	7.5% ± 1.5% *	33,000	14.9% ± 2% *	65,000	26.7% ± 2.4% *	117,000	31.3% ± 2.6% *	137,000	35.3% ± 2.6% *	155,000	439,000
Kansas	5.6% ± 1.3% *	23,000	14.8% ± 2% *	61,000	30.6% ± 2.6%	125,000	36% ± 2.7%	148,000	39% ± 2.7% *	160,000	409,000
Kentucky	11.2% ± 1.9%	68,000	21.5% ± 2.4%	130,000	35.6% ± 2.8%	216,000	42.4% ± 2.9% **	257,000	46.2% ± 3% **	279,000	605,000
Louisiana	12.7% ± 2.2% **	76,000	24.8% ± 2.9% **	148,000	42.1% ± 3.3% **	251,000	47.1% ± 3.3% **	281,000	51% ± 3.3% **	304,000	596,000
Maine	9.4% ± 1.4%	22,000	20.7% ± 1.9%	48,000	37.3% ± 2.3% **	86,000	44.3% ± 2.4% **	102,000	49.2% ± 2.4% **	114,000	231,000
Maryland	9.4% ± 1.7%	64,000	18.2% ± 2.3%	124,000	29.6% ± 2.7% *	201,000	33.6% ± 2.8% *	229,000	36.6% ± 2.8% *	249,000	681,000
Massachusetts	8.6% ± 1.5%	76,000	18.5% ± 2%	164,000	31.6% ± 2.4%	279,000	38.2% ± 2.5%	337,000	42.9% ± 2.6%	379,000	883,000
Michigan	8.1% ± 1.2% *	108,000	17.7% ± 1.7%	237,000	29.1% ± 2% *	391,000	35% ± 2.1% *	469,000	39.1% ± 2.2% *	524,000	1,341,000
Minnesota	7.3% ± 1.7% *	39,000	14.3% ± 2.2% *	76,000	26.4% ± 2.8% *	140,000	30.5% ± 2.9% *	163,000	34.8% ± 3% *	186,000	533,000
Mississippi	12.5% ± 2.3% **	49,000	31.3% ± 3.2% **	122,000	45.5% ± 3.4% **	178,000	51.2% ± 3.4% **	200,000	54.2% ± 3.4% **	212,000	390,000
Missouri	5.8% ± 1.4% *	43,000	15.1% ± 2.1% *	111,000	26.1% ± 2.6% *	193,000	31.7% ± 2.7% *	233,000	35.8% ± 2.8% *	264,000	737,000
Montana	5.6% ± 1.4% *	8,000	15.4% ± 2.3% *	22,000	28.5% ± 2.9% *	42,000	36.3% ± 3.1%	53,000	38.6% ± 3.1% *	56,000	146,000
Nebraska	8.6% ± 1.8%	19,000	16.6% ± 2.4% *	37,000	28.5% ± 2.9% *	64,000	35.8% ± 3%	80,000	39.7% ± 3.1%	89,000	224,000
Nevada	7.1% ± 1.6% *	18,000	15.2% ± 2.2% *	39,000	27.7% ± 2.8% *	71,000	33.5% ± 2.9% *	85,000	37.4% ± 3% *	95,000	255,000
New Hampshire	6% ± 1.3% *	11,000	12.7% ± 1.9% *	23,000	25% ± 2.4% *	45,000	32.2% ± 2.6% *	58,000	36.3% ± 2.7% *	65,000	179,000

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State	Below 74% of poverty		Below 100% of poverty		Below 135% of poverty		Below 150% of poverty		Below 160% of poverty		Total avg number of beneficiaries
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	
New Jersey	9.1% ± 1.2%	117,000	17.5% ± 1.6% *	224,000	29.3% ± 2% *	376,000	34.7% ± 2.1% *	446,000	37.8% ± 2.1% *	486,000	1,283,000
New Mexico	15.5% ± 2.5% **	43,000	25.3% ± 3.1% **	70,000	39% ± 3.5% **	108,000	43.6% ± 3.5% **	121,000	47.1% ± 3.5% **	130,000	277,000
New York	10.6% ± 1%	282,000	22.5% ± 1.3% **	597,000	35.1% ± 1.5% **	930,000	41.3% ± 1.6% **	1,095,000	44.4% ± 1.6% **	1,178,000	2,650,000
North Carolina	14.4% ± 1.7% **	169,000	26.5% ± 2.2% **	311,000	41.3% ± 2.4% **	484,000	45.5% ± 2.5% **	533,000	48.6% ± 2.5% **	569,000	1,171,000
North Dakota	7.4% ± 1.5% *	7,000	16.9% ± 2.2% *	16,000	31.1% ± 2.7%	29,000	37.3% ± 2.8%	35,000	43.4% ± 2.9%	40,000	93,000
Ohio	8.2% ± 1.2% *	130,000	15.7% ± 1.5% *	248,000	29.1% ± 1.9% *	459,000	34.6% ± 2% *	545,000	37.3% ± 2.1% *	589,000	1,577,000
Oklahoma	8.8% ± 1.7%	44,000	19.3% ± 2.4%	97,000	33.4% ± 2.9%	167,000	37.8% ± 2.9%	189,000	41.3% ± 3%	207,000	501,000
Oregon	6.8% ± 1.5% *	31,000	15.2% ± 2.2% *	70,000	28.5% ± 2.8% *	131,000	33.2% ± 2.9% *	152,000	36.5% ± 3% *	168,000	459,000
Pennsylvania	7.1% ± 0.9% *	134,000	15.9% ± 1.4% *	299,000	29% ± 1.7% *	547,000	34.7% ± 1.8% *	656,000	38.3% ± 1.8% *	723,000	1,888,000
Rhode Island	6.8% ± 1.2% *	12,000	18.9% ± 1.9%	33,000	33.9% ± 2.3%	59,000	40.7% ± 2.4%	71,000	43.2% ± 2.4%	75,000	174,000
South Carolina	15.9% ± 2.1% **	103,000	27.8% ± 2.5% **	179,000	42.2% ± 2.8% **	273,000	47% ± 2.8% **	304,000	50.2% ± 2.8% **	325,000	646,000
South Dakota	7.3% ± 1.4% *	8,000	15.6% ± 2% *	18,000	32.5% ± 2.6%	37,000	37.7% ± 2.7%	43,000	41.2% ± 2.7%	47,000	113,000
Tennessee	12.7% ± 2.2% **	98,000	25.9% ± 2.9% **	199,000	43% ± 3.3% **	331,000	48.8% ± 3.3% **	375,000	53.4% ± 3.3% **	411,000	769,000
Texas	11.9% ± 1.3% **	274,000	24.1% ± 1.8% **	557,000	38.5% ± 2% **	888,000	43.9% ± 2.1% **	1,015,000	47.1% ± 2.1% **	1,088,000	2,310,000
Utah	8.5% ± 2.2%	16,000	17.4% ± 3%	33,000	27.1% ± 3.5% *	52,000	31.4% ± 3.7% *	60,000	34.7% ± 3.8% *	67,000	192,000
Vermont	9.5% ± 1.7%	8,000	20% ± 2.3%	17,000	35.9% ± 2.8% **	30,000	42.6% ± 2.9% **	36,000	45.7% ± 2.9% **	39,000	85,000
Virginia	9.4% ± 1.8%	86,000	19.4% ± 2.4%	178,000	32.5% ± 2.9%	298,000	39.5% ± 3%	362,000	43.3% ± 3%	397,000	917,000
Washington	8.8% ± 1.8%	66,000	15.5% ± 2.3% *	116,000	24.5% ± 2.8% *	184,000	29.5% ± 2.9% *	220,000	32.7% ± 3% *	244,000	748,000
West Virginia	9.9% ± 1.5%	34,000	21% ± 2%	73,000	35.6% ± 2.4% **	123,000	41.3% ± 2.4% **	143,000	45.8% ± 2.5% **	159,000	346,000
Wisconsin	7.9% ± 1.4% *	60,000	15.1% ± 1.9% *	116,000	24.7% ± 2.3% *	189,000	30.6% ± 2.5% *	234,000	35.1% ± 2.6% *	269,000	766,000
Wyoming	8.6% ± 1.7%	6,000	16% ± 2.3% *	10,000	30.1% ± 2.9%	19,000	37.3% ± 3.1%	24,000	41.9% ± 3.2%	27,000	65,000
<b>United States</b>	<b>9.6% ± 0.2%</b>	<b>3,672,000</b>	<b>19.3% ± 0.3%</b>	<b>7,366,000</b>	<b>33% ± 0.4%</b>	<b>12,551,000</b>	<b>38.7% ± 0.4%</b>	<b>14,735,000</b>	<b>42.1% ± 0.4%</b>	<b>16,032,000</b>	<b>38,077,000</b>

**Source:** Table prepared by the Congressional Research Service based on data from the March supplement of the Current Population Survey, 2001-2003.

**Note:** Even if one qualifies for cost-sharing assistance based on income, that assistance may be precluded by the beneficiary's countable assets, or resources, a topic not addressed in this report. Income is determined based on the definition of countable income for Supplemental Security Income, not by total family income. The Department of Health and Human Services' federal poverty guidelines are used rather than the Census Bureau's federal poverty threshold. The range given for the percentages reflect the 90% confidence interval. These demonstrate that, because the estimates are based on a portion of the entire Medicare population, the estimates are subject to variability. The size of the confidence intervals depends primarily on sample size. A 90% confidence interval means that if all possible samples were surveyed under the same sample design and general conditions, the estimated percentage in each income category would lie within the confidence interval 9 out of 10 times. The *number* of beneficiaries is based on the corresponding percentage point estimate. The number of beneficiaries is subject to the same kind of variability as the percentage, but the 90% confidence interval is not provided because of space constraints.

\* Indicates percentage of beneficiaries is statistically lower than the national rate, at the 90% confidence level.

\*\* Indicates the percentage of beneficiaries is statistically higher than the national rate, at the 90% confidence level.

**Source of Data.** The state-by-state percentages presented in this report were calculated using the March supplement of the Current Population Survey (CPS). The CPS March supplement is a survey of approximately 99,000 households selected to be demographically representative of the civilian noninstitutionalized population of the United States. The analyses in this report were based on data from the CPS for 2000, 2001 and 2002. The sample sizes available for many states are small, especially when examining a subset of the sample like Medicare beneficiaries over the age of 65. Small sample sizes increase the likelihood that the characteristics of the survey participants differ from the characteristics of the population they are meant to represent, which is known as sampling error. To increase the reliability of state-level estimates, multiple-year estimates were calculated.

**Income Defined.** In P.L. 108-173, income is counted according to Supplemental Security Income (SSI) eligibility guidelines. As a result, appropriately estimating the number of individuals who may be eligible for assistance under the law requires a more in-depth analysis than simply looking at individuals' or families' reported total income. The estimates of income used in this report were obtained by taking respondents' total income as reported in the CPS and subtracting from it the amounts and types of income specified according to SSI eligibility rules as follows.

Income was divided into two categories — earned income, which consists of the CPS variables for wages and self-employment earnings, and unearned income. The CPS gathers information on 17 types of unearned income. Two of these are not considered income for SSI purposes: education assistance and child support payments.<sup>1</sup> The amount of countable unearned income was reduced by up to \$240 per year (\$20 per month). If that maximum amount was not reached (that is, if unearned income was less than \$240 for the year), then the remainder of the \$240 disregard was subtracted from earned income.<sup>2</sup> Countable earned income was reduced by an additional \$780 per year (\$65 per month). Once the remaining countable earned income was calculated, if there was any left, half of it was subtracted, and the amount that remained was counted as earned income. The couple's or individual's countable earned and unearned incomes were then added together and compared to the federal poverty guidelines.

**Poverty Defined.** The poverty *guidelines* are published by the Department of Health and Human Services and are used primarily for determining eligibility for many federal programs, which is why the guidelines are used in this analysis. The poverty *thresholds*, although more commonly used for poverty-related analyses, are a different measure of poverty updated by the Census Bureau, used primarily for statistical purposes. The 2004 poverty *guidelines* for an individual living alone in the 48 contiguous states are \$9,310; for a family of two, the guideline is \$12,490. In Alaska, the guidelines are \$11,630 for an individual living alone and \$15,610 for a family of two. In Hawaii, the guidelines are \$10,700 for an individual living alone and \$14,360 for a family of two.

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<sup>1</sup> Child support payments only count as income under SSI when determining eligibility for a child for whom those payments are received.

<sup>2</sup> SSI, public assistance welfare, disability payments and financial assistance payments are considered unearned income when calculating total income. However, they are excluded when calculating how much of the \$240 disregard a beneficiary will receive. The CPS variable for "financial assistance payments" is assumed to be state or nonprofit assistance.