

Monthly Trend Report for Medicare, Medicaid, and SCHIP

February 29, 2004

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-February 2004)

- Total Federal spending for HI, SMI, Medicaid, and SCHIP increased by 4.3 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

February 2004

- HI expenditures exceeded income by \$0.4 billion. Each month, the primary source of HI income is Federal Income Contribution Act (FICA) taxes, but this is particularly true for months such as this February, in which secondary sources of income were relatively modest, with no large amounts scheduled for receipt. It should also be noted that the Medicare Advantage (formerly known as Medicare+Choice) payment for February was made in January. HI expenditures this month would thus have been higher had the payment been made this month rather than last month.

- SMI income exceeded expenditures by \$2.6 billion. It should be noted that the Medicare Advantage (formerly known as Medicare+Choice) payment for February was made in January. SMI expenditures this month would thus have been higher had the payment been made this month rather than last month. Much of the remainder of the excess is likely due to the smaller-than-average number of claims processing days this month, which would also tend to lower expenditures.

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

- Medicare expenditures were 1.5 percent higher than in the corresponding period in fiscal year 2003. It should be noted that there were five Medicare Advantage (formerly known as Medicare+Choice) payments for the fiscal year through February, compared to six for the same period in fiscal year 2003. Adjusted for an equal number of incurred Medicare Advantage payments, the growth rate would have been 4.4 percent.

Medicaid

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

- Medicaid expenditures were 9.3 percent greater than in the corresponding period in fiscal year 2003.

SCHIP

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

- SCHIP expenditures were 1.9 percent greater than in the corresponding period in fiscal year 2003.

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

February 2004

- The CPI-U increased 0.5 percent during the month of February.

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

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

Table 1. Medicare Trust Fund Activity as of February 29, 2004

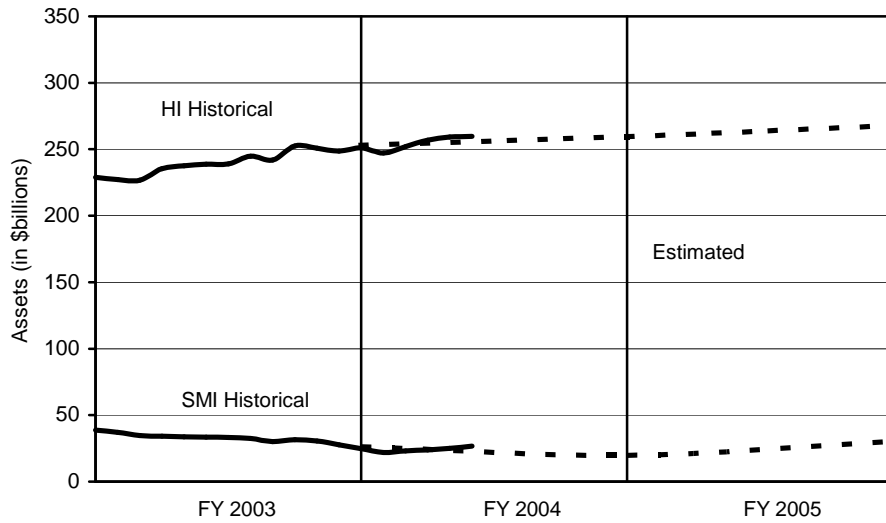
[in millions]			
Trust Fund Income, Expenditures, and Assets	Hospital Insurance Trust Fund	Supplementary Medical Insurance Trust Fund	Total Medicare
This Month:			
Income	\$11,471	\$10,897	\$22,368
Expenditures	11,842	8,250	20,092
Difference	(371)	2,647	2,276
Current Fiscal Year to Date:			
Income	73,466	54,486	127,952
% Change	0.2	18.4	7.2
Expenditures	65,543	52,123	117,666
% Change	0.1	3.2	1.5
Difference	7,923	2,363	10,286
Prior Fiscal Year to Date:			
Income	73,327	46,010	119,337
Expenditures	65,465	50,486	115,951
Trust Fund Balance (Current Total Investments):			
End of Month	259,672	26,800	286,472

Table 2. Federal Medicare, Medicaid, and SCHIP Expenditures as of February 29, 2004

[in millions]				
Trust Fund Expenditures	Total Medicare Expenditures	Federal Medicaid Expenditures	Federal Expenditures for State Children's Health Insurance Program	Total Expenditures
This month	\$20,092	\$13,287	\$319	\$33,698
Fiscal year to date	117,666	70,721	1,728	190,115
Prior fiscal year to date	115,951	64,703	1,696	182,350
% Change	1.5	9.3	1.9	4.3

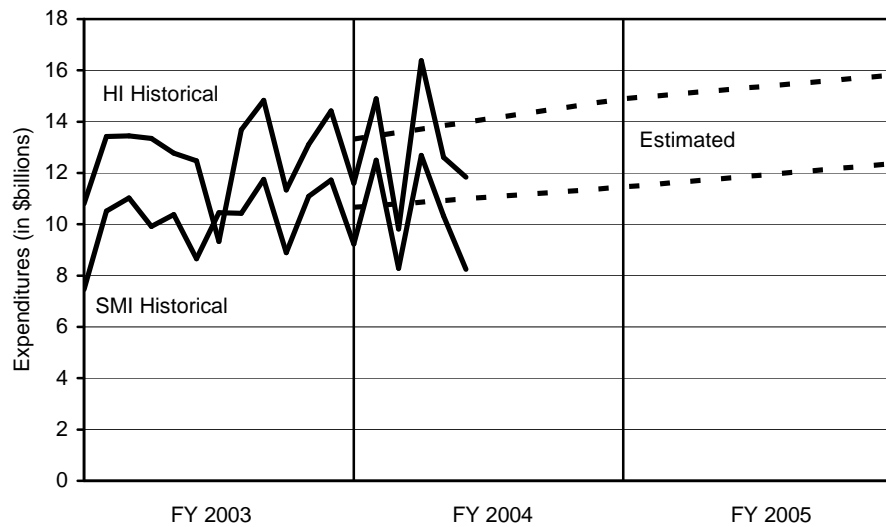
Note: State governments also support the Medicaid and SCHIP programs.

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



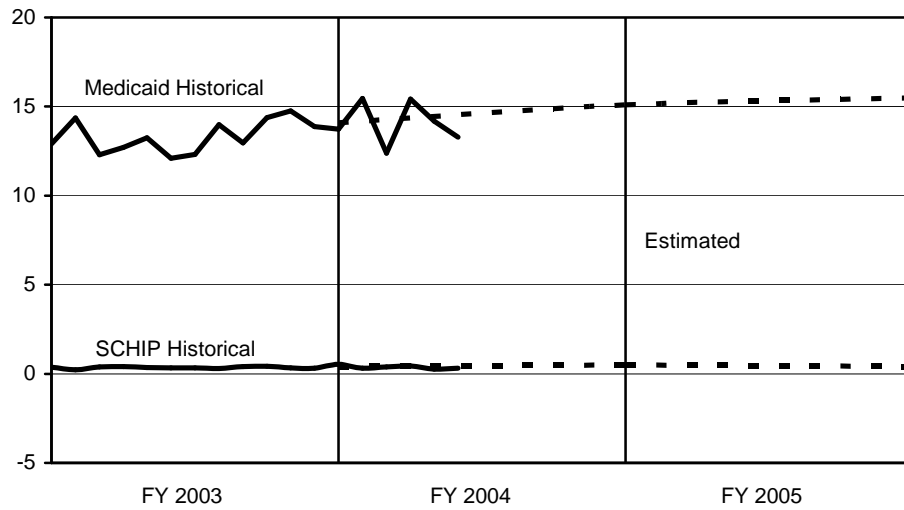
Note: Estimates are from the 2004 Trustees Report (intermediate assumptions).

Figure 2. Medicare Expenditures: Historical and Estimated



Note: Estimates are from the 2004 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.