

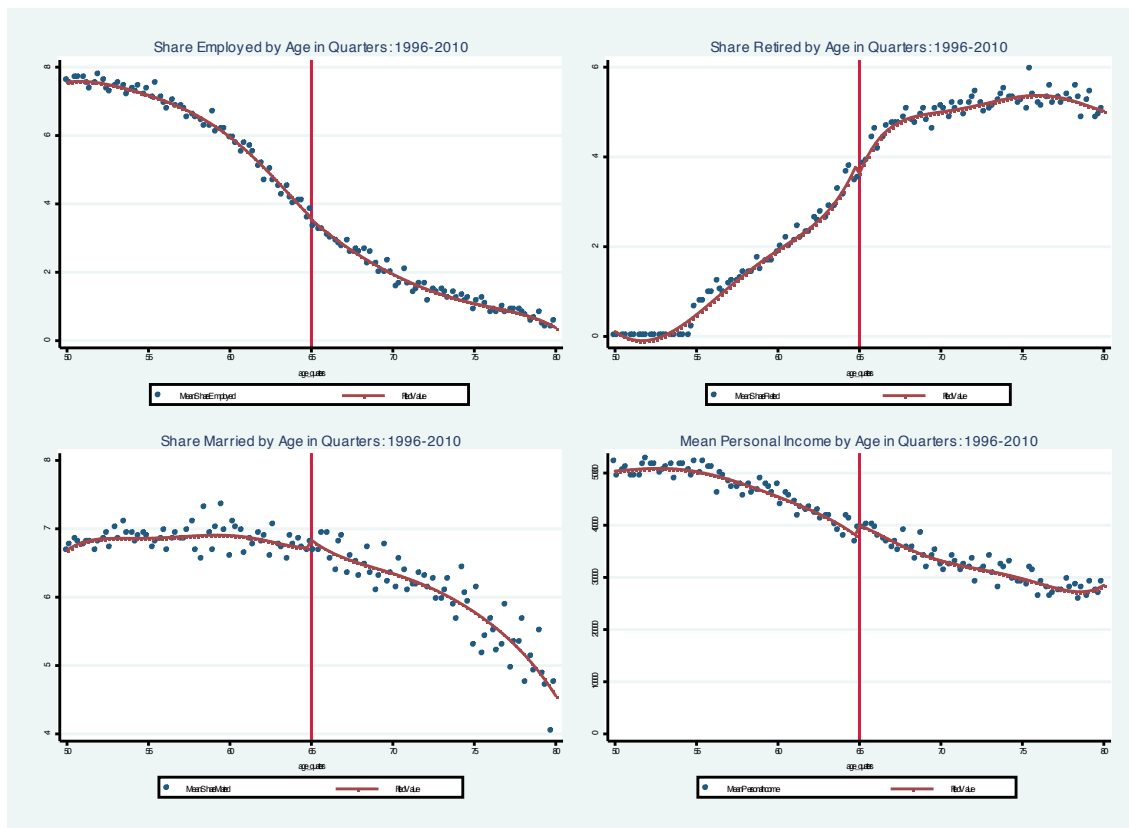
The Effects of Medicare on Medical Expenditure Risk and Financial Strain

By Silvia Helena Barcellos and Mireille Jacobson

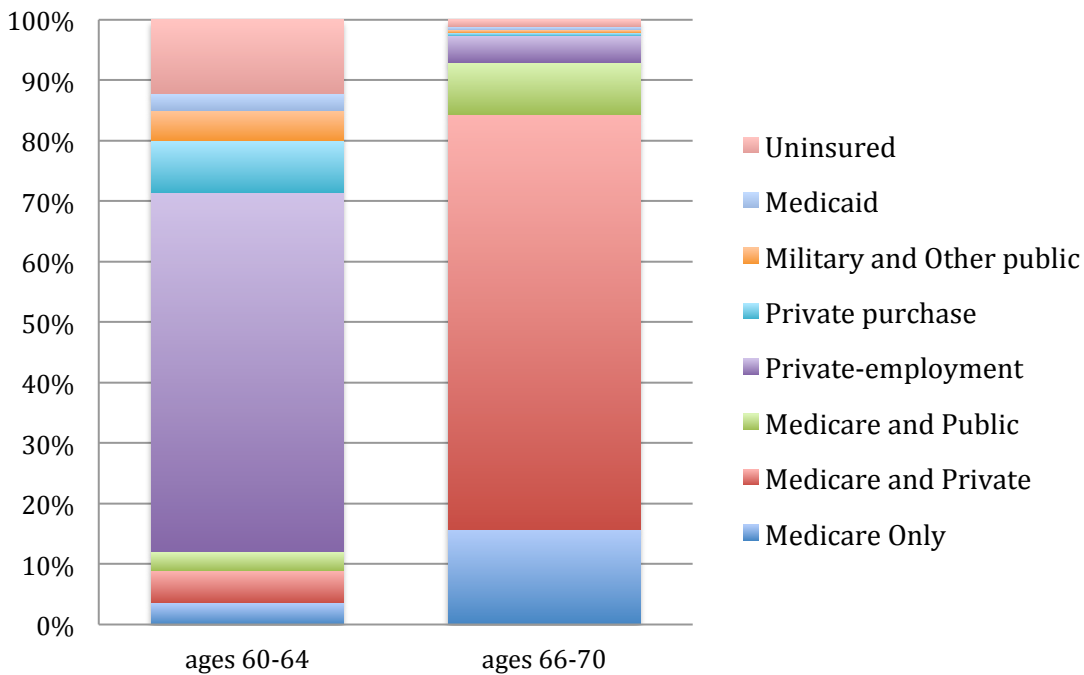
Online Appendix

Appendix Figures:

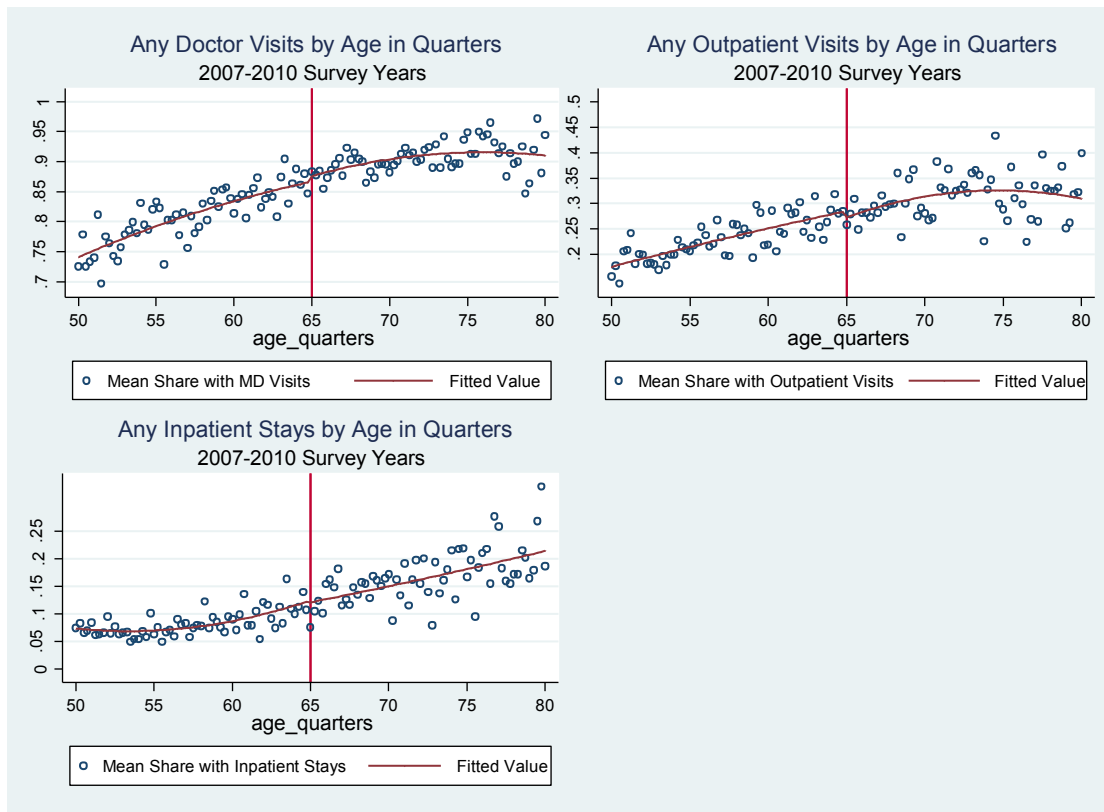
Appendix Figure 1. Smoothness of Covariates: MEPS, 1996-2010



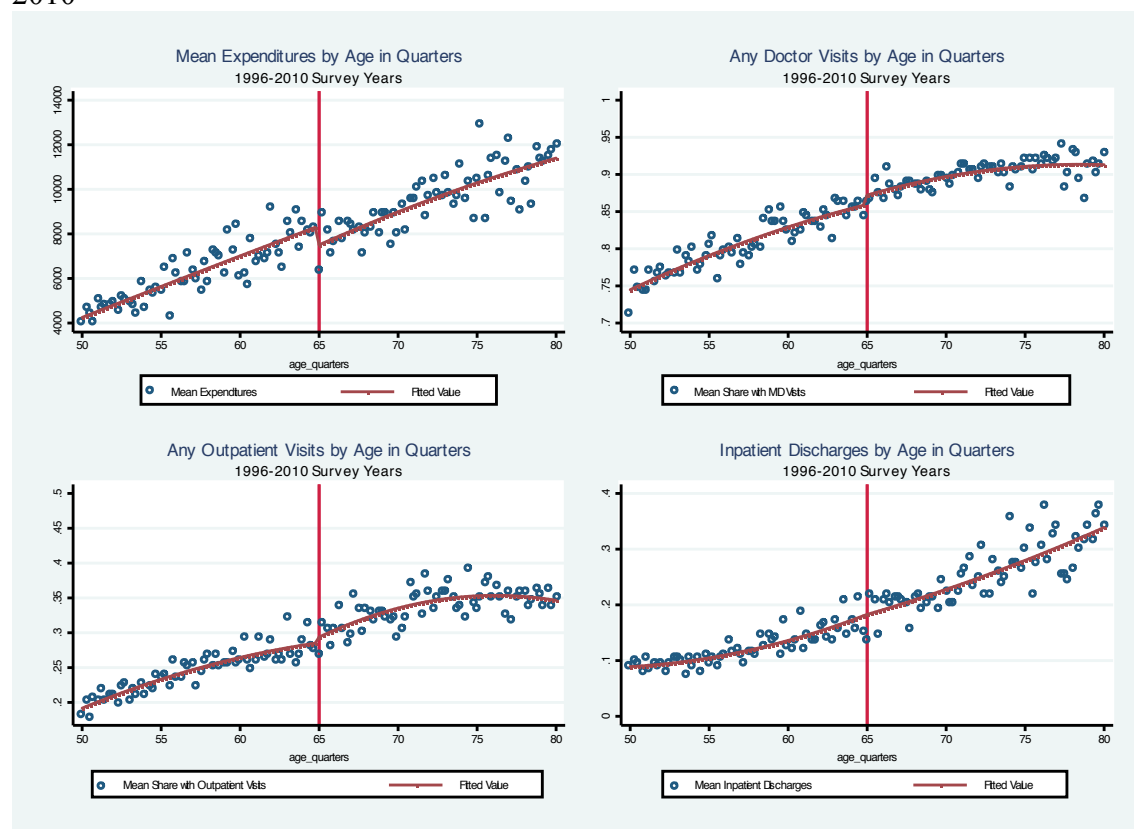
Appendix Figure 2. Distribution of Insurance Coverage Just Above and Below Age 65: HTHS 2003, 2007 and 2010



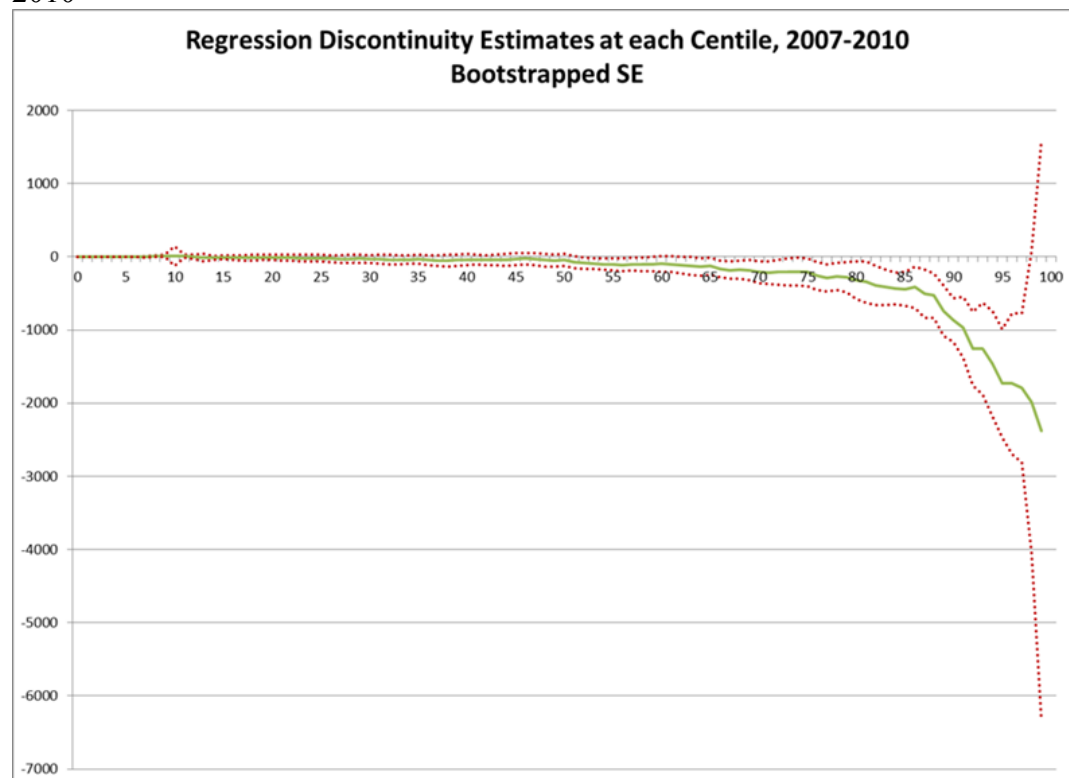
Appendix Figure 3. Impact of Medicare on Utilization, MEPS: 2007-2010



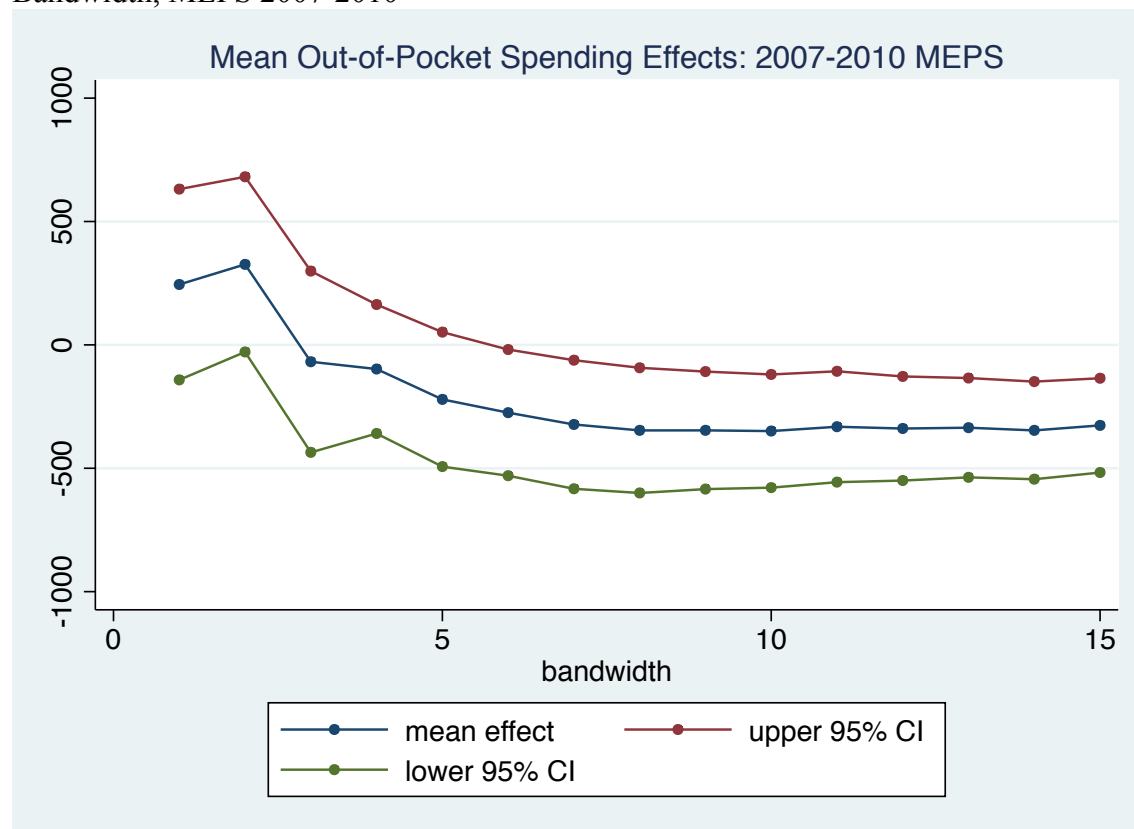
Appendix Figure 4. Impact of Medicare on Total Spending and Any Utilization, MEPS: 1996-2010



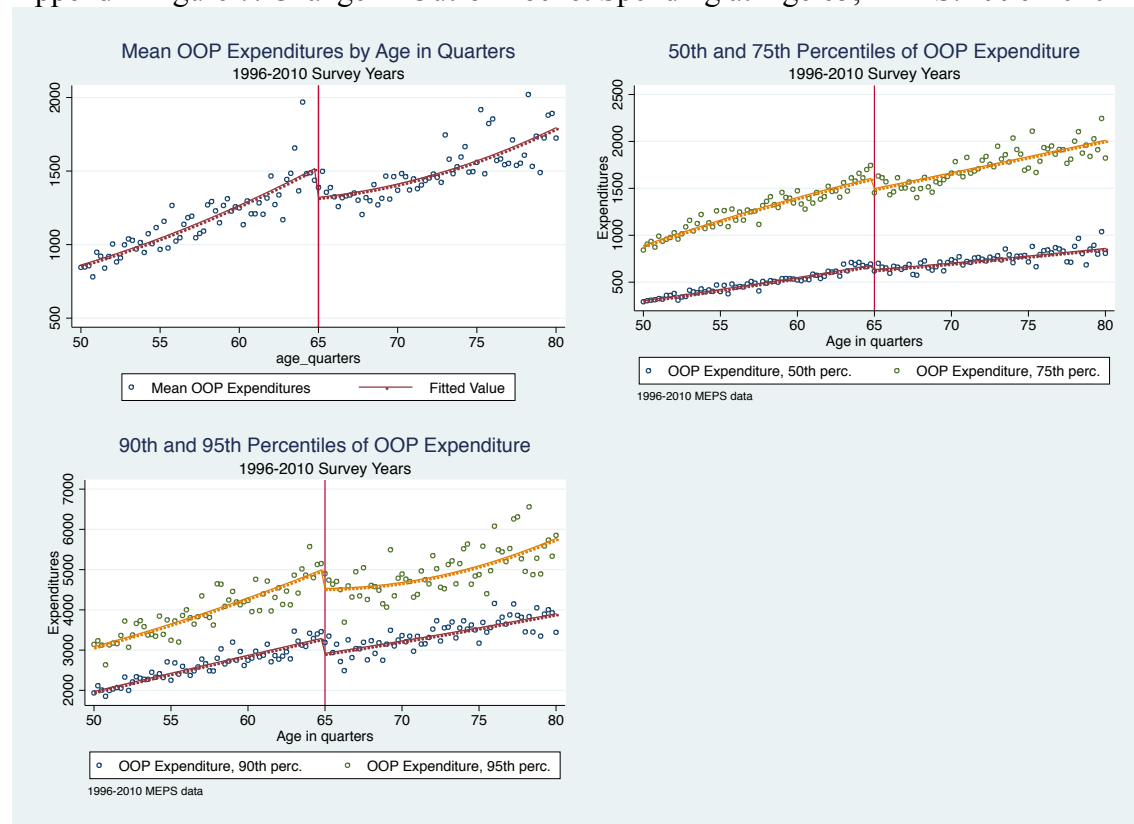
Appendix Figure 5. Impact of Medicare on Centiles of Out-of-Pocket Spending, MEPS: 2007-2010



Appendix Figure 6. Impact of Medicare on Mean Out-of-Pocket Spending as a Function of the Bandwidth, MEPS 2007-2010



Appendix Figure 7. Change in Out-of-Pocket Spending at Age 65, MEPS: 1996-2010



Appendix Tables:

Appendix Table 1. Covariate Checks for 1996-2010 MEPS

	Share Employed	Share Retired	Share Married	Income	Share BA or Higher	Family Size	Share living in South	Share Male	Share less than HS degree	Share Hispanic	Share living in the West
Panel A: MEPS 1996 -2010											
	-0.005 (0.021)	-0.035 (0.024)	0.011 (0.011)	2,403.53 (1621.13)	-0.015 (0.011)	0.043 (0.043)	0.008 (0.013)	-0.002 (0.017)	0.007 (0.012)	-0.003 (0.007)	-0.006 (0.017)
Mean pre 65	0.653	0.112	0.684	47663	0.285	2.42	0.356	0.486	0.179	0.084	0.220
F-statistic	1.11	0.967	1.56	1.04	1.02	1.04	1.42	1.58	1.71	0.92	0.97
Observations	109806	108595	109806	109806	109806	109806	109806	109806	109806	109806	109806

Notes: + significant at the 10% level; * significant at 5%; ** significant at 1% Data are from the 2007-2010 Medical Expenditure Panel Survey and include respondents ages 50 to 80. Age is measured in quarters. Regressions include a fifth order polynomial in age that is allowed to vary on either side of age 65.

Appendix Table 2. Robustness Checks on Impact of Medicare on Total Spending and Utilization

	Total spending	Any Physician Visits	Any outpatient Hospital Visits	Any Inpatient Visits
Panel A: Ages 55-75 in MEPS 2007-2010				
Age 65+	-2,404* (765)	0.008 (0.013)	-0.017 (0.015)	-0.003 (0.016)
Mean pre 65	7,224	0.828	0.249	0.088
Relative Effect (%)	-33.29	0.97	-6.83	-3.41
Observations	21398	21398	21398	21398
Panel B: Ages 50-80 but without Age 65 in MEPS 2007-2010				
Age 65+	-1,942* (688)	0.008 (0.012)	-0.009 (0.014)	0.005 (0.014)
Mean pre 65	6,376	0.805	0.228	0.081
Relative Effect (%)	-30.46	0.99	-3.95	6.17
Observations	32305	32305	32305	32305
Panel C: Ages 50-80 but without Ages 64.75 to 65.25 in MEPS 2007-2010				
Age 65+	-1,880** (790)	0.004 (0.013)	-0.009 (0.016)	0.009 (0.015)
Mean pre 65	6,376	0.805	0.228	0.081
Relative Effect (%)	-29.50	0.50	-3.95	11.11
Observations	31757	31757	31757	31757
Panel D: Ages 50-80 but without Ages 64.5 to 65.5 in MEPS 2007-2010				
Age 65+	-1,952** (889)	0.005 (0.015)	-0.015 (0.018)	0.015 (0.017)
Mean pre 65	6,376	0.805	0.228	0.081
Relative Effect (%)	-30.63	0.62	-6.58	18.52
Observations	31267	31267	31267	31267

Notes: * significant at 5%; ** significant at 1% Data in all Panels are from the 2007-2010 Medical Expenditure Panel Survey. All regressions include a constant, an indicator for ages 65 and above and a quadratic in age in quarters that is allowed to vary on either side of age 65. Standard errors are clustered by age in quarters.

Appendix Table 3. Full MEPS - spending and utilization

	Total spending	Any Physician Visits	Any outpatient Hospital Visits	Any Inpatient Visits
Panel A: MEPS 1996-2010				
Age 65+	-854** (395)	0.012 (0.007)	0.008 (0.01)	-0.007 (0.008)
Mean pre 65	6091	0.802	0.241	0.085
Relative Effect (%)	-14.03	1.50	3.32	-8.24
Observations	109806	109806	109806	109806

Notes: Panel A is based on the full 1996-2010 MEPS and Panel B restricts to the sample of respondents from 1996-2010 with non-deferrable conditions in the past year. See Appendix Table 4 for conditions included in this group. Across both panels, we restrict to respondents ages 50 to 80. Regressions include a quadratic in age that is allowed to vary on either side of age 65.

Appendix Table 4: Utilization Results and Comparison with Card et al.
(2008)

	Full Sample		Non-Hispanic Whites		Non-Hispanic Blacks		Hispanics	
	Any Physician Visits	Any Inpatient	Any Physician Visits	Any Inpatient	Any Physician Visits	Any Inpatient	Any Physician Visits	Any Inpatient
Panel A: Card et al. (2008) - Table 3 Results, NHIS 1992-2003								
Age 65+	0.013+	0.012**	0.006	0.013**	0.036+	0.005	0.082**	0.01
	(0.007)	(0.004)	(0.008)	(0.005)	(0.019)	0.011	(0.008)	0.016
Mean 63-64	0.848	0.118	0.853	0.116	0.842	0.114	0.794	0.118
Percent Effect	1.53	10.17	0.70	11.21	4.28	4.39	10.33	8.47
Observations	160821	160821			Not Reported			
Panel D: MEPS, 2007-2010								
Age 65+	0.009	-0.003	-0.007	-0.013	0.079*	0.034	0.072	0.010
	(0.013)	(0.013)	(0.015)	(0.015)	(0.035)	(0.035)	(0.044)	(0.03)
Mean Pre-65	0.805	0.081	0.835	0.081	0.741	0.117	0.689	0.063
Percent Effect	1.12	-3.70	-0.89	-15.63	10.66	29.16	10.48	15.53
Observations	32569	32569	18506	18506	5935	5935	5446	5446
Panel B: MEPS 1996-2010								
Age 65+	0.012	-0.007	0.006	-0.013	0.047*	0.023	0.050*	-0.002
	(0.008)	(0.007)	(0.009)	(0.008)	(0.021)	(0.019)	(0.025)	(0.017)
Mean Pre-65	0.802	0.085	0.828	0.085	0.742	0.114	0.687	0.070
Percent Effect	1.50	-8.24	0.68	-15.30	6.33	20.09	7.28	-2.72
Observations	109806	109806	70533	70533	16303	16303	16949	16949
Panel C: MEPS Ages 55-75 and Years 1992-2003 as in Card et al.								
Age 65+	0.025+	0.003	0.029*	0.00023	0.017	-0.008	0.062+	0.037
	(0.014)	(0.012)	(0.011)	(0.013)	(0.039)	0.029	-(0.037)	(0.031)
Mean Pre-65	0.819	0.1	0.84	0.101	0.767	0.114	0.709	0.085
Percent Effect	3.05	2.60	3.45	0.23	2.22	-7.02	8.74	43.53
Observations	34013	34013	23700	23700	4335	4335	4766	4766'

Appendix Table 4: Utilization Results and Comparison with Card et al. (2008)
(continued)

	Full Sample		Non-Hispanic Whites		Non-Hispanic Blacks		Hispanics	
	Any Physician Visits	Any Inpatient	Any Physician Visits	Any Inpatient	Any Physician Visits	Any Inpatient	Any Physician Visits	Any Inpatient
Panel E: HRS 1992-2010								
Age 65+	0.018*	0.004	0.015*	0.007	0.013	-0.01	0.059*	-0.009
	(0.005)	(0.009)	(0.004)	(0.010)	(0.014)	(0.030)	(0.024)	(0.036)
Mean 63-64	0.91	0.18	0.91	0.17	0.91	0.23	0.84	0.18
Percent Effect	2.0%	2.2%	1.6%	4.1%	1.4%	-4.3%	7.0%	-5.0%
Observations	145,190	145,804	106,412	106,735	22,226	22,417	14,036	14,123
Panel F: HRS 2008-2010								
Age 65+	0.005	0.01	-0.007	0.009	0.016	0.004	0.114*	0.046
	(0.009)	(0.020)	(0.012)	(0.019)	(0.030)	(0.078)	(0.061)	(0.074)
Mean 63-64	0.91	0.19	0.93	0.18	0.9	0.24	0.8	0.18
Percent Effect	0.5%	5.3%	-0.8%	5.0%	1.8%	1.7%	14.3%	25.6%
Observations	30,629	30,600	20,617	20,595	5,483	5,479	3,824	3,820
Panel G: HRS Ages 55-75 and Years 1992-2004 as in Card et al.								
Age 65+	0.009	-0.007	0.014	0	-0.011	-0.028	-0.001	-0.046
	(0.008)	(0.009)	(0.009)	(0.011)	(0.018)	(0.025)	(0.025)	(0.037)
Mean 63-64	0.91	0.18	0.91	0.18	0.92	0.23	0.86	0.19
Percent Effect	1.0%	-3.9%	1.5%	0.0%	-1.2%	-12.2%	-0.1%	-24.2%
Observations	75,853	76,326	56,756	57,009	11,256	11,397	6,671	6,741

Notes: + significant at 10%; * significant at 5%; ** significant at 1%. Data are from the 1996-2010 Medical Expenditure Panel Survey, with restrictions indicated above. Respondents are coded as having a chronic condition if they said they were ever diagnosed with high blood pressure, coronary heart disease, angina, emphysema, diabetes, arthritis or asthma. These diagnosis questions are only available in 2007-2010. Over half of the sample ages 50-80 had been diagnosed with high blood pressure. All regressions include a constant, an indicator for ages 65 and above and a quadratic in age in quarters that is allowed to vary on either side of age 65. Standard errors are bootstrapped using 500 draws of the data with replacement.

Appendix Table 5. Impact of Medicare on Distribution of the Share of Spending Out of Pocket, MEPS: 2007-2010

	Mean	Median	75th Percentile	90th Percentile	95th Percentile
Panel A: Quadratic in Age					
Age 65+	-0.02 (0.015)	-0.009 (0.014)	-0.031 (0.029)	-0.099+ (0.052)	-0.139* (0.058)
Mean pre 65	0.327	0.239	0.468	0.854	1
Relative Effect (%)	-6.12	-3.77	-6.62	-11.59	-13.90
Observations	29378	29378	29378	29378	29378
Panel B: Linear Trend in Age, MEPS 2007-2010					
Age 65+	-0.037** 0.0108709	-0.033** 0.01	-0.079** 0.018	-0.166** 0.034	-0.144** 0.038
Mean pre 65	0.327	0.239	0.468	0.854	1
Relative Effect (%)	-11.31	-13.81	-16.88	-19.44	-14.4
Observations	29378	29378	29378	29378	29378
Panel C: 3rd Order Polynomial, MEPS 2007-2010					
Age 65+	-0.019 (0.02)	-0.023 (0.017)	-0.049 (0.038)	-0.237** (0.071)	-0.061 (0.065)
Mean pre 65	0.327	0.239	0.468	0.854	1
Relative Effect (%)	-5.81	-9.62	-10.47	-27.75	-6.10
Observations	29378	29378	29378	29378	29378

Notes: + significant at the 10% level; * significant at 5%; ** significant at 1% Data are from the 2007-2010 Medical Expenditure Panel Survey and include respondents ages 50 to 80. All regressions include a constant, an indicator for ages 65 and above and a polynomial in age in quarters that is allowed to vary on either side of age 65. Panel A uses a quadratic in age while Panel B a linear trend and Panel C a cubic in age in quarters. Standard errors for OLS regressions (mean out-of-pocket spending and share out of pocket) are clustered by age in quarters. Standard errors for quantile regressions are based on a block bootstrap with 500 draws, where the block is age in quarters.

Appendix Table 6. Sensitivity of MEPS Results to Marriage Control

Panel A: Insurance	Insured	Medicare Covered	Covered by 2+ Policies				
Age 65+	0.125** (0.007)	0.820** (0.017)	0.586** (0.019)				
Mean pre 65	0.865	0.064	0.059				
Relative Effect (%)	14.45	1281.25	993.22				
Observations	32569	32569	32569				
Panel B: Out-of-pocket Spending	Mean	Median	75th Percentile	90th Percentile	95th Percentile	Share out-of-pocket	Share out-of-pocket costs that exceed income
Age 65+	-325** (97)	-54+ (32)	-223** (73)	-854** (154)	-1,713** (314)	-0.02 (0.015)	-0.039** (0.009)
Mean pre 65	1,003	464	1,188	2,403	3,724	0.327	0.074
Relative Effect (%)	-32.48	-11.69	-18.85	-35.58	-46.00	6.12	52.70
Observations	32305	32305	32305	32305	32305	29127	32569

Notes: * significant at 5%; ** significant at 1%. Data in all Panels are from the 2007-2010 Medical Expenditure Panel Survey. All regressions include a constant, an indicator for married, an indicator for ages 65 and above and a quadratic in age in quarters that is allowed to vary on either side of age 65. Standard errors are clustered by age in quarters.

Appendix Table 7. Robustness Checks of Impact of Medicare on Out-of-Pocket Spending

	Mean	Median	75th Percentile	90th Percentile	95th Percentile	Share out-of- pocket	Share out- of-pocket costs that exceed income
Panel A: Ages 55-75 in MEPS 2007-2010							
Age 65+	-349* (117)	-110* (54)	-328** (127)	-998** (219)	-1790** (431)	-0.017 (0.018)	-0.030** (0.01)
Mean pre 65	1,115	540	1,318	2,627	4,084	0.319	0.076
Relative Effect (%)	-31.33	-20.44	-24.93	-38.01	-43.85	-5.33	-39.47
Observations	21398	21398	21398	21398	21398	19568	21398
Panel B: Ages 50-80 but without Age 65 in MEPS 2007-2010							
Age 65+	-340* (103)	-41 (44)	-186+ (103)	-882** (180)	-1,789** (426)	-0.031** (0.014)	-0.041** (0.009)
Mean pre 65	1,003	464	1,188	2,403	3,724	0.327	0.074
Relative Effect (%)	-33.93	-8.90	-15.71	-36.74	-48.06	9.48	-55.41
Observations	32305	32305	32305	32305	32305	29127	32305
Panel C: Ages 50-80 but without Ages 64.75 to 65.25 in MEPS 2007-2010							
Age 65+	-404* (111)	-60 (48)	-215+ (114)	-909** (207)	-2,116** (452)	-0.042* (0.015)	-0.044** (0.011)
Mean pre 65	1,003	463	1,183	2,395	3,708	0.327	0.074
Relative Effect (%)	-40.36	-13.12	-18.21	-37.97	-57.08	-12.84	-59.46
Observations	31757	31757	31757	31757	31757	28622	31757
Panel D: Ages 50-80 but without Ages 64.5 to 65.5 in MEPS 2007-2010							
Age 65+	-419* (126)	-43 (51)	-186 (125)	-893** (236)	-1,899** (546)	-0.047* (0.015)	-0.042** (0.01)
Mean pre 65	1,003	460	1,176	2,383	3,680	0.327	0.074
Relative Effect (%)	-41.87	-9.53	-15.84	-37.51	-51.61	14.37	-56.76
Observations	31267	31267	31267	31267	31267	28173	31267

Notes: * significant at 5%; ** significant at 1%. Data in all Panels are from the 2007-2010 Medical Expenditure Panel Survey. All regressions include a constant, an indicator for ages 65 and above and a quadratic in age in quarters that is allowed to vary on either side of age 65. Standard errors are clustered by age in quarters.

Appendix Table 8. Impact of Medicare on Out-of-Pocket Spending in the 1996-2010 MEPS

	Mean	Median	75th Percentile	90th Percentile	95th Percentile	Share out- of-pocket	Share out- of-pocket costs that exceed income
Panel A: MEPS 1996-2010							
Age 65+	-208* (76)	-55 (146)	-114+ (66)	-473** (182)	-722** (221)	-0.016+ (0.009)	-0.038** (0.01)
Mean pre 65	1,128	528	1,318	2,676	4,052	0.361	0.072
Relative Effect (%)	-18.50	-10.57	-8.70	-17.69	-17.83	-4.43	52.78
Observations	109806	109806	109806	109806	109806	100044	109806

Notes: Panel A is based on the full 1996-2010 MEPS and Panel B restricts to the sample of respondents from 1996-2010 with non-deferrable conditions in the past year. See Appendix Table 4 for conditions included in this group. Across both panels, we restrict to respondents ages 50 to 80. Regressions include a quadratic in age that is allowed to vary on either side of age 65.

Appendix Table 9. Impact of Medicare on Medical Bill Problems in the Past 12 Months with Marriage, Gender and Education Controls

Panel A: Insurance	Insured	Medicare Covered	Covered by 2+ Policies
Age 65+	0.100** (0.021)	0.735** (0.017)	0.640** (0.183)
Mean pre 65	0.869	0.089	0.063
Relative Effect (%)	11.51	825.84	1015.87
Observations	30172	30172	30172

Panel B: Financial Strain	Medical Bill Problems	Collections Agency Contact	Borrowed to Pay Medical Bills	Used Savings to Pay Medical Bills	Delayed Major Purchase due to Medical Bills	Amount Owed	90th Percentile of Amount Owed	IHS Amount Owed
Age 65+	-0.055** (0.011)	-0.025* (0.009)	-0.027** (0.01)	-0.039** (0.009)	-0.042** (0.011)	-77 (189)	108 (351)	-0.289** (0.071)
Mean pre 65	0.171	0.099	0.082	0.105	0.092	936	1,000	936.05
Relative Effect (%)	-32.16	-25.25	-32.93	-37.14	-45.65	-8.30	10.80	29
Observations	30088	30079	30088	30065	30067	14072	14072	14072

Notes: + significant at 10%; * significant at 5%; ** significant at 1%. Data are from the 2003, 2007 and 2010 waves of the Health Tracking Household Survey and are restricted to respondents ages 50 to 80. Questions about amounts owed were only asked in 2007 and 2010. All regressions include a constant, separate indicators for married, male and less than high school education, an indicator for ages 65 and above and a polynomial in age in quarters that is allowed to vary on either side of age 65.

Appendix Table 10. Impact of Medicare on Medical Bill Problems in the Past 12 Months, Ages 55-75 and Doughnut

	Medical Bill Problems	Collections Agency Contact	Borrowed to Pay Medical Bills	Used Savings to Pay Medical Bills	Delayed Major Purchase due to Medical Bills	Amount Owed	90th Percentile of Amount Owed	IHS Amount Owed
Panel A: Ages 55-75 in the HTHS								
Age 65+	-0.060** (0.011)	-0.033** (0.012)	-0.031** (0.011)	-0.041** (0.006)	-0.049** (0.011)	-294 (179)	-61 (380)	-0.393** (0.086)
Mean pre 65	0.165	0.09	0.075	0.103	0.088	806	700	805.65
Relative Effect (%)	-36.36	-36.67	-41.33	-39.81	-55.68	-36.50	-8.81	-39
Observations	20367	20361	20361	20348	20352	9792	14072	9792
Panel B: Ages 50-80 but without Age 65 in HTHS								
Age 65+	-0.067** (0.015)	-0.033** (0.01)	-0.036** (0.011)	-0.044** (0.011)	-0.049** (0.012)	-66 (304)	-305 (317)	-0.405** (0.083)
Mean pre 65	0.171	0.099	0.082	0.104	0.092	936	1,000	936.05
Relative Effect (%)	-39.18	-33.33	-43.90	-42.31	-53.26	-7.14	-30.59	-41
Observations	29155	29146	29147	29133	29134	13602	14072	13602
Panel C: Ages 50-80 but without Ages 64-66 in HTHS								
Age 65+	-0.070** (0.025)	-0.032* (0.015)	-0.029* (0.012)	-0.038* (0.017)	-0.038* (0.018)	387 (265)	-476 (723)	-0.424** (0.148)
Mean pre 65	0.172	0.1	0.083	0.105	0.092	948	1,000	947.89
Relative Effect (%)	-40.94	-32.00	-34.94	-36.19	-41.30	40.83	-47.69	-42
Observations	27238	27229	27230	27218	27217	12647	14072	12647

Notes: + significant at 10%; * significant at 5%; ** significant at 1%. Data are from the 2003, 2007 and 2010 waves of the Health Tracking Household Survey. Panel A restricts to respondents ages 55 to 75. Panel B and C includes respondents ages 50 to 80 with the exception of those age 65 (Panel B) or those ages 64 to 66 (Panel C). All regressions include a constant, an indicator for ages 65 and above and a quadratic in age in quarters that is allowed to vary on either side of age 65. Standard errors are clustered by age in years.

Appendix Table 11. Impact of Medicare on Out-of-Pocket Spending in the HRS:

	Mean	Median	75th Percentile	90th Percentile	95th Percentile	Share out-of- pocket costs that exceed income
Panel A: 1992-2010 waves						
Age 65+	-25 (163)	98 (656)	111 (653)	-317 (1,848)	-843 (736)	-0.008** (0.003)
Mean pre 65	3,019	1,162	3,095	6,787	10,770	0.04
Relative Effect (%)	-0.8%	8.3%	3.6%	-4.7%	-7.8%	-20.0%
Observations	146,265	146,265	146,265	146,265	146,265	146,154
Panel B: 2008-2010 waves						
Age 65+	-732* (236)	-205 (151)	-297 (316)	-1620+ (919)	-4,299** (1542)	-0.017* (0.006)
Mean pre 65	3,119	1,364	3,507	7,424	11,659	0.04
Relative Effect (%)	-23.5%	-15.0%	-8.5%	-21.8%	-36.9%	-42.5%
Observations	30,873	30,873	30,873	30,873	30,873	30,866

Notes: + significant at the 10% level; * significant at 5%; ** significant at 1%. Data are from the Health and Retirement Study and include respondents ages 50 to 80. All regressions include a constant, an indicator for ages 65 and above and a quadratic polynomial in age in quarters that is allowed to vary on either side of age 65. Standard errors for OLS regressions (mean out-of-pocket spending and share out of pocket) are clustered by age in quarters and individual. Standard errors for quantile regressions are based on a block bootstrap with 500 draws, where the block is age in quarters and individual.

Appendix Table 12: HRS Results, 2004-2010 By Pre-Age 65 Insurance Status

	Insured at intw	OOP, mean	OOP, median	OOP, 75th	OOP, 90th	OOP, 95th	OOP> income	Any doc visits?	Any outpatient?	Any hospital?	Rx drugs
PANEL A: ALL INDIVIDUALS AGES 53 TO 59 IN HRS 1998 WAVE											
post65	0.161 (0.057)*	-722 (182)*	116 (151)	195 (261)	-1259 (760)+	-3211 (1431)**	-0.016 (0.006)**	0.018 (0.010)+	0.044 (0.020)**	0.02 (0.019)	0.022 (0.015)
Observations	14,729	14,729	14,729	14,729	14,729	14,729	14,728	14,710	14,694	14,702	14,717
Mean of Dep Variable:	0.72	3,541	1,567	3,861	7,940	11,908	0.04	0.93	0.21	0.21	0.78
% Effect	22.4%	-20.4%	7.4%	5.1%	-15.9%	-27.0%	-40.0%	1.9%	21.0%	10.0%	2.8%
PANEL B: INDIVIDUALS AGES 53 TO 59 IN HRS 1998 WAVE WHO WERE CONTINUOUSLY INSURED PRE-65											
post65	0 (0.005)	-884.739 (481)+	81.688 (173)	334.848 (372)	1023.7 (1262)	-3280 (1585)**	-0.02 (0.013)	0.02 (0.012)+	0.032 (0.027)	0.02 (0.026)	0.004 (0.018)
Observations	7,563	7,563	7,563	7,563	7,563	7,563	7,562	7,549	7,544	7,546	7,553
Mean of Dep Variable:	1	3,416	1,536	3,682	7,452	11,517	0.03	0.95	0.22	0.22	0.8
% Effect	0.0%	-25.9%	5.3%	9.1%	-13.7%	-28.5%	-66.7%	2.1%	14.5%	9.5%	0.5%
PANEL C: INDIVIDUALS AGES 53 TO 59 IN HRS 1998 WAVE WHO WERE NOT CONTINUOUSLY INSURED PRE-65											
post65	0.335 (0.129)**	-447 (393)	263 (264)	81 (499)	-702 (1177)	-893 (2452)	-0.004 (0.006)	0.027 (0.013)**	0.067 (0.031)**	0.03 (0.026)	0.044 (0.023)+
Observations	6,385	6,385	6,385	6,385	6,385	6,385	6,385	6,382	6,371	6,378	6,384
Mean of Dep Variable:	0.41	3,791	1,596	4,128	8,703	13,327	0.05	0.91	0.19	0.21	0.76
% Effect	81.7%	-11.8%	16.5%	2.0%	-8.1%	-6.7%	-8.0%	3.0%	35.3%	15.2%	5.8%

Notes: + significant at the 10% level; * significant at 5%; ** significant at 1%. Data are from the Health and Retirement Study and include respondents ages 50 to 80. All regressions include a constant, an indicator for ages 65 and above and a quadratic polynomial in age in quarters that is allowed to vary on either side of age 65. Standard errors for OLS regressions are clustered by age in quarters and individual. Standard errors for quantile regressions are based on a block bootstrap with 500 draws, where the block is age in quarters and individual. Panel A includes all individuals who were 53 to 58 years old in the 1998 HRS, Panel B includes individuals in this age group who were continuously insured before turning 65, Panel C includes individuals in this age group who lacked health insurance at least in one wave before turning 65.

Appendix Table 13. Cost-Benefit Calculation, 2007-2010 Estimates

Panel A: Benefits from OOP expenditure risk protection			
Mean Estimates of the Decline in the Risk Premium, 2010 dollars			
Coefficient of Relative Risk Aversion	Out-of-Pocket Expenditure truncation		
	99% of income	80% of income	60% of income
1	-77	-103	-115
3	312	31	-33
5	458	230	73
Panel B: Medicare Costs (per recipient, in 2010 dollars)			
1. Costs of Financing the Program			1,764.6
2. Moral Hazard Costs			
Hospital visits			192.1
Doctor Visits			40.5
3. Total Costs			1,997.3

Notes: Data are from the 2007-2010 Medical Expenditure Panel Survey and include respondents ages 63 to 66. Calculations based in our quantile RD estimation. See text for more details. The social (DWL) costs of financing the program are based on CBO (2012) and Poterba (1996). The moral hazard costs are based on point estimates from Card et al. (2008) and the average cost of these visits from the 2007-2010 MEPS.