

July 23, 2013

Re: Income Variable

The Medicare Current Beneficiary Survey (MCBS) staff recently discovered a data anomaly present in a categorical INCOME variable, impacting the *Characteristics and Perceptions of the Medicare Population* data tables from 2006-2011.

In 2006, the collection of income data in the community setting changed from an 11-category variable to a less granular 9-category variable. Recently it was discovered that CMS' program that used these data did not adequately correct for the category changes. There was significant overreporting of incomes in the \$30,000 to \$39,000 and \$40,000 to \$49,999 categories and significant underreporting of incomes in the \$50,000 or more range. There were insignificant changes in the lower income ranges. **As a result, income was systematically underreported in the *Characteristics and Perceptions of the Medicare Population 2006-2011* files for community survey participants.** The impact is similar across all affected years.

All data tables containing income information have been corrected and rerun.