

Monthly Trend Report for Medicare, Medicaid, and SCHIP

April 30, 2006

On these pages, the Office of the Actuary presents monthly and fiscal-year-to-date data for Medicare (HI and SMI), the Federal portion of Medicaid, and the Federal portion of 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 Federal Medicaid and Federal 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 the Federal portions of 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-April 2006)

- Total Federal spending for HI, SMI, Medicaid, and SCHIP increased by 5.2 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

April 2006

- HI income exceeded expenditures by \$11.2 billion this month. This excess can be broken down into four notable contributing factors. On the income side, the receipt of both quarterly self-employment (SECA) taxes and quarterly income taxes paid on Social Security benefits were two large contributing factors to this excess. On the expenditure side, the bulk of Medicare Advantage payment for April 2006 was made in March. HI expenditures would thus have been higher—and the excess of income

over expenditures lower—had the April payment been made this month rather than last month. Finally, the month of April had a slightly lower-than-average number of claims processing days, which would also tend to lower expenditures and increase the excess of income over expenditures.

- SMI income exceeded expenditures by \$3.7 billion this month. Almost all of this excess was attributable to the Part B account. Much of the excess was due to the fact that the bulk of the Medicare Advantage payment for April 2006 was made in March, as described above for HI. (The bulk of Part D payments for April 2006, both to Medicare Advantage plans for their prescription drug benefit and to free-standing prescription drug plans, were also sped up to March, but this did not contribute significantly to the SMI excess of income over expenditures, because most of the income to finance the Part D benefits was sped up as well.) The slightly lower-than-average number of claims processing days this month, as described above for HI, would also tend to lower Part B expenditures—and contribute to the excess of income over expenditures—this month.
- The SMI Part D Medicare Prescription Drug Account spent nothing this month for benefits under the broad, voluntary prescription drug benefit that began in January. This is because the bulk of Part D payments for April were paid in March, as discussed above.
- The SMI trust fund received and spent about \$15 million this month for benefits under the Transitional Assistance Account. Activity in this account is dwindling, as intended and expected, as the broad, voluntary prescription drug benefit has begun.

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

- Medicare expenditures were 9.0 percent higher than in the corresponding period in fiscal year 2005. There were six Medicare Advantage payments (including, for January through April, payments to free-standing prescription drug plans), compared to eight for the same period in fiscal year 2005. Adjusted for an equal number of incurred Medicare Advantage payments, the growth rate would have been about 13.7 percent.

Medicaid

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

- Federal expenditures for Medicaid were 1.8 percent lower than in the corresponding period in fiscal year 2005.

SCHIP

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

- Federal expenditures for SCHIP were 8.3 percent higher than in the corresponding period in fiscal year 2005.

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

April 2006

- The CPI-U increased 0.9 percent during the month of April.

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

- The fiscal-year-to-date change in the CPI-U is an increase of 1.4 percent.

Table 1. Medicare Trust Fund Activity as of April 30, 2006
[in millions]

Income, Expenditures, and Balance	Supplementary Medical Insurance						Total Medicare
	Hospital Insurance Trust Fund	Part B Account	Transitional Assistance Account	Medicare Prescription Drug Account (Part D)	Supplementary Medical Insurance Trust Fund (Total SMI)		
This Month:							
Income	\$24,008	\$14,217	\$15	\$156	\$14,388		\$38,396
Expenditures	12,769	10,701	15	0	10,716		23,484
Difference	11,239	3,516	0	156	3,673		14,912
Current Fiscal-Year-to-Date:							
Income	124,080	103,326	219	11,651	115,196		239,275
% Change	8.2	13.8	(71.4)	--	25.8		16.0
Expenditures	106,532	91,212	219	11,495	102,926		209,458
% Change	0.3	7.0	(71.4)	--	19.7		9.0
Difference	17,547	12,114	0	156	12,270		29,817
Prior Fiscal-Year-to-Date:							
Income	114,645	90,824	765	--	91,589		206,234
Expenditures	106,167	85,213	765	--	85,978		192,144
End-of-Month:							
Balance	295,270	28,998	0	156	29,154		324,425

Notes: Totals do not necessarily equal the sums of rounded components.

Changes shown ("% Change") reflect current fiscal-year-to-date amounts as compared to amounts in the corresponding period in the prior fiscal year.

Table 2. Federal Medicare, Medicaid, and SCHIP Expenditures as of April 30, 2006
[in millions]

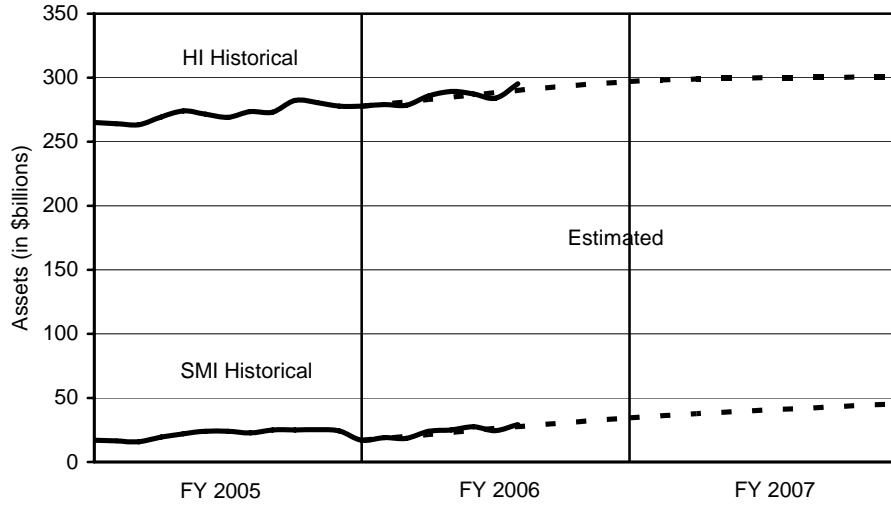
Expenditures	Total Medicare Expenditures	Federal Medicaid Expenditures	Federal Expenditures for State Children's Health Insurance Program	Total Expenditures
This month	\$23,484	\$13,285	\$366	\$37,135
Fiscal-year-to-date	209,458	102,785	2,985	315,228
Prior fiscal-year-to-date	192,144	104,704	2,756	299,604
% Change	9.0	(1.8)	8.3	5.2

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

Totals do not necessarily equal the sums of rounded components.

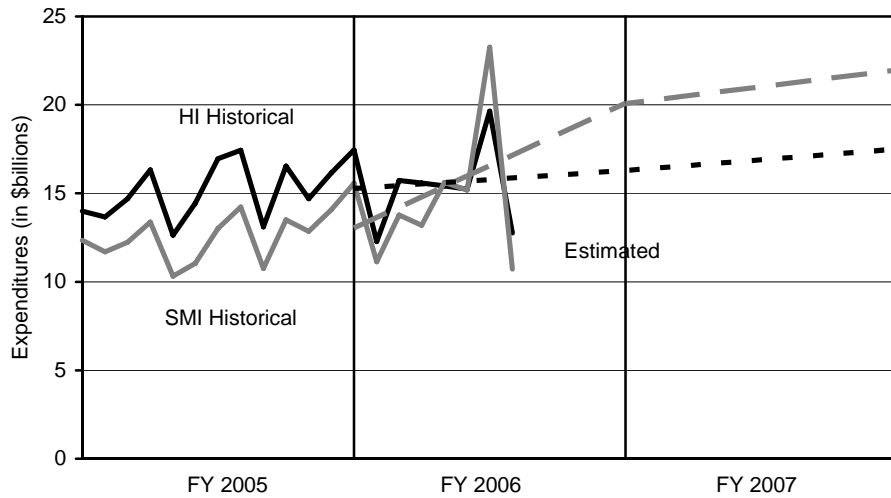
Changes shown ("% Change") reflect current fiscal-year-to-date amounts as compared to amounts in the corresponding period in the prior fiscal year.

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



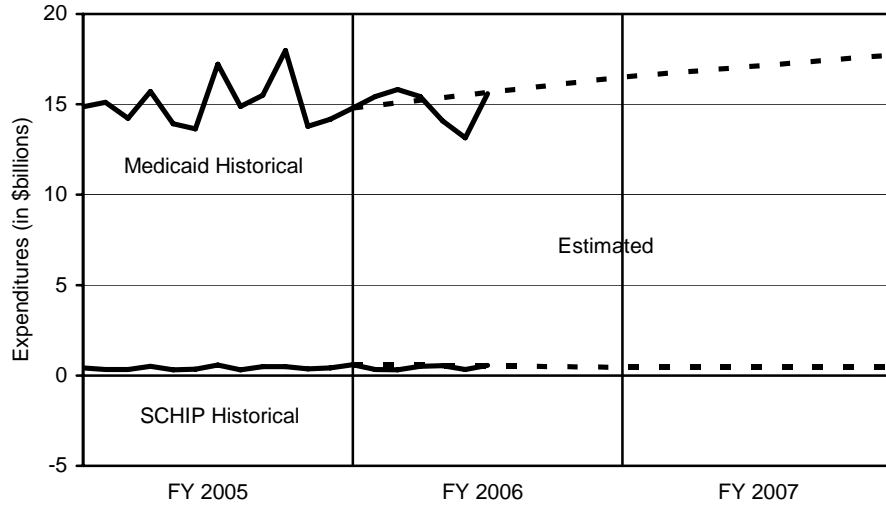
Note: Estimates are from the 2006 Trustees Report (intermediate assumptions).

Figure 2. Medicare Expenditures: Historical and Estimated



Note: Estimates are from the 2006 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.