

Centers for Medicare and Medicaid Services

COMMITTEE ON INTELLIGENCE

COMMITTEE ON INDIAN AFFAIRS

COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENT AFFAIRS

RANKING MEMBER
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

United States Senate

Senator Tom Coburn, MD

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

COMMITTEE ON THE JUDICIARY

RANKING MEMBER
SUBCOMMITTEE ON THE CONSTITUTION

February 11, 2011

Via U.S. Mail and Electronic Mail

Mr. Donald Berwick, M.D.
Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
200 Independence Avenue, N.W.
Room 314; G. Humphrey Building
Washington, D.C. 20201

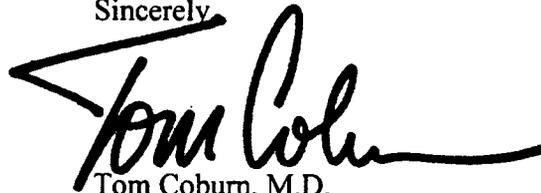
Dear Administrator Berwick:

The United States Center for Medicare and Medicaid Services ("CMS") administers Medicare programs to an estimated 47 million persons at an annual cost of about \$521 billion. Medicare consists four distinct parts: Part A (hospital insurance); Part B (supplementary medical insurance); Part C (Medicare advantage); and Part D (prescription drug benefits).

For each Medicare Part listed above, please provide the following information for all individuals that received any payment from these programs during Fiscal Years 2007, 2008, 2009 and 2010, and who also had an adjusted gross income of \$1,000,000 or greater: (1) unique identifier; (2) total adjusted gross income for the Fiscal Year in which the payment was made; (3) name of each program the recipient received benefits through; (4) amount of benefits received from each program; and (5) total amount of all program benefits received during each Fiscal Year. This information should be produced in an electronic usable format, such as Microsoft Excel.

All information requested above should be produced in an electronic usable format, such as Microsoft Excel. Please provide the above information by February 25, 2011. If you have any questions, including the format in which the information should be produced, please contact

Sincerely



Tom Coburn, M.D.
United States Senator



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

200 Independence Avenue SW
Washington, DC 20201

The Honorable Tom Coburn, M.D.
United States Senate
Washington, D.C. 20510

Dear Senator Coburn:

Thank you for your letter in which you requested information about the amount of Medicare benefits paid for individuals who have an adjusted gross income of \$1,000,000 or more. Administrator Berwick asked me to respond to you on his behalf.

Entitlement in the Medicare program is based on age (age 65 or older), disability, or the presence of end-stage renal disease. Since program entitlement is not based on income, the Centers for Medicare & Medicaid Services (CMS) does not collect information regarding a beneficiary's income.

Under Parts B and D of the Medicare program, some beneficiaries with higher incomes are required to pay additional income-related premiums, which are dependent on statutorily-mandated income thresholds. However, CMS does not collect or maintain information on beneficiary income for the purpose of applying the Parts B and D income-related premiums described above. The Social Security Administration coordinates with the Department of Treasury to identify individuals who fall within the income thresholds based on their modified adjusted gross income from two years prior to the year for which the premiums are being charged.

We regret that we are not able to provide the information that you requested. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Hall".

Amy Hall
Director
Office of Legislation

United States Senate

Senator Tom Coburn, MD

April 6, 2011

Via U.S. Mail and Email

The Honorable Michael J. Astrue
Commissioner
United States Social Security Administration
6401 Security Boulevard
Baltimore, MD 21235

Dear Commissioner Astrue:

The Social Security Administration (“SSA”) manages and administers a number of important programs. It also assists the Centers for Medicare and Medicaid Services (“CMS”) in determining which beneficiaries with higher incomes are required to pay additional income-related premiums for coverage under Medicare Parts B and D. According to CMS, SSA coordinates with the Department of Treasury to identify individual who fall within certain income thresholds based on their modified adjusted gross income from two years prior to the year for which the premiums are being charged. *See* attached letter.

Indeed, SSA states that “[h]igher-income beneficiaries will pay higher premiums for Part B and prescription drug coverage.” Further, “[t]o determine if a beneficiary is required to pay a higher premiums, [SSA] will use the most recent federal tax return information.” *See* SSA, *Medicare Premiums: Rules for Higher-Income Beneficiaries*, <http://www.ssa.gov/pubs/10536.pdf>.

Please provide the following information for all individuals or entities that received any benefits from Medicare Parts B and D during fiscal years 2007, 2008, 2009, and 2010, who also reported an adjusted gross income of \$1,000,000 or greater: (1) name of recipient; (2) total adjusted gross income for the year(s) in which the individual received benefits; (3) name of each program the individual received benefits through; (4) amount of benefits received from each program; and (5) total amount of benefits received during each year. This information should be produced in an electronic usable format, such as Microsoft Excel.

Please provide the above requested information by April 22, 2011. If you have any questions, including the format in which the information should be produced, please contact _____

Sincerely,

A handwritten signature in black ink that reads "Tom Coburn". The signature is written in a cursive style with a large, sweeping initial "T".

Tom Coburn, M.D.
United States Senator



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

200 Independence Avenue SW
Washington, DC 20201

The Honorable Tom Coburn, M.D.
United States Senate
Washington, D.C. 20510

Dear Senator Coburn:

Thank you for your letter in which you requested information about the amount of Medicare benefits paid for individuals who have an adjusted gross income of \$1,000,000 or more. Administrator Berwick asked me to respond to you on his behalf.

Entitlement in the Medicare program is based on age (age 65 or older), disability, or the presence of end-stage renal disease. Since program entitlement is not based on income, the Centers for Medicare & Medicaid Services (CMS) does not collect information regarding a beneficiary's income.

Under Parts B and D of the Medicare program, some beneficiaries with higher incomes are required to pay additional income-related premiums, which are dependent on statutorily-mandated income thresholds. However, CMS does not collect or maintain information on beneficiary income for the purpose of applying the Parts B and D income-related premiums described above. The Social Security Administration coordinates with the Department of Treasury to identify individuals who fall within the income thresholds based on their modified adjusted gross income from two years prior to the year for which the premiums are being charged.

We regret that we are not able to provide the information that you requested. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink that reads "Amy Hall".

Amy Hall
Director
Office of Legislation



SOCIAL SECURITY

The Commissioner

April 21, 2011

The Honorable Tom Coburn, M.D.
United States Senate
Washington, D.C. 20510

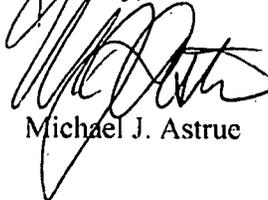
Dear Senator Coburn:

This is in response to your letter of April 6, 2011 requesting the names and adjusted gross income (AGI) of individuals enrolled in Medicare Parts B and D with AGI of \$1,000,000 or more.

On February 11, 2011, you requested similar information on high-income individuals receiving benefits under Titles II or XVI of the Social Security Act. Our Chief Actuary, Steve Goss, responded to that request on March 15, 2011 (copies enclosed). As Mr. Goss noted in his response and further explained to your staff, section 6103 of the Internal Revenue Code prohibits us from releasing any tax return information on individual taxpayers. The statistical information Mr. Goss provided for Title II beneficiaries applies also to your current request.

I recommend that you contact the Secretary of the Treasury with any questions about the availability of individual-level information. If you have any questions, please contact me or have your staff contact [REDACTED], our [REDACTED] for Legislation and Congressional Affairs, at [REDACTED].

Sincerely,



Michael J. Astrue

Enclosures

From: Goss, Stephen C. ✓
Sent: Tuesday, August 23, 2011 12:59 PM
To:
Cc:
Subject: Medicare Part B enrollees with \$1 million MAGI
Attachments: Response_to_Senator_Coburn_FINAL_2011_0823.pdf

I am very happy to tell you that we have now completed work on assessing the number of Medicare Part B enrollees as of June 2011 who had MAGI of \$1 million or more in the most recently available year. We are also providing the numbers of Part B enrollees who had premiums affected under IRMAA. The MAGI definition we used to assess those with \$1 million or more total income is the same as is used for the IRMAA determination. This is a follow-up to the earlier information we were able to provide on numbers of OASDI beneficiaries who had earnings of \$1 million or more in recent years. Getting these data required a coordinated effort of folks in SSA, particularly our Office of Systems. We hope these data will be helpful.

Steve



SOCIAL SECURITY

Office of the Chief Actuary

August 23, 2011

The Honorable Tom Coburn, M.D.
United States Senate
Washington, D.C. 20510

Dear Senator Coburn:

In my letter to you of March 15, 2011, I provided information for 2007, 2008, and 2009 about Social Security beneficiaries who had earned income of \$1,000,000 or more during the year. Since that time, we have spoken further with _____ of your staff about possibilities for obtaining the number of beneficiaries who have **total** income of \$1,000,000 or more.

While the Social Security Administration does not have this information for Social Security beneficiaries generally, it does have it for Medicare Part B enrollees. The Office of Systems granted us access to the Medicare IRMAA Determination database, and tabulations using these data were done in our Office by J _____, under the direction of _____ and _____. We determined that about 60,000, or 0.1 percent, of the 46 million Medicare Part B enrollees in June 2011 had reported modified adjusted gross income (MAGI) of \$1,000,000 or more. In the case of joint filers, the MAGI is the combined income of the filers. These numbers are shown in the enclosed table within the context of other IRMAA information.

Monthly premiums for Medicare Part B enrollees are set at higher levels under IRMAA for enrollees with higher MAGI. The Social Security Administration makes the determination of the appropriate premium level using tax information provided by the IRS for the second or third prior tax year. The measure of income used, MAGI, is equal to the reported AGI (including any portion of OASDI benefits that was subject to personal income tax for the year) plus non-taxable interest income. The enclosed table shows the percent of all Medicare Part B enrollees in June 2011 who were subject to an increased premium at each of the four levels in IRMAA.

We hope this information will be helpful. If we may be of any further assistance on this or any other matter, please do not hesitate to let us know.

Sincerely,

Stephen C. Goss
Chief Actuary

Enclosure

Medicare Part B Enrollment in June 2011 with Premium Affected by IRMAA

IRMAA Level	% of Total Part B Enrollment	Income (MAGI) Thresholds		
		Filing Single	Married Filing Joint	Married Filing Single
1	1.4%	85,001 - 107,000	170,001 - 214,000	
2	1.1%	107,001 - 160,000	214,001 - 320,000	
3	0.4%	160,001 - 214,000	320,001 - 428,000	85,001 - 129,000
4	0.6%	> 214,000	> 428,000	> 129,000
All IRMAA	3.5%			
Million+ MAGI	0.1%	≥ 1,000,000		

Notes:

Filing single includes Head of Household and Qualifying Widows

Part B enrollment for June 2011 was 44.6 million; 1.6 million enrollees had premiums affected by IRMAA

Source:

Count of Total Part B enrollment sourced from the MBR as of June 2011

Counts of beneficiaries by IRMAA level sourced from the Medicare IRMAA Determination database

Office of the Chief Actuary, Social Security Administration
August 23, 2011