

Monthly Trend Report for Medicare, Medicaid, and SCHIP

November 30, 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 2006 (October 2005-November 2005)

- Total Federal spending for HI, SMI, Medicaid, and SCHIP increased by 3.0 percent compared to the corresponding period in fiscal year 2005. 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

November 2005

- HI expenditures exceeded income by \$0.8 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 November, in which secondary sources of income were relatively modest, with no large amounts scheduled for receipt. Self-employment (SECA) tax income was small, and no income taxes on Social Security benefits were received. Most of the interest on invested assets of the trust fund is paid in June and December, with only small amounts received in other months.

Similarly, no annual transfers (such as that from the Railroad Retirement program) were due to the trust fund this month.

- SMI expenditures exceeded income by \$0.8 billion.
- The SMI trust fund received and spent almost \$40 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 2006 (October 2005-November 2005)

- Medicare expenditures were 1.1 percent higher than in the corresponding period in fiscal year 2005. There was one Medicare Advantage payment for the fiscal year through November, compared to two for the same period in fiscal year 2005. Adjusted for an equal number of incurred Medicare Advantage payments, it is estimated that the growth rate would have been 9.1 percent.

Medicaid

Fiscal-Year-to-Date 2006 (October 2005-November 2005)

- Medicaid expenditures were 6.6 percent higher than in the corresponding period in fiscal year 2005.

SCHIP

Fiscal-Year-to-Date 2006 (October 2005-November 2005)

- SCHIP expenditures were 1.4 percent lower than in the corresponding period in fiscal year 2005.

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

November 2005

- The CPI-U decreased 0.8 percent during the month of November.

Fiscal-Year-to-Date 2006 (October 2005-November 2005)

- The fiscal-year-to-date change in the CPI-U is a decrease of 0.6 percent.

Table 1. Medicare Trust Fund Activity as of November 30, 2005
[in millions]

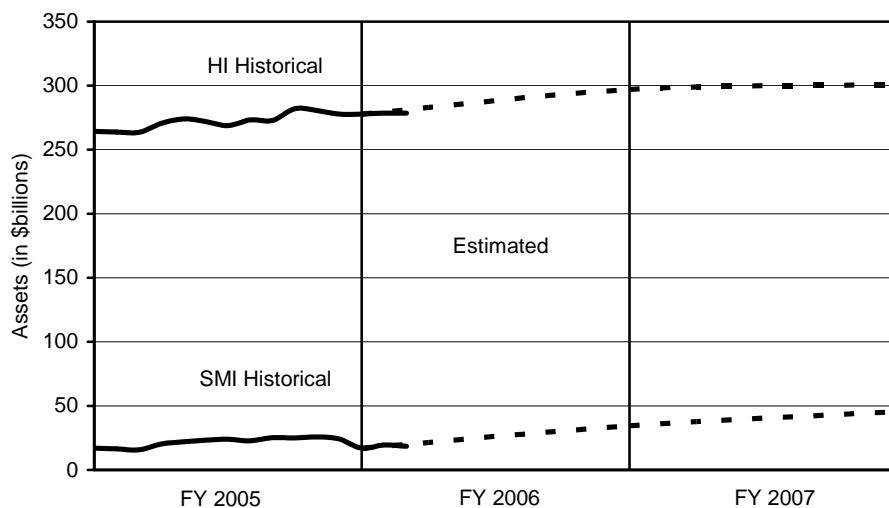
Trust Fund Income, Expenditures, and Assets	Hospital Insurance Trust Fund	Supplementary Medical Insurance Trust Fund	Total Medicare
This Month:			
Income	\$14,787	\$13,036	\$27,823
Expenditures	15,610	13,808	29,418
Difference	(823)	(772)	(1,595)
Current Fiscal Year to Date:			
Income	28,425	26,315	54,740
% Change	6.9	17.0	11.5
Expenditures	27,891	24,946	52,837
% Change	(1.6)	4.3	1.1
Difference	534	1,369	1,903
Prior Fiscal Year to Date:			
Income	26,579	22,499	49,078
Expenditures	28,352	23,925	52,277
Trust Fund Balance:			
End of Month	278,257	18,254	296,511

Table 2. Federal Medicare, Medicaid, and SCHIP Expenditures as of November 30, 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	\$29,418	\$15,826	\$317	\$45,561
Fiscal year to date	52,837	31,262	648	84,747
Prior fiscal year to date	52,277	29,330	657	82,264
% Change	1.1	6.6	(1.4)	3.0

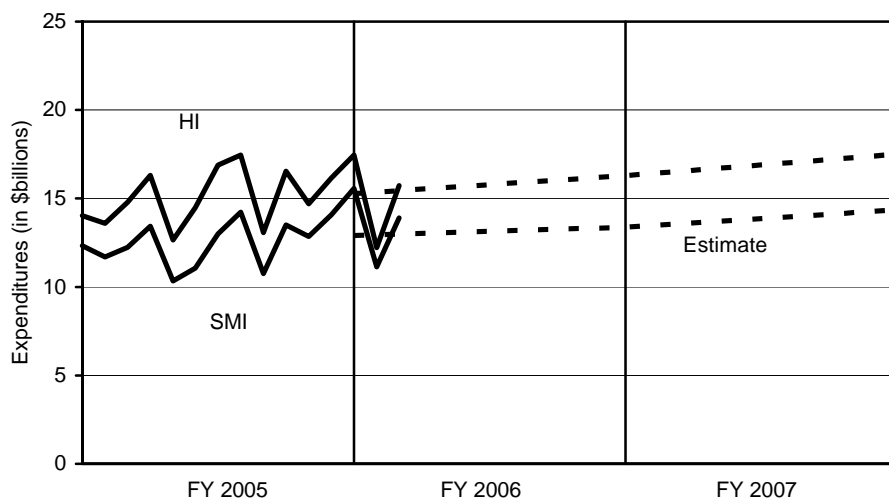
Note: State governments also support the Medicaid and SCHIP programs.

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



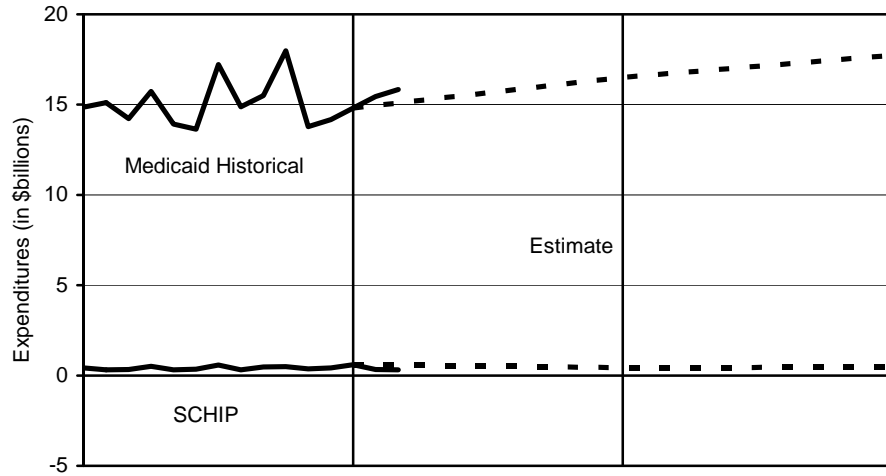
Note: Estimates are from the 2005 Trustees Report (intermediate assumptions).

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 2007 Budget.