

**Table III.5**  
**Medicare Administrative Expenses**  
**Selected Fiscal Years**

Fiscal Year	Administrative Expenses	
	Amount in millions	Percent of Benefit Payments
<b>HI Trust Fund</b>		
1967	\$89	3.5
1970	149	3.1
1975	259	2.5
1980	497	2.1
1985	813	1.7
1990	774	1.2
1995	1,300	1.1
1996	1,229	1.0
1997	1,661 <sup>1</sup>	1.2
1998	1,653 <sup>1</sup>	1.2 <sup>4</sup>
1999	1,978 <sup>1</sup>	1.5 <sup>4</sup>
2000	2,350 <sup>1</sup>	1.9 <sup>4</sup>
2001	2,368 <sup>1</sup>	1.7 <sup>4</sup>
2002	2,464 <sup>1</sup>	1.7 <sup>4</sup>
2003	2,541 <sup>1</sup>	1.7 <sup>4</sup>
2004	2,920 <sup>1</sup>	1.8
2005	2,850 <sup>1</sup>	1.6
2006	3,086 <sup>1</sup>	1.7
2007	2,636 <sup>1</sup>	1.3
2008	3,231 <sup>1</sup>	1.4 <sup>5</sup>
<b>SMI Trust Fund<sup>2</sup></b>		
1967	135 <sup>3</sup>	20.3
1970	217	11.0
1975	405	10.8
1980	593	5.8
1985	922	4.2
1990	1,524	3.7
1995	1,722	2.7
1996	1,771	2.6
1997	1,420	2.0
1998	1,435	1.9 <sup>4</sup>
1999	1,510	1.9 <sup>4</sup>
2000	1,780	2.0 <sup>4</sup>
2001	1,986	2.0 <sup>4</sup>
2002	1,830	1.7 <sup>4</sup>
2003	2,356	1.9 <sup>4</sup>
2004	2,817	2.1
2005	2,914	1.9
2006	3,474	1.8
2007	3,426	1.5
2008	3,423	1.6 <sup>5</sup>

<sup>1</sup> Includes non-expenditure transfers for Health Care Fraud and Abuse Control.

<sup>2</sup> Includes Part D beginning in FY 2004.

<sup>3</sup> Includes expenses paid in fiscal years 1966 and 1967.

<sup>4</sup> Administrative expenses as a percent of benefits and Quality Improvement Organizations/Peer Review Organizations but not including home health agency transfer.

<sup>5</sup> An accounting error adjustment was included in the calculation of administrative expenses as a percent of benefits.