

Monthly Trend Report for Medicare, Medicaid, and SCHIP

July 31, 2005

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 sources of information for these reports are the [U.S. Department of Treasury's Financial Management Service's Monthly Treasury Report](#) (table 5) for federal Medicaid and SCHIP, and financial statements from the Bureau of Public Debt and CMS for Medicare. 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 2005 (October 2004-July 2005)

- Total Federal spending for HI, SMI, Medicaid, and SCHIP increased by 6.7 percent compared to the corresponding period in fiscal year 2004. 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

July 2005

- HI expenditures exceeded income by \$1.7 billion. The income situation for July is much the same as that described for May, March, and February of the fiscal year, with no large amounts scheduled for receipt besides FICA taxes.

- SMI income and expenditures were very close, with income exceeding expenditures by less than \$0.3 billion.
- The SMI trust fund received and spent over \$67 million this month for benefits under the Transitional Assistance provision of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). (Under the Transitional Assistance provision, certain low-income beneficiaries are eligible for financial assistance of up to \$600 per year for purchasing prescription drugs and for a subsidized enrollment fee under the temporary Medicare-endorsed drug discount card program established by the MMA.)

Fiscal-Year-to-Date 2005 (October 2004-July 2005)

- Medicare expenditures were 8.7 percent higher than in the corresponding period in fiscal year 2004. There were 10 Medicare Advantage payments for the fiscal year through July, compared to 11 for the same period in fiscal year 2004. Adjusted for an equal number of incurred Medicare Advantage payments, it is estimated that the growth rate would have been 10.1 percent.

Medicaid

Fiscal-Year-to-Date 2005 (October 2004-July 2005)

- Medicaid expenditures were 3.2 percent higher than in the corresponding period in fiscal year 2004.

SCHIP

Fiscal-Year-to-Date 2005 (October 2004-July 2005)

- SCHIP expenditures were 9.1 percent greater than in the corresponding period in fiscal year 2004.

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

July 2005

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

Fiscal-Year-to-Date 2005 (October 2004-July 2005)

- The fiscal-year-to-date change in the CPI-U is an increase of 2.9 percent.

Table 1. Medicare Trust Fund Activity as of July 31, 2005
[in millions]

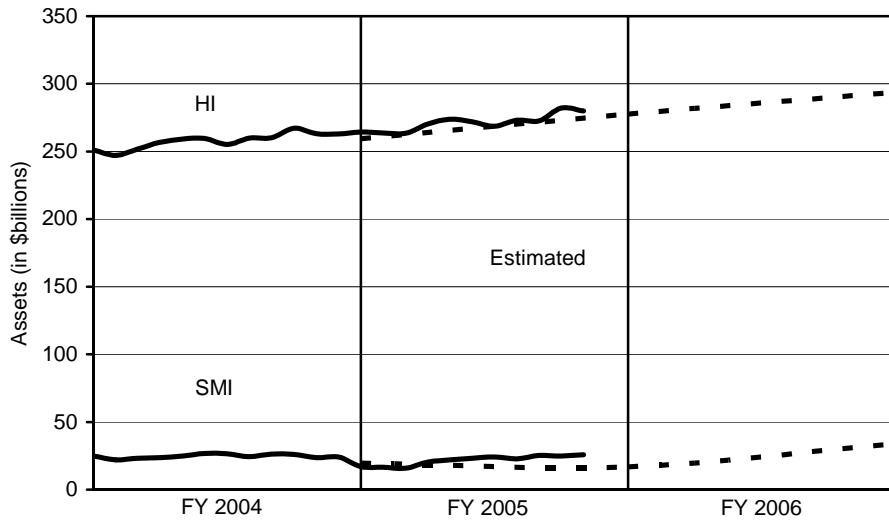
Trust Fund Income, Expenditures, and Assets	Hospital Insurance Trust Fund	Supplementary Medical Insurance Trust Fund	Total Medicare
This Month:			
Income	\$13,048	\$13,109	\$26,157
Expenditures	14,707	12,852	27,559
Difference	(1,659)	257	(1,402)
Current Fiscal Year to Date:			
Income	166,072	131,250	297,322
% Change	8.8	19.2	13.2
Expenditures	150,520	123,089	273,609
% Change	7.1	10.8	8.7
Difference	15,552	8,161	23,713
Prior Fiscal Year to Date:			
Income	152,584	110,099	262,683
Expenditures	140,504	111,119	251,623
Trust Fund Balance:			
End of Month	280,495	25,276	305,771

Table 2. Federal Medicare, Medicaid, and SCHIP Expenditures as of July 31, 2005
[in millions]

Trust Fund Expenditures	Total Medicare Expenditures	Federal Medicaid Expenditures	Federal Expenditures for State Children's Health Insurance Program	Total Expenditures
This month	\$27,559	\$13,778	\$366	\$41,703
Fiscal year to date	273,609	151,960	4,106	429,675
Prior fiscal year to date	251,623	147,201	3,764	402,588
% Change	8.7	3.2	9.1	6.7

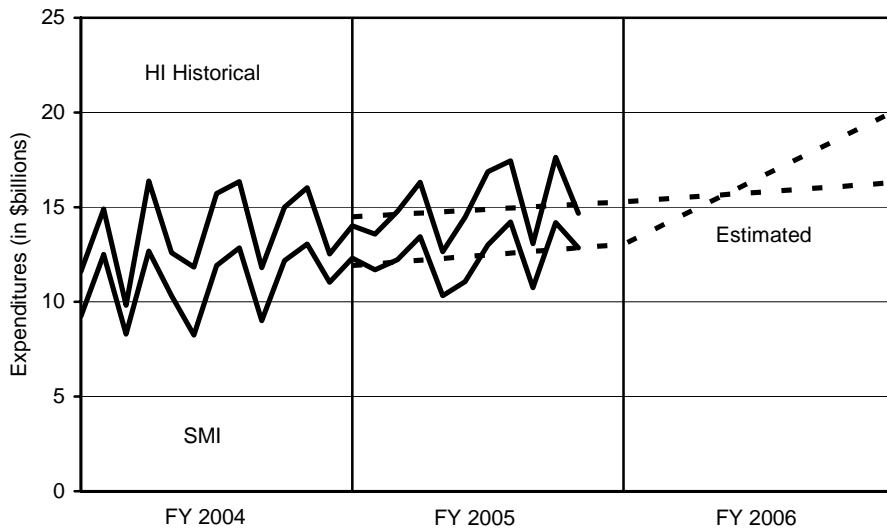
Note: State governments also support the Medicaid and SCHIP programs.

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



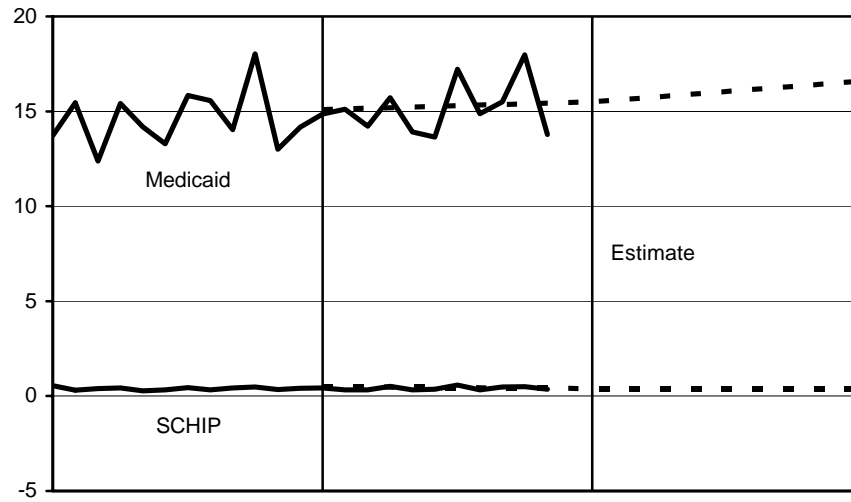
Note: Estimates are from the 2005 Trustees Report (intermediate assumptions).

Figure 2. Medicare Expenditures: Historical and Estimated



Note: Estimates are from the 2005 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 2005 Budget.