EXHIBIT 2 DISTRIBUTION OF MEDICAID BENEFICIARY CHARACTERISTICS IN THE STUDY POPULATION, 1999

	PERCENT OF STUDY POPULATION BENEFICIARIES					
Beneficiary Characteristics	Among All Medicaid Beneficiaries ^a	Among Dual Eligibles ^b	Among Dual Eligibles who Resided in Nursing Facilities All Year ^c			
Age						
5 and younger	22					
6-14	22					
15-20	11	33 ^e	7 ^e			
21-44	22					
45-64	9					
65-74	5	26	13			
75-84	5	24	32			
85 and older	4	18	49			
Sex						
Male	41	35	24			
Female	59	65	74			
Race						
African American	26	18	11			
White	47	60	80			
Other/Unknown	27	22	9			
Dual Eligibility Status ^b						
Dual Eligibles	19	100	100			
Non-Dual Eligibles	81	0	0			
Basis of Eligibility ^d						
Children	50	< 1	< 1			
Adults	19	< 1	< 1			
Disabled	20	41	11			
Aged	12	58	90			
Number of Beneficiaries in the Study Population	28,591,221	5,309,969	842,256			

Source: Medicaid Analytic Extract, 1999. This table is based on the information contained in the Compendium, United States.

^aMedicaid beneficiaries featured in this exhibit include those who had fee-for-service (FFS) Medicaid pharmacy benefit coverage for at least one month during calendar year 1999. Beneficiaries who were in capitated managed care arrangements for the entire year are excluded. For more details on how we determined the study population, see Table 1 of the Compendium.

^bDual Eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefit coverage for at least one month during their Medicaid enrollment in 1999. Non-dual eligibles include beneficiaries who were never

dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefit coverage. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^cThis group includes dual eligibles who resided nursing facilities throughout their Medicaid enrollment in 1999. Refer to Table 1 in the Compendium for more information about how we determined all-year nursing facility residency.

^dMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness. The children's group includes children receiving foster care and adoptive services.

^eThe percentage represents all ages below 65.