

Monthly Trend Report for Medicare, Medicaid, and SCHIP

March 31, 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-March 2004)

- Total Federal spending for HI, SMI, Medicaid, and SCHIP increased by 9.0 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

March 2004

- HI expenditures exceeded income by \$3.5 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 March, in which secondary sources of income were relatively modest, with no large amounts scheduled for receipt. (In March, however, unlike other months so described, three relatively small annual transfers to the HI trust fund were scheduled and made.) The higher-than-average number of claims processing days this month, which would tend to raise expenditures, was also a likely contributor to this excess.

- SMI expenditures exceeded income by \$1.1 billion. Much of this excess is likely due to the higher-than-average number of claims processing days this month, which would tend to raise expenditures.

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

- Medicare expenditures were 7.1 percent higher than in the corresponding period in fiscal year 2003.

Medicaid

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

- Medicaid expenditures were 12.4 percent greater than in the corresponding period in fiscal year 2003.

SCHIP

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

- SCHIP expenditures were 6.6 percent greater than in the corresponding period in fiscal year 2003.

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

March 2004

- The CPI-U increased 0.6 percent during the month of March.

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

- The fiscal-year-to-date change in the CPI-U is an increase of 1.2 percent.

Table 1. Medicare Trust Fund Activity as of March 31, 2004

[in millions]

Trust Fund Income, Expenditures, and Assets	Hospital Insurance Trust Fund	Supplementary Medical Insurance Trust Fund	Total Medicare
This Month:			
Income	\$12,245	\$10,863	\$23,108
Expenditures	15,733	11,933	27,666
Difference	(3,488)	(1,070)	(4,558)
Current Fiscal Year to Date:			
Income	85,711	65,348	151,059
% Change	1.0	18.1	7.7
Expenditures	81,276	64,056	145,332
% Change	8.7	5.1	7.1
Difference	4,435	1,292	5,727
Prior Fiscal Year to Date:			
Income	84,899	55,318	140,217
Expenditures	74,797	60,938	135,735
Trust Fund Balance (Current Total Investments):			
End of Month	255,208	26,431	281,639

Table 2. Federal Medicare, Medicaid, and SCHIP Expenditures as of March 31, 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	\$27,666	\$15,842	\$446	\$43,954
Fiscal year to date	145,332	86,563	2,174	234,069
Prior fiscal year to date	135,735	77,019	2,039	214,793
% Change	7.1	12.4	6.6	9.0

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

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

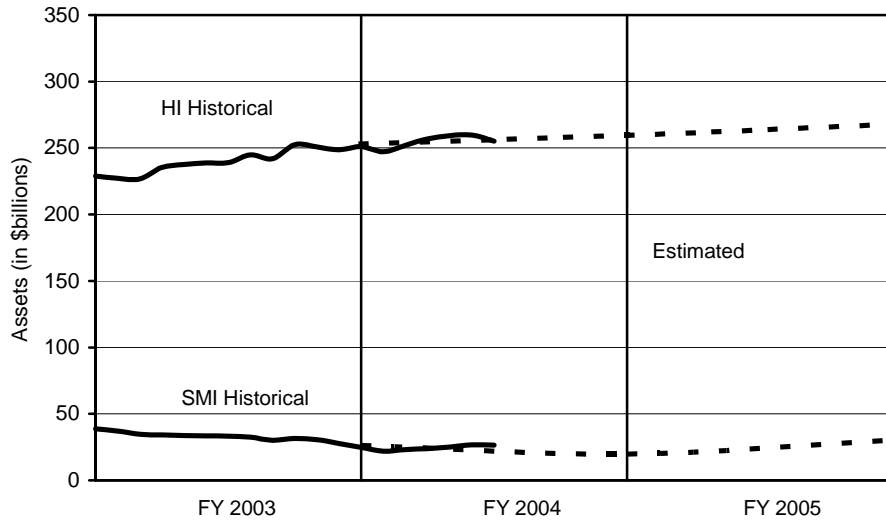


Figure 2. Medicare Expenditures: Historical and Estimated

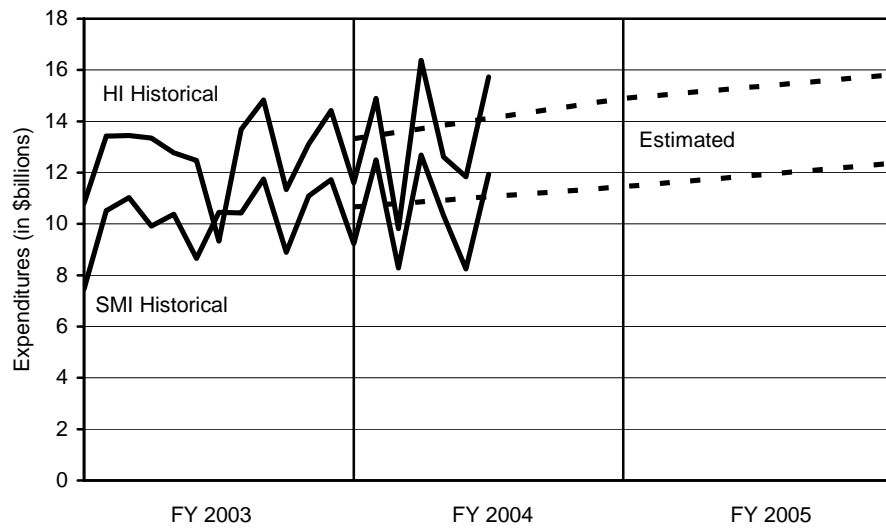


Figure 3. Federal Medicaid and SCHIP Expenditures: Historical and Estimated

