Change in PDV of Per Capita Government Spending Medicare costs 1.50 Direct subsidy costs Welfare costs 1.25 (000X) 0.75 0.75 0.25 Total government costs 0.25 0.00 0.0 0.1 0.2 0.3 0.4 0.5 0.6 Universal subsidy, \$10,000 (y2000)