

Monthly Trend Report for Medicare, Medicaid, and SCHIP

December 31, 2003

On these pages, the Office of the Actuary presents monthly and fiscal-year-to-date data for Medicare (HI and SMI), federal Medicaid, and the State Children's Health Insurance Program (SCHIP). Highlights include

- changes in HI and SMI income, expenditures, and assets (see Table 1 below);
- changes in Medicaid and SCHIP expenditures (see Table 2 below); and
- actual versus projected data for each of the four programs (see Figures 1, 2, and 3 below).

The primary source of information for these reports is the [U.S. Department of Treasury's Financial Management Service's Monthly Treasury Report](#) (tables 5 and 8). The reasons offered to explain monthly and fiscal-year-to-date changes are preliminary in nature and may be subject to change as more information becomes available.

NOTE: These pages display only the financial performance of Medicare, Medicaid, and SCHIP. For more information on the nature of the three programs, please refer to the [Brief Summaries of Medicare and Medicaid](#).

Key Data and Trends (change is usually measured fiscal-year-to-date compared to prior fiscal-year-to-date)

Total spending

Fiscal-Year-to-Date 2004 (October 2003-December 2003)

- Total Federal spending for HI, SMI, Medicaid, and SCHIP increased by 6.2 percent compared to the corresponding period in fiscal year 2003. Because program expenditure levels in a particular month can vary significantly, this growth rate -- and those shown below -- can be unduly affected by an unusually low or high level in any month. As the fiscal year progresses, the fiscal-year-to-date increases are expected to gradually stabilize as the remaining months are added.

Medicare

December 2003

- HI income exceeded expenditures by \$4.1 billion. The large excess of income over expenditures is primarily due to the trust fund interest received this month. (Most of the interest on the invested assets of the trust fund is paid semi-annually, in June and December. In fact, expenditures would have exceeded income this month had it not been for this fact.)

- SMI income exceeded expenditures by \$1.1 billion. Much of this excess is attributable to the receipt of trust fund interest this month. (As discussed in the HI section, most of the interest on invested assets of the trust fund is paid semi-annually, in June and December.)

Fiscal-Year-to-Date 2004 (October 2003-December 2003)

- Medicare expenditures were 4.1 percent higher than in the corresponding period in fiscal year 2003.

Medicaid

Fiscal-Year-to-Date 2004 (October 2003-December 2003)

- Medicaid expenditures were 9.9 percent greater than in the corresponding period in fiscal year 2003.

SCHIP

Fiscal-Year-to-Date 2004 (October 2003-December 2003)

- SCHIP expenditures were 12.6 percent greater than in the corresponding period in fiscal year 2003.

Consumer Price Index (all items, for urban consumers; CPI-U)

December 2003

- The CPI-U decreased 0.1 percent during the month of December.

Fiscal-Year-to-Date 2004 (October 2003-December 2003)

- The fiscal-year-to-date change in the CPI-U is a decrease of 0.5 percent.

Table 1. Medicare Trust Fund Activity as of December 31, 2003

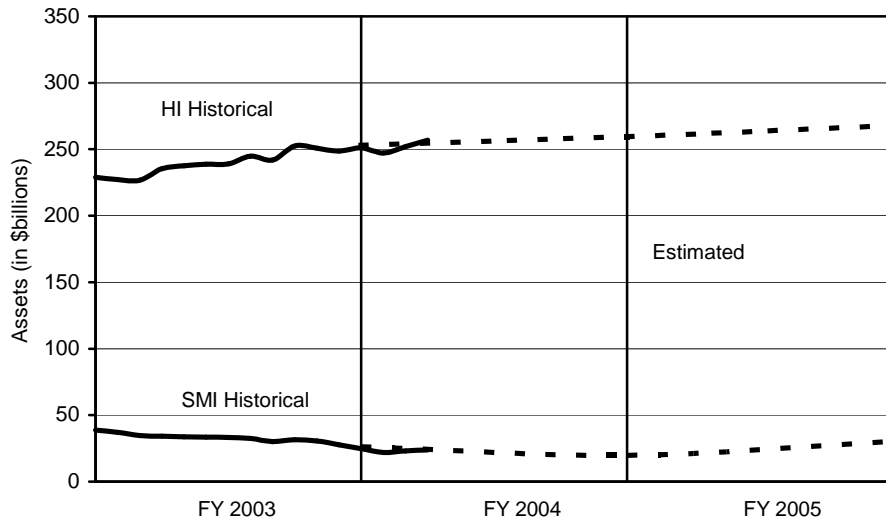
[in millions]			
Trust Fund Income, Expenditures, and Assets	Hospital Insurance Trust Fund	Supplementary Medical Insurance Trust Fund	Total Medicare
This Month:			
Income	\$20,465	\$13,829	\$34,294
Expenditures	16,379	12,688	29,067
Difference	4,086	1,141	5,227
Current Fiscal Year to Date:			
Income	45,991	32,724	78,715
% Change	(0.03)	20.6	7.6
Expenditures	41,097	33,545	74,642
% Change	2.2	6.6	4.1
Difference	4,894	(821)	4,073
Prior Fiscal Year to Date:			
Income	46,004	27,128	73,132
Expenditures	40,228	31,457	71,685
Trust Fund Balance (Current Total Investments):			
End of Month	256,739	23,711	280,450

Table 2. Federal Medicare, Medicaid, and SCHIP Expenditures as of December 31, 2003

[in millions]				
Trust Fund Expenditures	Total Medicare Expenditures	Federal Medicaid Expenditures	Federal Expenditures for State Children's Health Insurance Program	Total Expenditures
This month	\$29,067	\$15,423	\$436	\$44,926
Fiscal year to date	\$74,642	43,255	1,140	119,037
Prior fiscal year to date	\$71,685	39,363	1,012	112,060
% Change	4.1	9.9	12.6	6.2

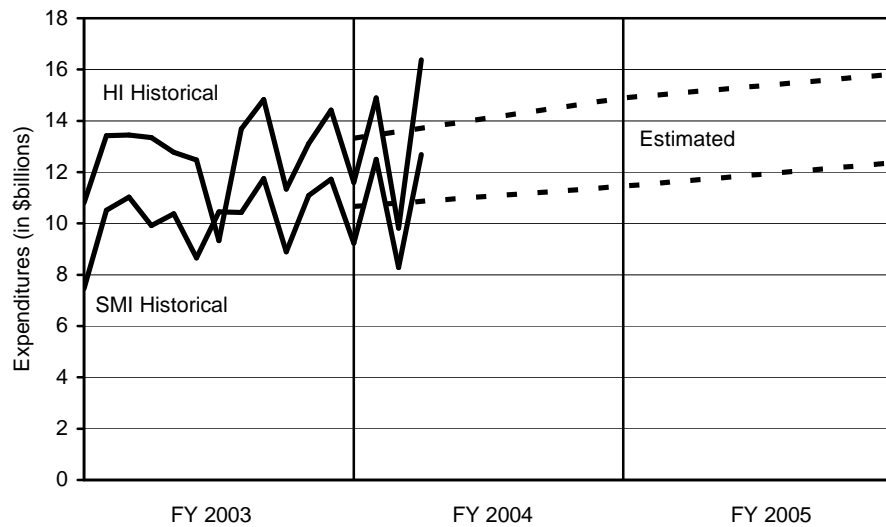
Note: State governments also support the Medicaid and SCHIP programs.

Figure 1. Medicare Trust Fund Assets at End of Month:
Historical and Estimated



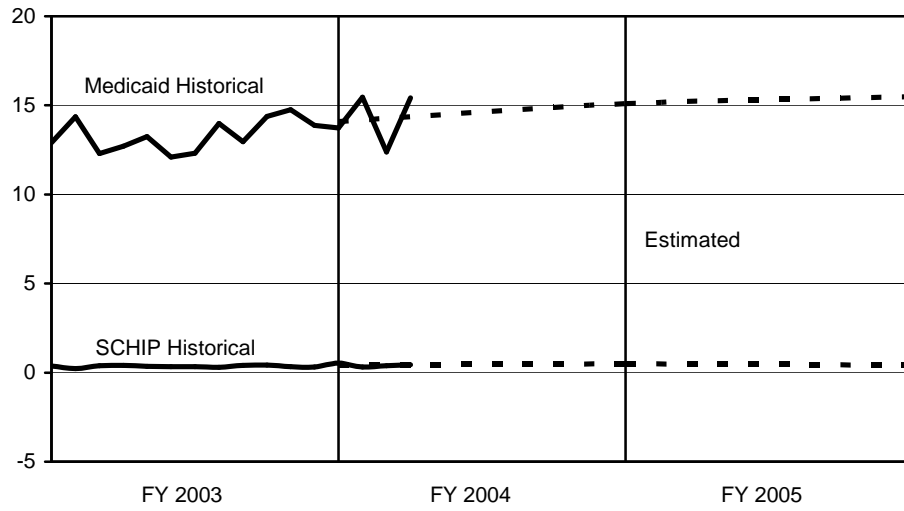
Note: Estimates are from the 2003 Trustees Report (intermediate assumptions).

Figure 2. Medicare Expenditures: Historical and Estimated



Note: Estimates are from the 2003 Trustees Report (intermediate assumptions). The historical figures reflect monthly fluctuations, but the estimated figures are based on annual amounts and thus do not.

Figure 3. Federal Medicaid and SCHIP Expenditures: Historical and Estimated



Note: Estimates are from the 2004 Mid-Session Review.