

Monthly Trend Report for Medicare, Medicaid, and SCHIP

November 30, 2003

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-November 2003)

- Total Federal spending for HI, SMI, Medicaid, and SCHIP decreased by 2.1 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

November 2003

- HI income exceeded expenditures by \$3.7 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. On the expenditure side, it should be noted that the Medicare+Choice payment for November 2003 was made in October. HI expenditures this month would thus have been higher -- and the excess of income over expenditures smaller -- had the November payment been made this month, rather than last month. (In fact, the excess would be cut in about half.)
- SMI income exceeded expenditures by \$1.2 billion. It should be noted that the Medicare+Choice payment for November 2003 was made in October. SMI expenditures this month would thus have been higher had the 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-November 2003)

- Medicare expenditures were 5.9 percent lower than in the corresponding period in fiscal year 2003. As discussed above, there were two Medicare+Choice payments for the fiscal year through November, compared to three for the same period in fiscal year 2003. Adjusted for an equal number of incurred Medicare+Choice payments, the growth rate would have been 0.6 percent.

Medicaid

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

- Medicaid expenditures were 4.4 percent greater than in the corresponding period in fiscal year 2003.

SCHIP

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

- SCHIP expenditures were 14.8 percent greater than in the corresponding period in fiscal year 2003.

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

November 2003

- The CPI-U decreased 0.3 percent during the month of November.

Fiscal-Year-to-Date 2003 (October 2003-November 2003)

- The fiscal-year-to-date change in the CPI-U is an decrease of 0.4 percent.

Table 1. Medicare Trust Fund Activity as of November 30, 2003

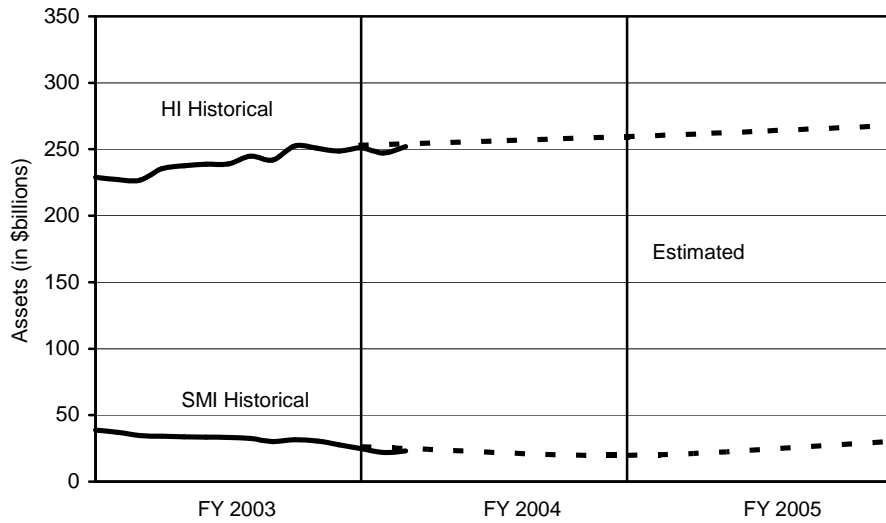
| [in millions] | | | |
|--|-------------------------------------|---|----------------|
| Trust Fund Income, Expenditures, and Assets | Hospital Insurance Trust Fund | Supplementary Medical Insurance Trust Fund | Total Medicare |
| This Month: | | | |
| Income | \$13,474 | \$9,480 | \$22,954 |
| Expenditures | 9,818 | 8,288 | 18,106 |
| Difference | 3,656 | 1,192 | 4,848 |
| Current Fiscal Year to Date: | | | |
| Income | 25,527 | 18,895 | 44,422 |
| % Change | 2.7 | 8.3 | 5.0 |
| Expenditures | 24,717 | 20,858 | 45,575 |
| % Change | (8.0) | (3.1) | (5.9) |
| Difference | 810 | (1,963) | (1,153) |
| Prior Fiscal Year to Date: | | | |
| Income | 24,845 | 17,445 | 42,290 |
| Expenditures | 26,878 | 21,535 | 48,413 |
| Trust Fund Balance (Current Total Investments): | | | |
| End of Month | 251,939 | 23,071 | 275,010 |

Table 2. Federal Medicare, Medicaid, and SCHIP Expenditures as of November 30, 2003
[in millions]

| Trust Fund Expenditures | Total Medicare Expenditures | Federal Medicaid Expenditures | Federal Expenditures for State Children's Health Insurance Program | Total Expenditures |
|------------------------------|--------------------------------|----------------------------------|--|-----------------------|
| This month | \$18,106 | \$12,383 | \$387 | \$30,876 |
| Fiscal year to date | \$45,575 | 27,832 | 704 | 74,111 |
| Prior fiscal year to date | \$48,413 | 26,660 | 613 | 75,686 |
| % Change | (5.9) | 4.4 | 14.8 | (2.1) |

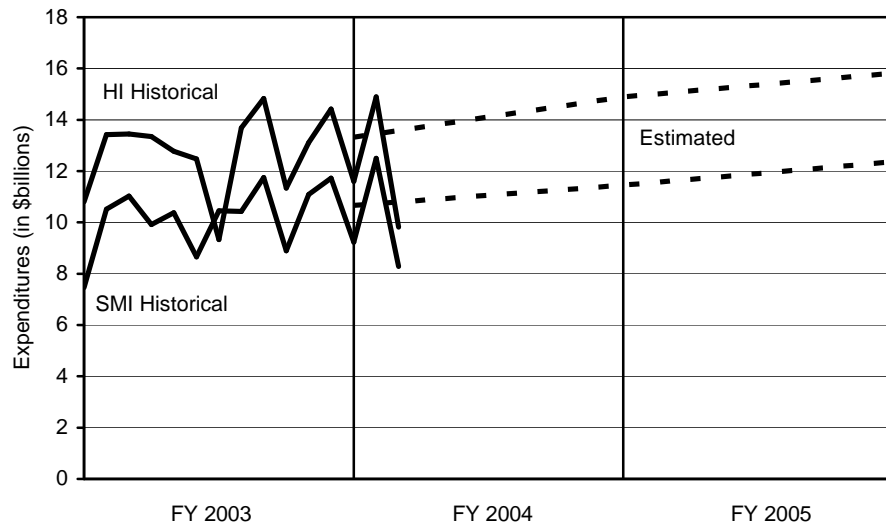
Note: State governments also support the Medicaid and SCHIP programs.

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



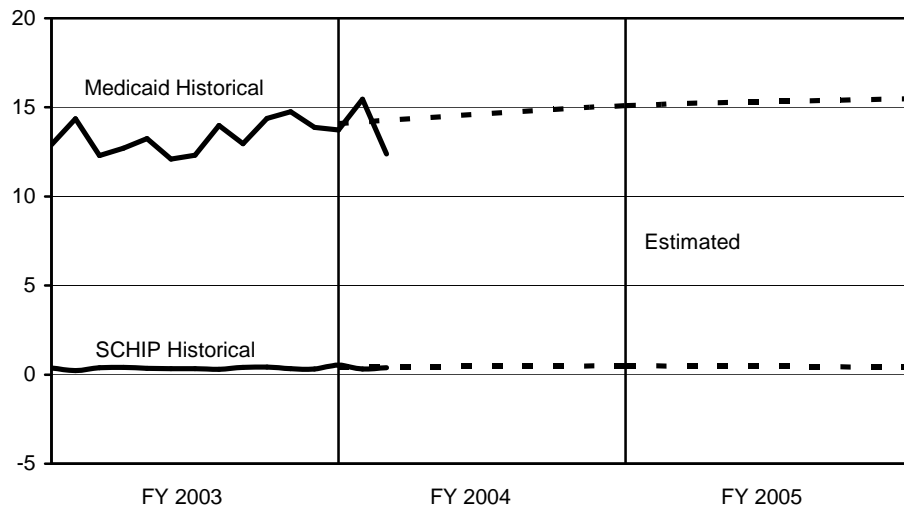
Note: Estimates are from the 2003 Trustees Report (intermediate assumptions).

Figure 2. Medicare Expenditures: Historical and Estimated



Note: Estimates are from the 2003 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 2005 President's Budget.