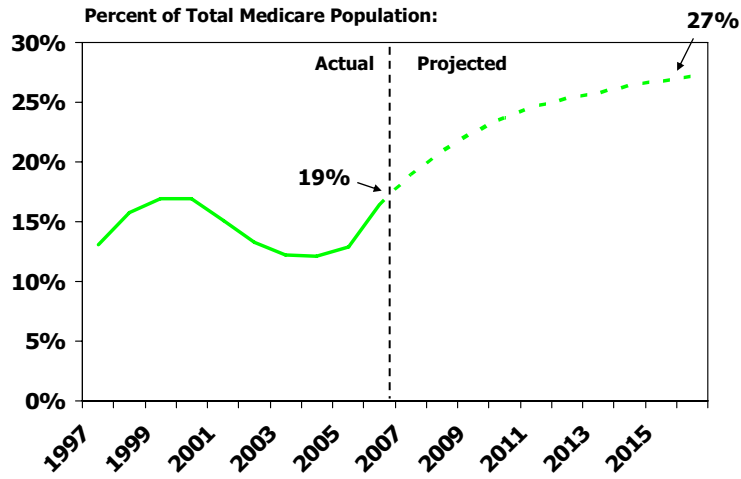


Exhibit 1

## Actual and Projected Medicare Advantage Enrollment, 1997-2016

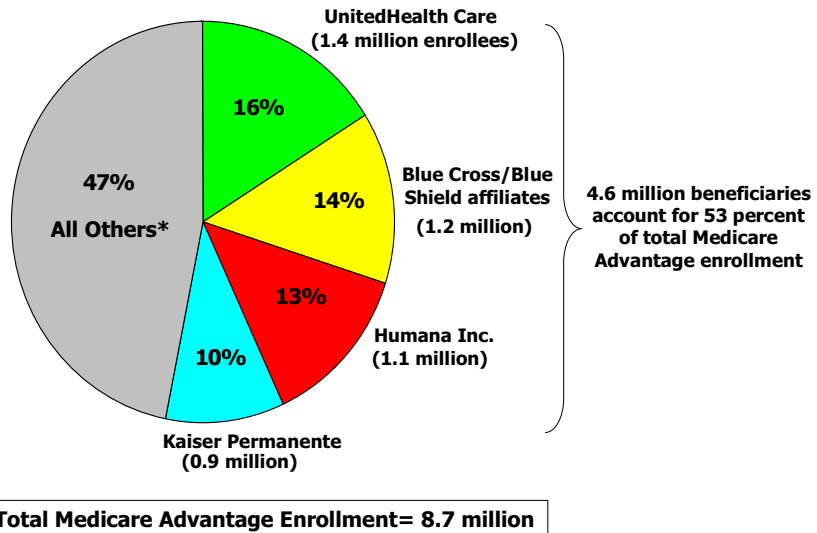


SOURCE: Centers for Medicare and Medicaid Services, 2007 Medicare Trustees Report Table IV.B6.



Exhibit 2

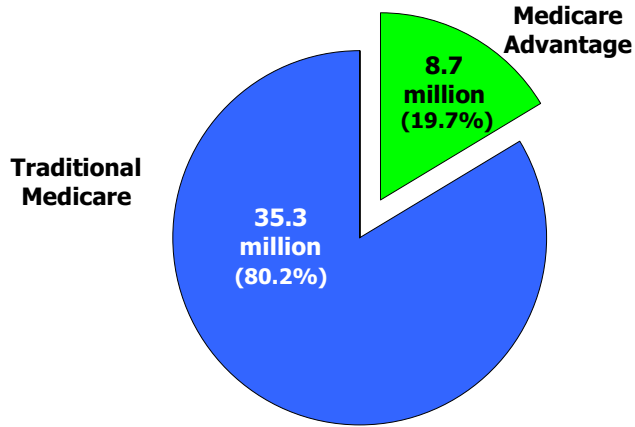
## Enrollment in Medicare Advantage plans is highly concentrated



NOTE: All Other Medicare Advantage Plans includes plans with enrollment less than 230,000 beneficiaries. Total for Blue Cross/Blue Shield affiliates provided by Blue Cross/Blue Shield. Numbers rounded. Data as of May 15, 2007. SOURCE: Centers for Medicare and Medicaid Services (CMS), June 2007 Monthly Summary.



## Medicare Advantage Enrollment, June 2007



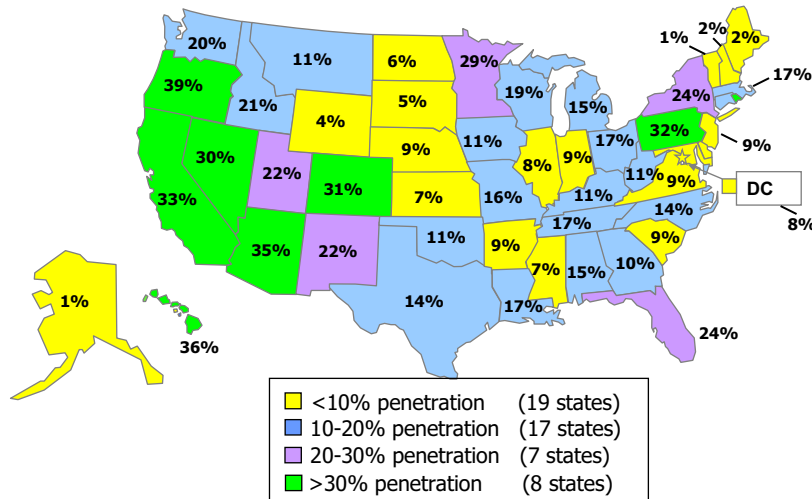
Total Medicare Beneficiaries = 44 million

Source: Centers for Medicare and Medicaid Services (CMS), Monthly Tracking Report, June 2007.



## Medicare Advantage penetration varies by state

U.S. Penetration, June 2007\*: 19.7%

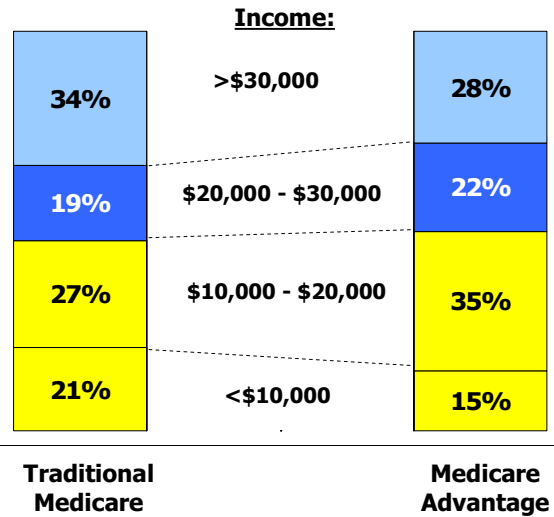


NOTE: Plans with 10 or fewer enrollees were omitted from state enrollment counts but included in the total U.S. count.  
Source: Centers for Medicare and Medicaid Services (CMS), June 2007.



Exhibit 5

**About half of all beneficiaries in traditional Medicare and in Medicare Advantage plans live on incomes below \$20,000**

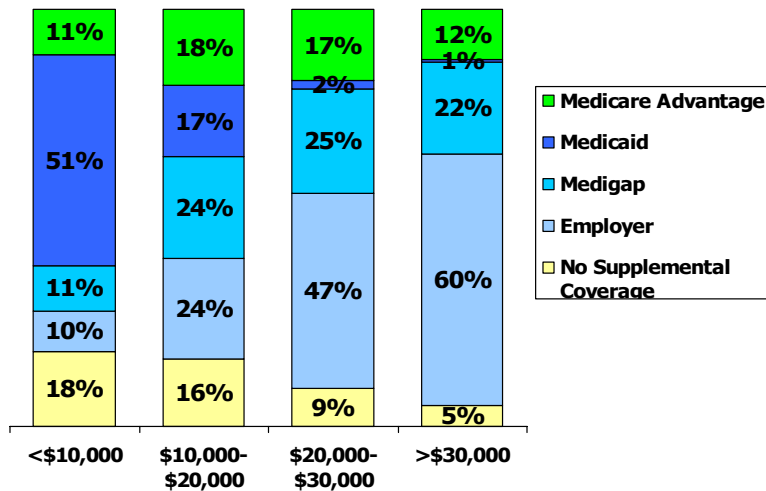


NOTES: Numbers do not add to 100% due to rounding. Data exclude 3.6 million beneficiaries due to missing income data. SOURCE: Kaiser Family Foundation analysis of the 2005 Medicare Current Beneficiary Survey (MCBS).



Exhibit 6

**Across all income groups, most are in traditional Medicare  
Medicaid is the primary supplement for low-income beneficiaries**

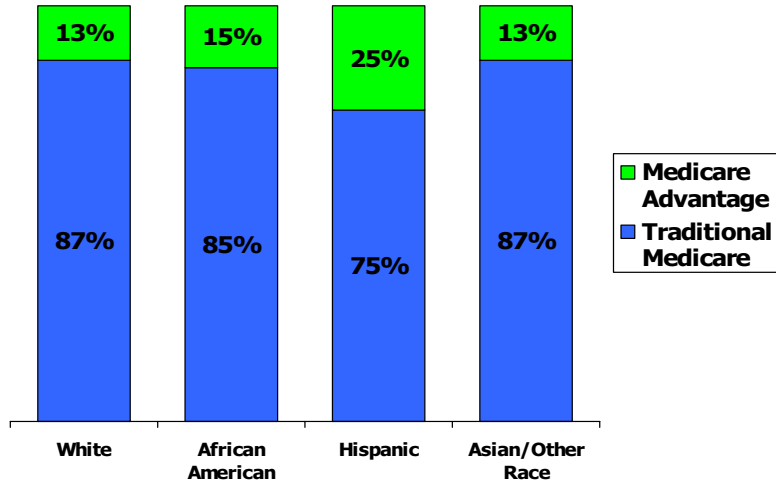


NOTES: Numbers do not add to 100% due to rounding. Excludes beneficiaries with "other" public sources and those with missing income data. Employer includes those with TriCARE/Military coverage. SOURCE: Kaiser Family Foundation analysis of the 2005 Medicare Current Beneficiary Survey (MCBS).



Exhibit 7

### Medicare Advantage enrollment rates are similar for White and African American beneficiaries; enrollment rates are higher among Hispanic beneficiaries

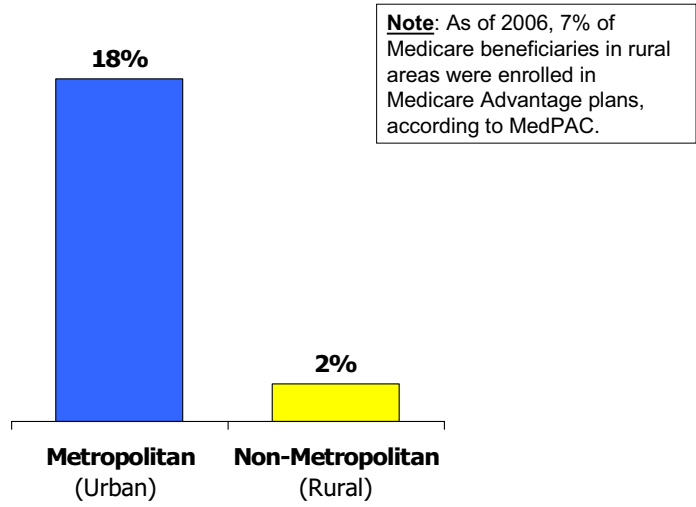


NOTES: Numbers do not add to 100% due to rounding.  
SOURCE: Kaiser Family Foundation analysis of the 2005 Medicare Current Beneficiary Survey (MCBS).



Exhibit 8

### A small but growing share of beneficiaries in rural areas are enrolled in a Medicare Advantage plan



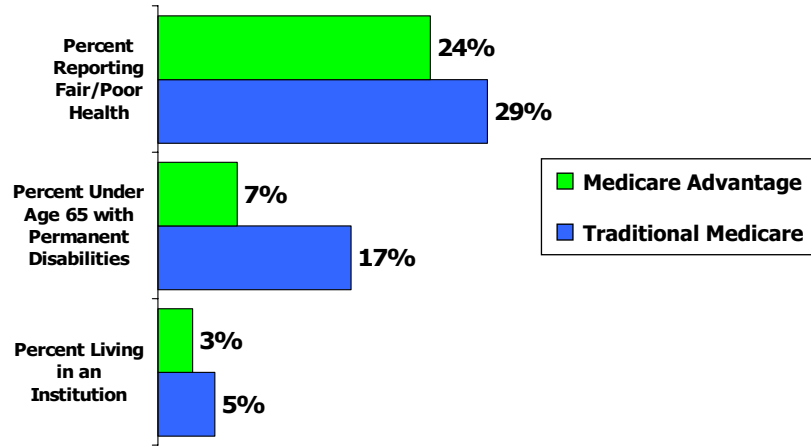
**Note:** As of 2006, 7% of Medicare beneficiaries in rural areas were enrolled in Medicare Advantage plans, according to MedPAC.

SOURCE: Kaiser Family Foundation analysis of the 2005 Medicare Current Beneficiary Survey (MCBS).



Exhibit 9

### Medicare Advantage enrollees are generally in better health than beneficiaries in traditional Medicare

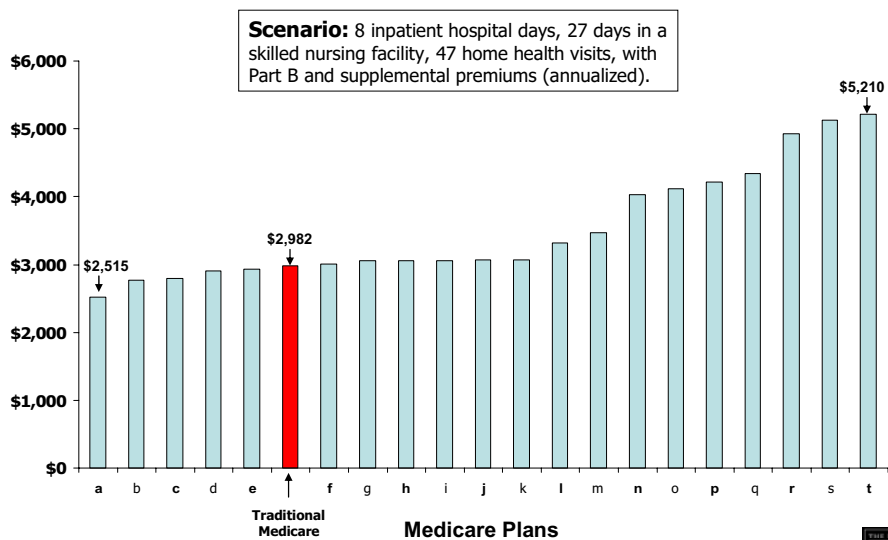


SOURCE: Kaiser Family Foundation analysis of the 2005 Medicare Current Beneficiary Survey (MCBS).



Exhibit 10

### Comparison of Out-of-Pocket Costs for Hypothetical Elderly Woman in Traditional Medicare and Medicare Advantage Plans (Case Example, zip code 94601, Oakland, CA)

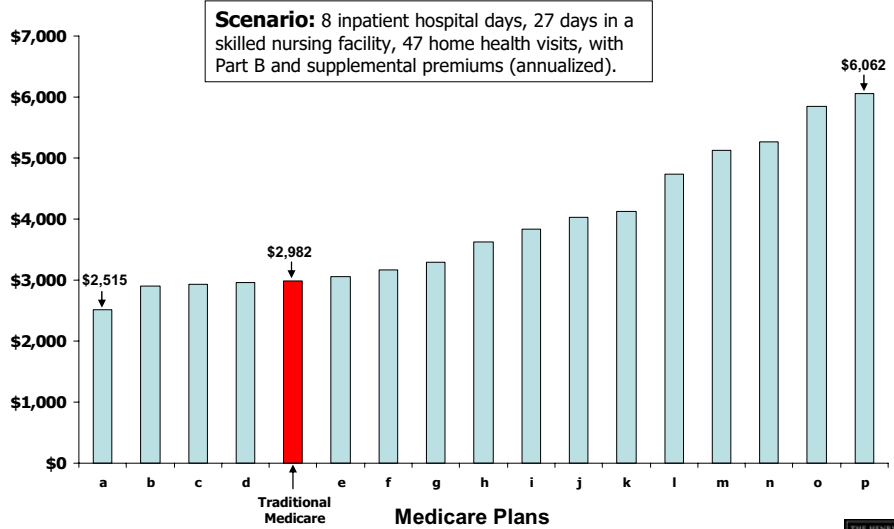


NOTE: Numbers correspond to the available Medicare Advantage plans on the Medicare Compare Plan Finder.  
 SOURCE: Kaiser Family Foundation analysis of [www.Medicare.gov](http://www.Medicare.gov) Medicare Compare Plan Finder.



Exhibit 11

### Comparison of Out-of-Pocket Costs for Hypothetical Elderly Woman in Traditional Medicare and Medicare Advantage Plans (Case Example, zip code 32425, Pensacola, FL)

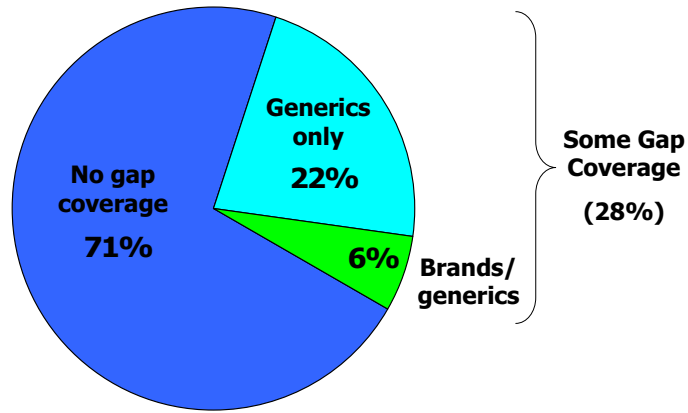


NOTE: Numbers correspond to the available Medicare Advantage plans on the Medicare Compare Plan Finder.  
SOURCE: Kaiser Family Foundation analysis of [www.Medicare.gov](http://www.Medicare.gov) Medicare Compare Plan Finder.



Exhibit 12

### More than two-thirds of Medicare Advantage Prescription Drug Plan enrollees were in plans without gap coverage in 2006



NOTES: Numbers do not add to 100% due to rounding.  
SOURCE: Cubanski, Juliette and Patricia Neuman. "Status Report on Medicare Part D Enrollment in 2006: Analysis of Plan-Specific Market Share and Coverage," *Health Affairs*, 2006.

