

# Monthly Trend Report for Medicare, Medicaid, and SCHIP

November 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.

## 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-November 2004)

- Total Federal spending for HI, SMI, Medicaid, and SCHIP increased by 11.0 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

November 2004

- HI expenditures exceeded income by \$0.9 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 \$72 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-November 2004)

- Medicare expenditures were 14.7 percent higher than in the corresponding period in fiscal year 2004.

### Medicaid

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

- Medicaid expenditures were 5.4 percent higher than in the corresponding period in fiscal year 2004.

### SCHIP

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

- SCHIP expenditures were 6.7 percent lower than in the corresponding period in fiscal year 2004.

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

November 2004

- The CPI-U increased 0.1 percent during the month of November.

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

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

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

[in millions]

Trust Fund Income, Expenditures, and Assets	Hospital Insurance Trust Fund	Supplementary Medical Insurance Trust Fund	Total Medicare
<b>This Month:</b>			
Income	\$13,888	\$11,406	\$25,294
Expenditures	14,781	12,229	27,010
Difference	(893)	(823)	(1,716)
<b>Current Fiscal Year to Date:</b>			
Income	26,588	22,527	49,115
% Change	4.2	19.2	10.6
Expenditures	28,368	23,925	52,293
% Change	14.8	14.7	14.7
Difference	(1,780)	(1,398)	(3,178)
<b>Prior Fiscal Year to Date:</b>			
Income	25,527	18,895	44,422
Expenditures	24,717	20,858	45,575
<b>Trust Fund Balance (Current Total Investments):</b>			
End of Month	263,539	15,782	279,321

**Table 2. Federal Medicare, Medicaid, and SCHIP Expenditures as of November 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	\$27,010	\$14,216	\$331	\$41,557
Fiscal year to date	52,293	29,330	657	82,280
Prior fiscal year to date	45,575	27,832	704	74,111
% Change	14.7	5.4	(6.7)	11.0

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

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

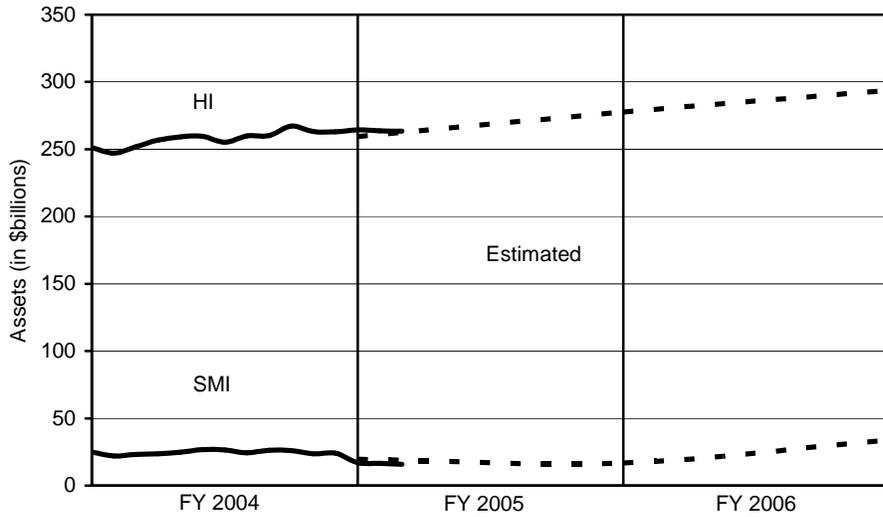


Figure 2. Medicare Expenditures: Historical and Estimated

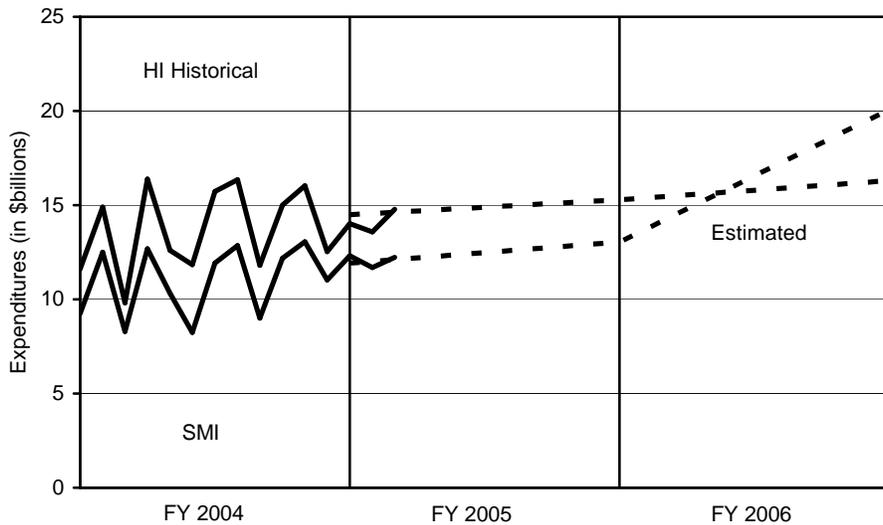


Figure 3. Federal Medicaid and SCHIP Expenditures: Historical and Estimated

