

Table 10: Medicare Spending Sorted By Estimated Impact of Private Secondary Insurance				
Elderly Non-Institutionalized Fee-for-Service Beneficiaries With no VA Use				
		Per-capita spending, no secondary insurance	Percent Increase in Spending, Private Supplemental Insurance	p- valu e
Carrier and OPD payments by aggregated BETOS category (<\$10/capita omitted, <30 Medicare-only beneficiaries with services omitted)				
	Ambulance (O1A)	\$ 76.66	-21%	
	Emergency Visits (M3)	\$ 57.84	0%	
	Eye procedures (P4)	\$ 115.33	14%	
	Hospital Visits (M2)	\$ 124.91	28%	*
	Chiropractic (O1B)	\$ 14.83	30%	
	Major Procedures, Cardiovascular (P2)	\$ 74.20	30%	
	Tests other than clinical lab tests (T2)	\$ 43.99	32%	**
	Consultations (M6)	\$ 64.65	34%	***
	Clinical Lab Tests (T1)	\$ 112.62	40%	***
	Anesthesia (P0)	\$ 30.30	45%	***
	Office Visits (M1)	\$ 243.84	45%	***
	Ambulatory Procedures (P5)	\$ 61.65	52%	***
	Major Procedures, Various (P1)	\$ 32.16	53%	*
	Imaging, Standard (I1)	\$ 92.10	55%	***
	Imaging, Echography (I3)	\$ 49.85	56%	***
	Imaging, Advanced (I2)	\$ 77.59	62%	***
	Imaging, Procedure (I4)	\$ 15.26	72%	*
	Specialist Visits (M5)	\$ 56.63	78%	***
	Minor procedures (P6)	\$ 92.84	89%	***
	Endoscopy (P8)	\$ 53.63	100%	***
	Other Drugs (O1E)	\$ 31.33	325%	***
Notes: * = p < .05, ** = p < .01, *** = p < .001, analysis is based on regression that included health status, income, education, and beneficiary demographics.				
Source: Analysis of MCBS 2003-2005 Cost and Use files.				

Finally, we tabulated total costs for beneficiaries with serious illnesses. That is, we took decedents and those with diagnoses associated with the five most common underlying causes of death in the elderly, and tabulated total costs, Part A costs, and Part B costs (Table 11). The HCCs were used to flag the beneficiaries with the specific diagnoses in question. For example, the presence of any HCC for cancer flagged a patient with (some mention of) cancer during the year. Each of these classes of beneficiaries showed no significant difference in Part A spending between those with and without secondary insurance, but typically showed large and significant differences in Part B spending. Probably the most interesting finding is that the largest difference in total spending was for beneficiaries who had none of these conditions. For that relatively healthy population, Medicare spent about two-thirds more for beneficiaries with secondary insurance than for those without it.