

reporting receiving private pensions from their longest job accounted for about 80 percent of the respondents on private pensions in the income section of the survey questionnaire. Furthermore, respondents reporting receiving private pension amounts from longest job represented 95 percent of all questionnaires in which private pensions were reported to be received on one or more sections of the job questions. As the tabulation shows, men who were not employed at the time of the survey whose most recent (last) job was their longest job made up the vast majority of those responding on private pension receipt from longest jobs.

Response to the Survey

Because the large majority of questionnaires were completed by the respondents themselves and returned by mail, the incidence of omitted or incomplete responses may be relatively higher than it would have been if the survey were conducted by personal interview. In surveys—both those conducted by mail and those through personal interviews—the highest rates of nonresponse are among items related to current income.

Response to the pension questions was high for

private wage and salary jobs, as the following percentages indicate: the rate was 92 percent for the question on coverage and 94 percent for the question on pension amount. The rates were identical for men and women.

The response rates for characteristics such as industry, occupation, duration on longest job, and interval since longest job were also high. The response rates for earnings on longest job for persons receiving private pensions, however, were slightly lower than those for the question on pension amount: 89 percent for the entire group, 90 percent for men, and 85 percent for women.

For SNEB, income reports were obtained for varying reference periods, with the amounts reported to be converted to “annual rates.” Earnings are reported by the hour, week, month, or year, at the option of the respondent. When the earnings are reported by the hour or week, the annual rate is obtained by applying the reported hours of work per week and/or number of weeks worked per year, as appropriate. Monthly earnings are multiplied by 12. Private pension benefits are reported by the month and are multiplied by 12 to obtain an annual rate. The data presented on P/E ratios are, therefore, based on the estimated annual rates of earnings and private pensions.

Notes and Brief Reports

Utilization and Reimbursements Under Medicare for 1967 and 1968 Decedents*

Deaths are relatively frequent in the population aged 65 and over and often are preceded by serious illnesses requiring substantial expenditures for medical services. Many of these aged decedents were among Medicare beneficiaries for whom large reimbursements were made under the program. In light of the concern with rising Medicare costs, it is important to examine the size of reimbursements for decedents, as their services

and charges represent a relatively inflexible proportion of the total.

The numbers of persons enrolled in the Medicare program who died during 1967 and 1968 and the amount reimbursed on their behalf for covered services are contrasted here with the experience of survivors in the same period. Tabular data for both years are presented. Though the analysis makes reference only to the 1967 figures, the relationships are the same for both years.

Of the 21 million persons aged 65 and over who were enrolled under Medicare for some time during 1967, about 5.4 percent died. Twenty-two percent of all reimbursements under the program were made on behalf of these decedents. In general, under every part of the program, proportionately more persons who died used reimbursed medical services (table 1).

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TABLE 1.—Number enrolled and percent served under Medicare, by type of service and survival status, 1967 and 1968

Type of service reimbursed	Total ever enrolled, served in year		Persons served, alive at end of year		Persons served who died during year ¹	
	Number (in thousands)	Percent	Number (in thousands)	Percent	Number (in thousands)	Percent
1967						
Total enrollment.....	20,716		19,602		1,114	
Hospital insurance and/or supplementary medical insurance.....	7,154	34.5	6,362	32.5	793	71.2
Both hospital insurance and supplementary medical insurance.....	3,328	16.1	2,781	14.2	547	49.1
Hospital insurance only.....	632	3.0	477	2.4	154	13.8
Supplementary medical insurance only.....	3,195	15.4	3,104	15.8	91	8.2
Hospital insurance.....	3,960	19.1	3,258	16.6	702	63.0
Inpatient hospital services.....	3,601	17.4	2,920	14.9	681	61.1
Outpatient hospital services.....	466	2.2	436	2.2	30	2.7
Extended-care facilities services.....	354	1.7	258	1.3	96	8.6
Home health agency services.....	126	0.6	101	.5	25	2.3
Supplementary medical insurance.....	6,523	31.5	5,884	30.0	639	57.3
Physician and other medical services.....	6,415	31.0	5,783	29.5	632	56.7
Outpatient hospital services.....	1,045	5.0	961	4.9	84	7.6
Home health agency services.....	118	0.6	97	.5	21	1.9
1968						
Total enrollment.....	21,055		19,854		1,201	
Hospital insurance and/or supplementary medical insurance.....	7,884	37.4	7,013	35.3	871	72.5
Both hospital insurance and supplementary medical insurance.....	3,573	17.0	2,940	14.8	632	52.7
Hospital insurance only.....	461	2.2	324	1.6	137	11.4
Supplementary medical insurance only.....	3,850	18.3	3,749	18.9	102	8.5
Hospital insurance.....	4,034	19.2	3,264	16.4	760	64.0
Inpatient hospital services.....	3,897	18.5	3,141	15.8	756	62.9
Outpatient hospital services.....	148	.7	132	.7	16	1.3
Extended-care facilities services.....	401	1.9	289	1.5	112	9.3
Home health agency services.....	164	.8	131	.7	33	2.7
Supplementary medical insurance.....	7,423	35.3	6,689	33.7	734	61.1
Physician and other medical services.....	7,251	34.4	6,525	32.9	726	60.5
Outpatient hospital services.....	1,364	6.5	1,253	6.3	112	9.3
Home health agency services.....	136	.6	112	.6	24	2.0

¹ Represents HI terminations.

Among the decedents, 71.2 percent had used some reimbursed service, more than double the proportion for the Medicare population alive at the end of 1967 (32.5 percent). The average reimbursement recorded for decedents—\$1,157—was also more than twice that paid out for survivors—\$522 (table 2).

With only one exception, every type of reimbursed service was used by proportionately more decedents than survivors. For users of supplementary medical insurance (SMI) services only, the percentage served was lower for decedents, as might be expected in a seriously ill population. Among all persons who used SMI services, reimbursements were almost twice as frequent for decedents than for survivors. The contrast among persons reimbursed for hospital insurance (HI) services was even greater: the percentage of decedents reimbursed was almost four times larger than the proportion for survivors.

The average reimbursement for services during the year is higher for decedents using most types

of covered services than the average for survivors. Reimbursements for services in extended-care facilities and from home health agencies are exceptions, with average amounts lower for decedents than for survivors. These high average expenditures are reflected again in the proportion of all amounts reimbursed for the different Medicare services that went to persons dying in the year. The decedents accounted for 25 percent of all HI reimbursements and 14 percent of SMI.

DISTRIBUTION OF REIMBURSEMENTS

As noted in an earlier publication,¹ a small proportion of Medicare beneficiaries account for a disproportionately large share of the total reimbursements. Of all persons reimbursed in 1967, the 7.5 percent whose individual reimbursements

¹ See *Medicare: Health Insurance for the Aged, 1967, Section 1: Summary*, Social Security Administration, Office of Research and Statistics, 1971.

TABLE 2.—Total and average reimbursements per person served under Medicare, by type of service and survival status, 1967 and 1968

Type of service reimbursed	All reimbursements		Reimbursements for persons alive at end of year		Reimbursements for persons who died during year		
	Total (in thousands)	Average amount	Total (in thousands)	Average amount	Total (in thousands)	Average amount	As percent of all reimbursements
1967							
Total.....	\$4,238,633	\$592	\$3,321,318	\$522	\$917,315	\$1,157	21.6
Both hospital insurance and supplementary medical insurance.....	3,663,661	1,101	2,847,196	1,024	816,465	1,491	22.3
Hospital insurance only.....	286,773	454	198,804	416	87,969	571	30.7
Supplementary medical insurance only.....	288,487	90	275,549	89	12,938	142	4.5
Hospital insurance.....	2,966,732	749	2,233,278	685	733,454	1,045	24.7
Inpatient hospital services.....	2,659,393	738	1,993,055	683	666,338	978	25.1
Outpatient hospital services.....	7,261	16	6,721	15	540	18	7.4
Extended-care facilities services.....	274,295	774	211,523	819	62,772	654	22.9
Home health agency services.....	25,783	204	21,979	218	3,804	150	14.8
Supplementary medical insurance.....	1,271,901	195	1,088,040	185	183,861	288	14.6
Physician and other medical services.....	1,223,845	191	1,044,887	181	178,958	283	14.8
Outpatient hospital services.....	30,995	30	28,170	29	2,825	34	9.1
Home health agency services.....	17,061	145	14,983	154	2,078	100	12.2
1968							
Total.....	\$5,282,992	\$670	\$4,101,647	\$585	\$1,181,345	\$1,356	22.4
Both hospital insurance and supplementary medical insurance.....	4,664,100	1,311	3,600,430	1,225	1,063,670	1,713	23.1
Hospital insurance only.....	236,738	513	153,217	472	83,521	611	35.3
Supplementary medical insurance only.....	362,957	94	348,414	93	14,523	143	4.0
Hospital insurance.....	3,769,172	934	2,811,910	861	957,262	1,244	25.4
Inpatient hospital services.....	3,401,047	873	2,525,786	804	875,261	1,158	25.7
Outpatient hospital services.....	2,091	14	1,863	14	228	15	10.9
Extended-care facilities services.....	327,393	817	251,303	870	76,090	680	23.2
Home health agency services.....	38,642	236	32,959	252	5,683	174	14.7
Supplementary medical insurance.....	1,513,821	204	1,289,738	193	224,083	305	14.8
Physician and other medical services.....	1,457,023	198	1,220,693	187	216,430	298	15.1
Outpatient hospital services.....	54,620	40	49,692	40	4,928	44	9.0
Home health agency services.....	22,178	164	19,453	174	2,725	114	12.3

were \$2,000 or more accounted for almost 40 percent of the amount reimbursed. When amounts paid out for illnesses of persons who died in 1967 are estimated separately, the concentration of large reimbursements amounts (as might be expected) is increased. The 19 percent of the decedents who were reimbursed amounts of \$2,000 or more accounted for more than half of the expenditures for all decedents (table 3). Of all persons with reimbursements at that level, 28 percent were beneficiaries who died in 1967.

SOURCE AND QUALIFICATION OF DATA

In summarizing Medicare utilization and reimbursement of beneficiaries for whom HI coverage was terminated because of death either during 1967 or 1968, the number of deaths of enrollees was assumed to be the same as the number of terminations recorded in that program. The small number of deaths among persons insured for SMI only was ignored. Since termination of HI benefits occurs in the month following death,

1967 deaths include terminations in the period February 1967–January 1968.² Deaths in 1968 include terminations from February 1968 through January 1969. Selected tables paralleling figures published³ earlier for the total Medicare population were prepared with respect to all HI benefit terminations. Except in table 3, utilization and reimbursements for decedents were subtracted from figures for the total population to obtain the experiences for beneficiaries alive at the end of the year. In table 3, reimbursements by dollar class were estimated for all population groups.

The HI terminations are based on a total count of these events, but the utilization and reimbursement figures are inflated from records for a 5-percent sample of the population. The number

² Because of differences in the population covered and in the reports of age at death, as well as possible delays in recording deaths in the Social Security Administration file, these figures do not correspond exactly to data on deaths published by the Division of Vital Statistics, National Center for Health Statistics.

³ *Medicare . . . 1967, Section 1: Summary*, op. cit., and *Medicare: Health Insurance for the Aged, 1968, Section 1: Summary* (in press).

TABLE 3.—Number and percentage distribution of persons served and estimated reimbursements under Medicare, by survival status and amount of reimbursement, 1967 and 1968

Amount reimbursed	Persons alive at end of year				Persons who died during year				
	Persons served		Estimated reimbursement		Persons served		Estimated reimbursement		Number served as percent of all persons served
	Number	Percentage distribution	Amount (in thousands)	Percentage distribution	Number	Percentage distribution	Amount (in thousands)	Percentage distribution	
1967									
Total.....	6,361,720	100 0	\$3,321,318	100 0	792,680	100.0	\$917,315	100 0	11.1
Less than \$50.....	1,720,160	27.0	65,022	2.0	73,800	9.3	2,796	.3	4.1
50-99.....	902,800	14.2	67,710	2.0	47,020	5.9	4,347	.5	5.0
100-249.....	1,063,340	16.7	172,649	5.2	91,620	11.6	13,851	1.5	7.9
250-499.....	780,060	12.3	284,188	8.6	107,000	13.5	37,947	4.1	12.1
500-999.....	846,780	13.3	615,938	18.5	147,560	18.6	108,868	11.9	14.8
1,000-1,499.....	427,120	6.7	533,900	16.1	103,060	13.0	127,327	13.9	19.4
1,500-1,999.....	237,860	3.7	418,255	12.5	70,380	8.9	122,051	13.3	22.8
2,000 or more.....	383,600	6.0	1,165,656	35.1	152,240	19.2	500,128	54.5	28.4
1968									
Total.....	7,013,060	100.0	\$4,101,647	100.0	871,040	100.0	\$1,181,345	100.0	11.0
Less than \$50.....	1,900,180	27.1	81,110	2.0	70,680	9.1	3,400	.3	4.0
50-99.....	969,380	13.8	72,704	1.8	49,880	5.7	1,258	.1	4.9
100-249.....	1,138,200	16.2	184,880	4.5	92,640	10.6	21,157	1.8	7.5
250-499.....	818,520	11.7	297,857	7.3	106,520	12.2	40,255	3.4	11.5
500-999.....	900,840	12.8	656,040	16.0	150,600	17.3	109,993	9.3	14.3
1,000-1,499.....	479,700	6.8	599,625	14.6	107,200	12.3	134,711	11.4	18.3
1,500-1,999.....	277,340	4.0	485,345	11.8	78,660	9.0	138,048	11.7	22.1
2,000 or more.....	528,900	7.5	1,724,077	42.0	205,860	23.6	732,514	62.0	28.0

of persons with reimbursed services in 1967, the amounts paid by the program for these services and the type of benefits provided were entered in the Social Security Administration records through October 1969; for 1968, data recorded by October 1970 are included. Persons are counted individually for each service but only once in the total column for all services under the program. Utilization may have included more than one hospitalization and the services of several physicians during the year, but the individual is counted only once under the respective services. All bills received, however, are summed under the reimbursement amounts.

Each person included in the tabulations used sufficient medical services to be eligible for reimbursement and had a claim filed on his behalf

for the amount due. It should be noted that figures shown for decedents refer not only to the services used during their terminal illness but to all of the reimbursed medical care received in the calendar year. Since deaths occur all during the year, the utilization of services by decedents does not reflect a full year's experience. Persons not alive at the end of the year had, on the average, only 6 months in which to accumulate medical expenses; for the survivors, a full year's experience is shown.⁴

⁴ Data for new enrollees present an exception. They are mostly 65-year-olds aging into the program, for whom on the average only 6 months' experience is reported. See, *Medicare: Health Insurance for the Aged, 1967, Section 2: Enrollment, 1972*, and *Medicare . . . 1968, Section 2: Enrollment, 1973*.