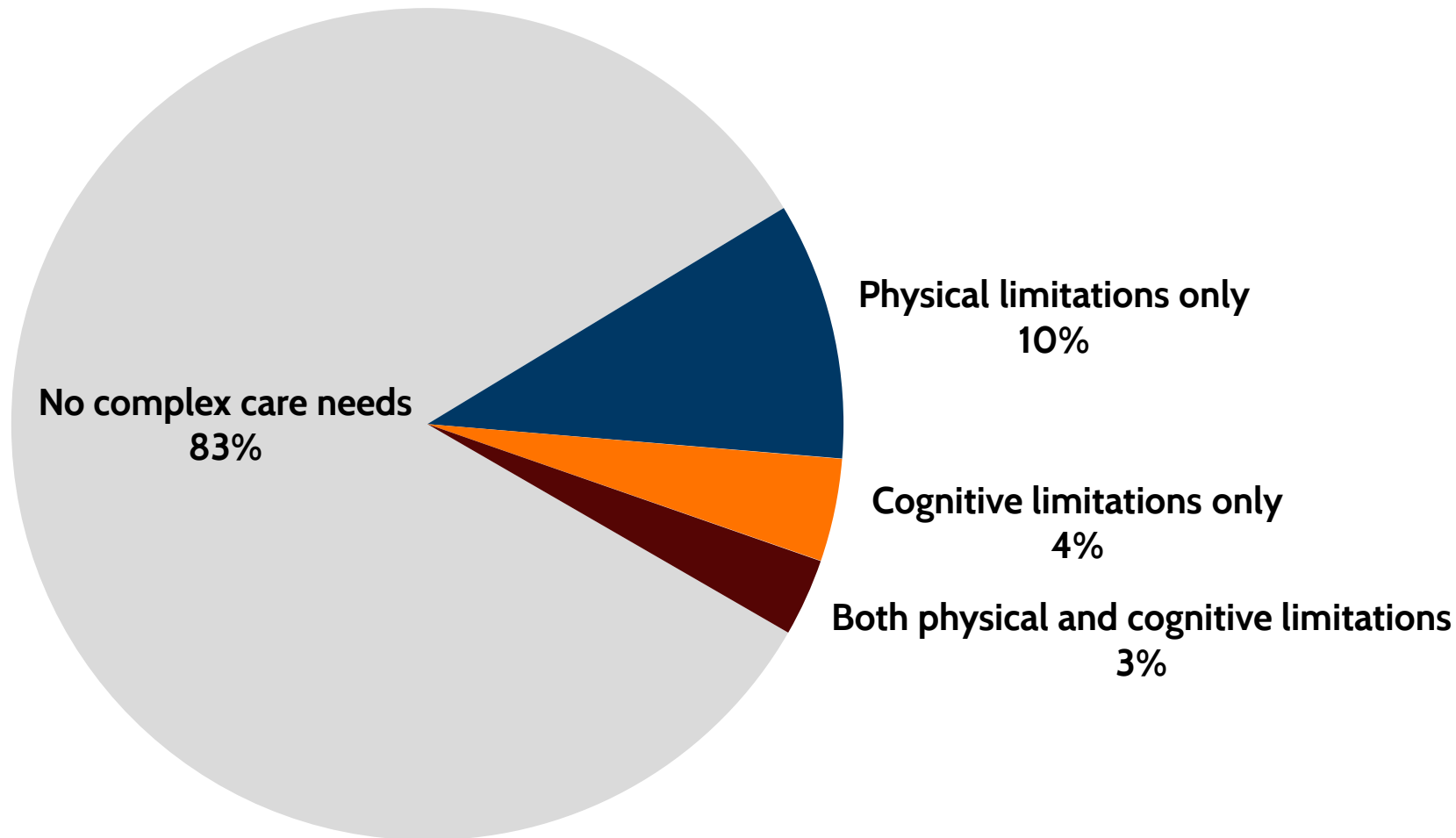


Exhibit 1. Beneficiaries with Complex Care Needs, Based on Eligibility Criteria

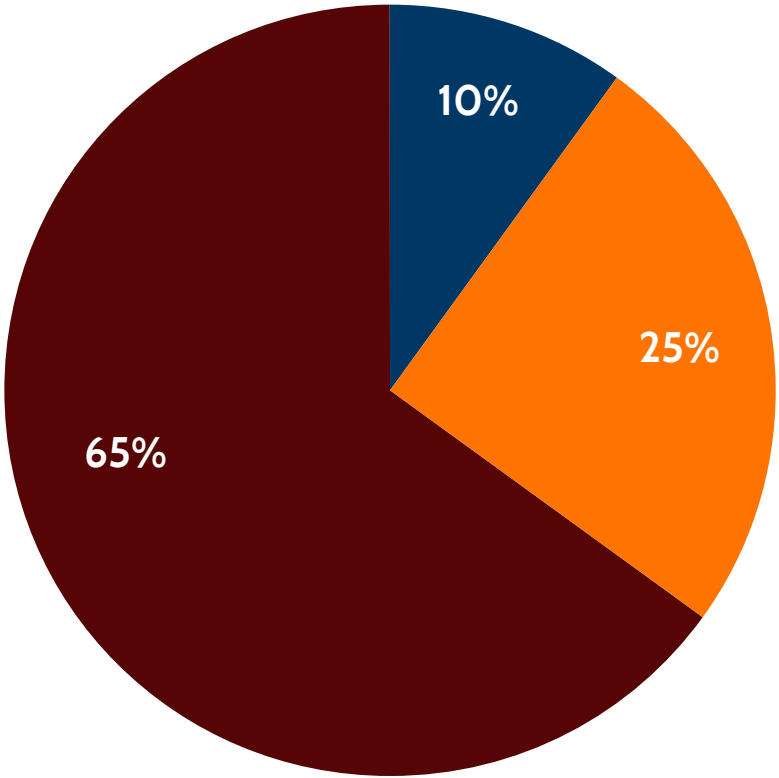


Note: n=12,549.

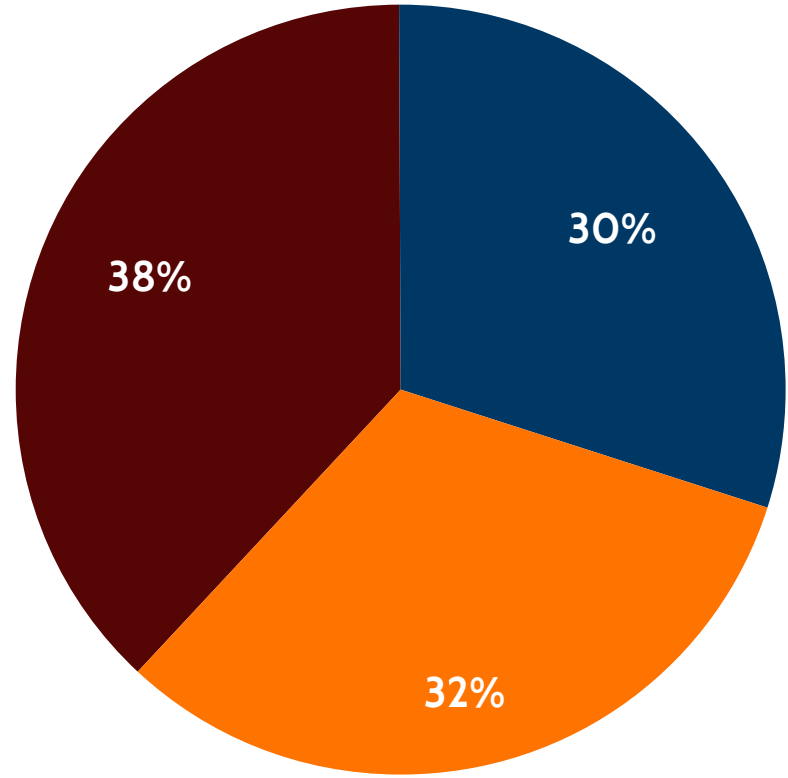
Source: Roger C. Lipitz Center for Integrated Health Care, Johns Hopkins Bloomberg School of Public Health, based on Health and Retirement Survey, 2010.

Exhibit 2. Income Distribution of Beneficiaries with Complex Care Needs and Those Without, Across Income and Insurance Categories

■ Dual eligibles ■ <200% FPL ■ >200% FPL



No complex care needs



Complex care needs

Notes: FPL refers to federal poverty level. No complex care needs: n=9,279. Complex care needs: n=1,972.
Source: Roger C. Lipitz Center for Integrated Health Care, Johns Hopkins Bloomberg School of Public Health, based on Health and Retirement Survey, 2010.

Exhibit 3. Mean (Median) Annual Medicare and Out-of-Pocket Spending for Community-Dwelling Traditional Medicare Beneficiaries, 2010

Average annual Medicare spending

	All Medicare (n=10,638)	No complex care needs (n=8,836)	Complex care needs (n=1,802)
All Medicare	\$7,013 (\$1,140)	\$5,754 (\$978)	\$13,188 (\$3,137)
Dual eligibles	\$11,058 (\$2,491)	\$8,358 (\$1,706)	\$15,268 (\$5,097)
<200% FPL	\$5,360 (\$710)	\$4,404 (\$627)	\$8,965 (\$1,115)
>200% FPL	\$5,427 (\$1,010)	\$4,652 (\$940)	\$11,536 (\$2,280)

Average annual out-of-pocket spending as a percentage of household income

	All Medicare (n=7,989)	No complex care needs (n=6,767)	Complex care needs (n=1,222)
All Medicare	8.35% (2.15%)	6.73% (1.98%)	17.26% (3.73%)
Dual eligibles	6.52% (2.35%)	6.13% (2.19%)	7.31% (2.63%)
<200% FPL	21.06% (4.06%)	16.79% (3.86%)	38.62% (5.50%)
>200% FPL	3.60% (1.70%)	3.23% (1.59%)	6.70% (3.35%)

Note: Out-of-pockets costs are based on a two-year period and recalculated for annual average estimates. Household income includes respondent and spouse only. Dual eligibles qualify for Medicare and Medicaid. FPL refers to federal poverty level.

Source: Roger C. Lipitz Center for Integrated Health Care, Johns Hopkins Bloomberg School of Public Health, based on Health and Retirement Survey, 2010, matched with Medicare records.