

Monthly Trend Report for Medicare, Medicaid, and SCHIP

April 30, 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-April 2004)

- Total Federal spending for HI, SMI, Medicaid, and SCHIP increased by 10.3 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

April 2004

- HI income exceeded expenditures by \$4.5 billion. The excess of income over expenditures is due mostly to the receipt this month of both quarterly self-employment (SECA) taxes and quarterly income taxes paid on Social Security benefits. It should also be noted that the Medicare Advantage (formerly known as Medicare+Choice) payment for May 2004 was made in April. (The Medicare Advantage payment for April was also made in April.) HI expenditures would thus have been lower -- and the excess of income over expenditures over income larger -- had the May payment been made next month rather than this month.

- SMI expenditures exceeded income by \$1.8 billion. It should be noted that the Medicare Advantage (formerly known as Medicare+Choice) payment for May 2004 was made in April. (The Medicare Advantage payment for April was also made in April.) SMI expenditures would thus have been lower -- and the excess of expenditures over income smaller -- had the May payment been made next month rather than this 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-April 2004)

- Medicare expenditures were 9.2 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 April, compared to 7 for the same period in fiscal year 2003. Adjusted for an equal number of incurred Medicare Advantage payments, the growth rate would have been 7.3 percent.

Medicaid

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

- Medicaid expenditures were 12.2 percent greater than in the corresponding period in fiscal year 2003.

SCHIP

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

- SCHIP expenditures were 7.3 percent greater than in the corresponding period in fiscal year 2003.

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

April 2004

- The CPI-U increased 0.3 percent during the month of April.

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

- The fiscal-year-to-date change in the CPI-U is an increase of 1.5 percent.

Table 1. Medicare Trust Fund Activity as of April 30, 2004

[in millions]

Trust Fund Income, Expenditures, and Assets	Hospital Insurance Trust Fund	Supplementary Medical Insurance Trust Fund	Total Medicare
This Month:			
Income	\$20,889	\$11,010	\$31,899
Expenditures	16,349	12,852	29,201
Difference	4,540	(1,842)	2,698
Current Fiscal Year to Date:			
Income	106,601	76,359	182,960
% Change	2.1	17.4	8.0
Expenditures	97,625	76,909	174,534
% Change	10.3	7.8	9.2
Difference	8,976	(550)	8,426
Prior Fiscal Year to Date:			
Income	104,424	65,035	169,459
Expenditures	88,487	71,371	159,858
Trust Fund Balance (Current Total Investments):			
End of Month	260,006	24,317	284,323

Table 2. Federal Medicare, Medicaid, and SCHIP Expenditures as of April 30, 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	\$29,201	\$15,574	\$324	\$45,099
Fiscal year to date	174,534	102,137	2,498	279,169
Prior fiscal year to date	159,858	91,005	2,329	253,192
% Change	9.2	12.2	7.3	10.3

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

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

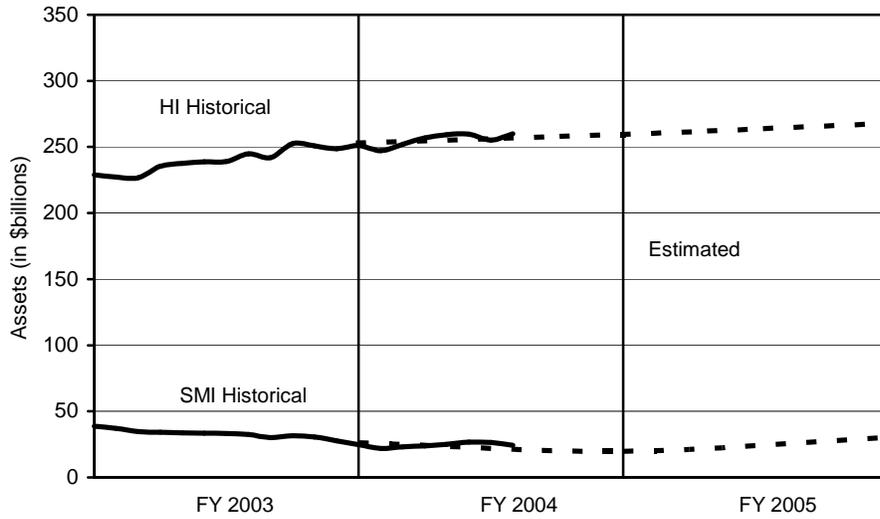


Figure 2. Medicare Expenditures: Historical and Estimated

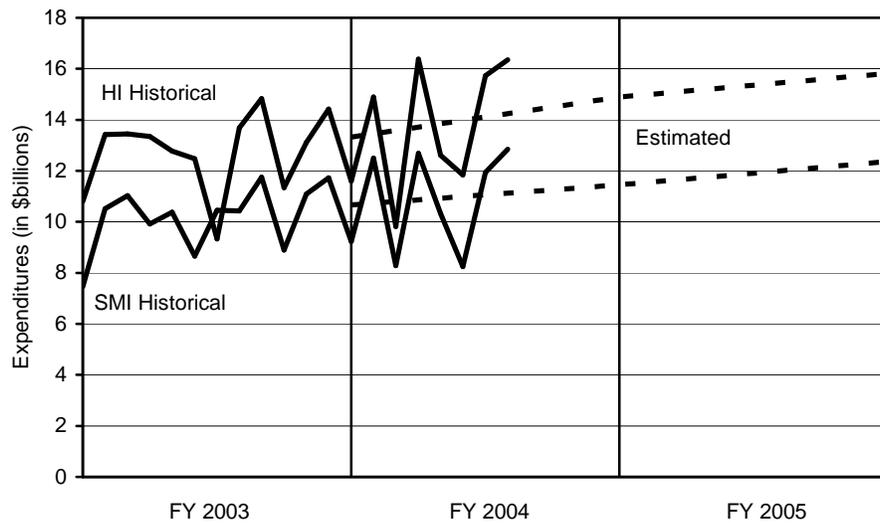


Figure 3. Federal Medicaid and SCHIP Expenditures: Historical and Estimated

