

Monthly Trend Report for Medicare, Medicaid, and SCHIP

May 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-May 2004)

- Total Federal spending for HI, SMI, Medicaid, and SCHIP increased by 7.3 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

May 2004

- HI income exceeded expenditures by \$0.2 billion. The income situation for May is much the same as that described for February and March, with no large amounts scheduled for receipt besides FICA taxes. On the expenditure side, it should be noted that the bulk of the Medicare Advantage (formerly known as Medicare+Choice) payment for May was made in April. HI

expenditures would thus have been higher had the May payment been made this month rather than last month. (In fact, had this been the case, HI expenditures would have exceeded income, rather than the other way around.)

- SMI income exceeded expenditures by \$2.0 billion. It should be noted that the bulk of the Medicare Advantage (formerly known as Medicare+Choice) payment for May was made in April. SMI expenditures would thus have been higher -- and the excess of income over expenditures smaller -- had the May payment been made this month rather than last month. (In fact, had this been the case, SMI income and expenditures for this month would have been about equal.)

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

- Medicare expenditures were 4.8 percent higher than in the corresponding period in fiscal year 2003. There were 8 Medicare Advantage (formerly known as Medicare+Choice) payments for the fiscal year through May, compared to 9 for the same period in fiscal year 2003. Adjusted for an equal number of incurred Medicare Advantage payments, the growth rate would have been 6.6 percent.

Medicaid

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

- Medicaid expenditures were 11.7 percent greater than in the corresponding period in fiscal year 2003.

SCHIP

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

- SCHIP expenditures were 6.9 percent greater than in the corresponding period in fiscal year 2003.

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

May 2004

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

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

- The fiscal-year-to-date change in the CPI-U is an increase of 2.1 percent.

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

[in millions]

Trust Fund Income, Expenditures, and Assets	Hospital Insurance Trust Fund	Supplementary Medical Insurance Trust Fund	Total Medicare
This Month:			
Income	\$12,035	\$10,998	\$23,033
Expenditures	11,810	8,997	20,807
Difference	225	2,001	2,226
Current Fiscal Year to Date:			
Income	118,636	87,357	205,993
% Change	1.9	17.5	8.0
Expenditures	109,435	85,905	195,340
% Change	5.9	3.4	4.8
Difference	9,201	1,452	10,653
Prior Fiscal Year to Date:			
Income	116,398	74,322	190,720
Expenditures	103,313	83,116	186,429
Trust Fund Balance (Current Total Investments):			
End of Month	260,177	26,331	286,508

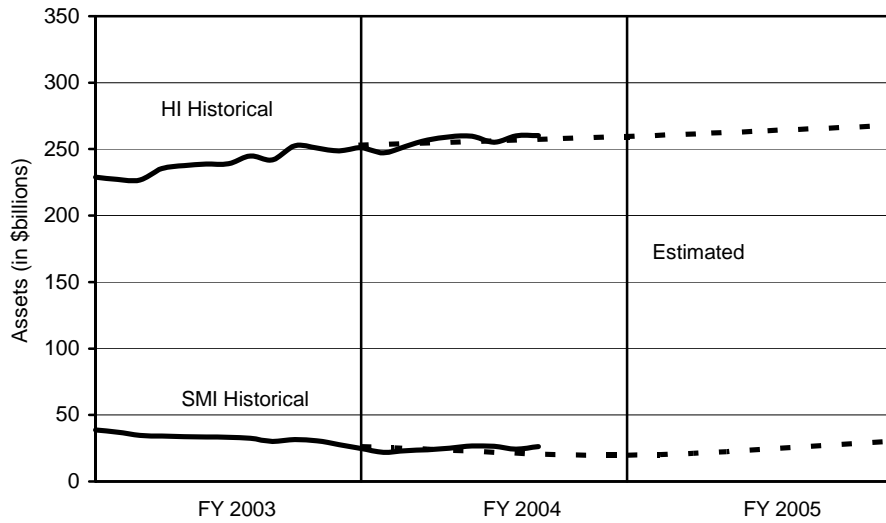
Table 2. Federal Medicare, Medicaid, and SCHIP Expenditures as of May 31, 2004

[in millions]

Trust Fund Expenditures	Total Medicare Expenditures	Federal Medicaid Expenditures	Federal Expenditures for State Children's Health Insurance Program	Total Expenditures
This month	\$20,807	\$14,031	\$429	\$35,267
Fiscal year to date	195,340	116,168	2,928	314,436
Prior fiscal year to date	186,429	103,963	2,739	293,131
% Change	4.8	11.7	6.9	7.3

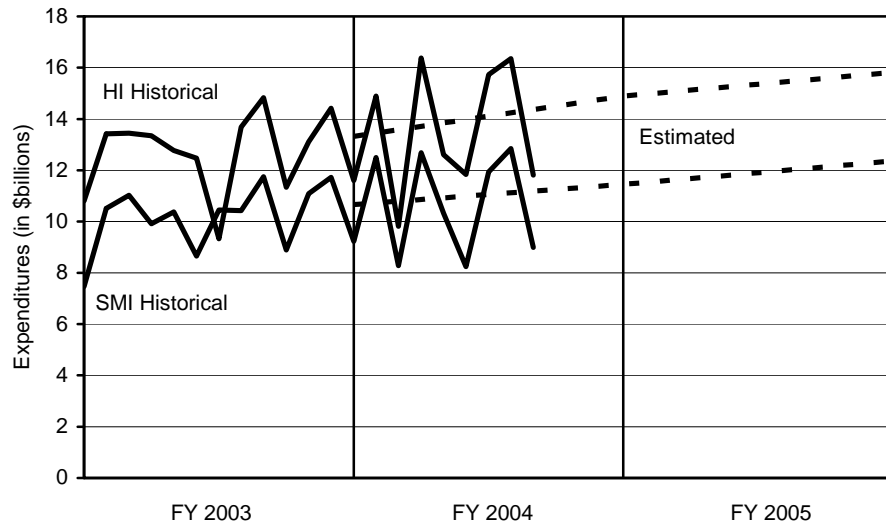
Note: State governments also support the Medicaid and SCHIP programs.

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



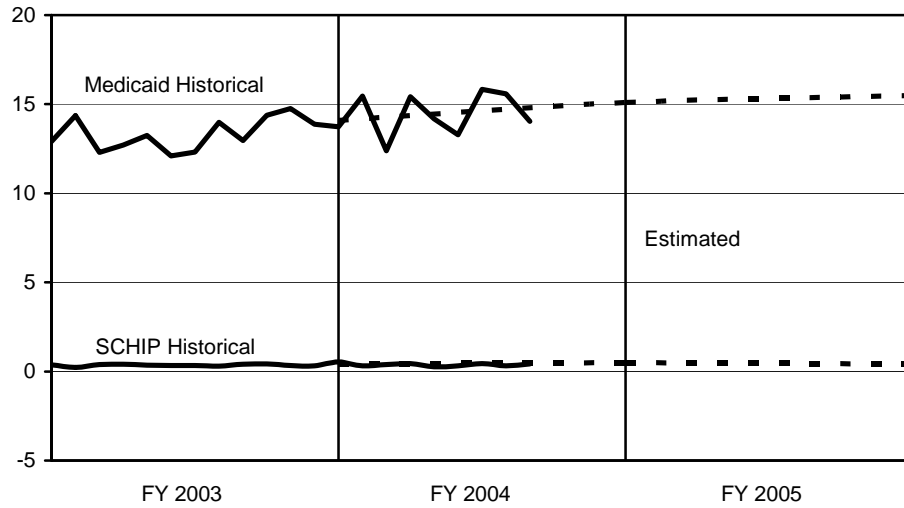
Note: Estimates are from the 2004 Trustees Report (intermediate assumptions).

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 Mid-Session Review of the President's Fiscal Year 2004 Budget.