

By fiscal year	Actual											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Medicare Totals (Billions of dollars)												
Mandatory Outlays (a)	692	705	716	791	849	912	1,019	1,052	1,085	1,200	1,303	1,402
Discretionary Outlays (b)	7	7	7	7	8	8	8	9	9	10	10	11
Gross Outlays	699	711	723	798	857	920	1,027	1,061	1,094	1,209	1,313	1,413
Total Offsetting Receipts (c)	-104	-113	-126	-137	-148	-157	-170	-178	-188	-204	-222	-237
Net Outlays (gross outlays - receipts)	595	598	597	661	709	764	858	883	906	1,005	1,091	1,176
Net Mandatory Outlays	588	592	590	654	701	756	849	874	897	995	1,081	1,165
Components of Mandatory Outlays (Billions of dollars)												
Benefits												
Part A	293	299	304	330	351	375	412	426	441	479	516	553
Part B	301	310	318	353	381	411	458	475	492	544	594	640
Part D	95	94	91	106	114	124	146	149	149	175	191	207
Total Benefits	689	703	714	788	847	910	1,017	1,050	1,082	1,197	1,301	1,400
Mandatory administration (d)	2	2	2	3	2	2	2	2	3	2	2	2
Total Mandatory Outlays	692	705	716	791	849	912	1,019	1,052	1,085	1,200	1,303	1,402
Annual Growth Rates (Percent)												
Total mandatory outlays	9.1	1.9	1.6	10.5	7.3	7.4	11.7	3.3	3.2	10.6	8.6	7.6
Total offsetting receipts	10.5	8.7	11.0	9.1	7.9	6.1	8.1	5.1	5.7	8.5	8.8	6.7
Net mandatory outlays	8.8	0.7	-0.2	10.8	7.2	7.7	12.4	2.9	2.6	11.0	8.6	7.8
Benefits adjusted for recoveries and timing shifts (e,f)												
Part A benefits	1.9	4.2	4.5	5.7	6.6	6.7	6.7	6.1	6.8	5.5	7.9	7.0
Part B benefits	5.2	5.5	6.3	7.5	8.1	7.8	7.6	7.2	7.6	6.6	9.2	7.9
Part D benefits	17.6	4.9	5.0	8.2	8.0	8.7	8.9	9.0	8.9	8.8	9.0	8.6
Total Medicare benefits	5.3	4.9	5.4	6.9	7.5	7.5	7.4	7.0	7.5	6.5	8.6	7.6
Average benefit spending per beneficiary, adjusted for recoveries and timing shifts												
Part A benefits	-0.3	1.5	1.6	2.8	3.7	3.8	3.8	3.4	4.1	2.8	5.3	4.7
Part B benefits	2.8	2.9	3.5	4.6	5.2	4.9	4.7	4.4	4.9	3.9	6.6	5.4
Part D benefits	13.6	2.2	1.7	4.8	4.5	5.3	5.5	5.7	5.7	5.6	6.0	5.8
Payment Updates and Changes in Price Indexes (Percent)												
Prospective payment system (PPS) market basket increase	2.4	3.1	3.3	3.3	3.2	3.1	3.1	3.1	3.1	3.1	3.0	3.0
PPS update factor	0.9	0.9	2.2	2.0	2.7	2.7	2.6	2.7	2.1	2.0	1.9	1.9
Consumer price index for urban consumers (calendar year)	0.1	0.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
10-year moving average of multi-factor productivity (g)	0.5	0.6	0.7	1.0	0.8	0.8	0.8	0.9	0.9	1.0	1.1	1.1
Enrollment (Average monthly enrollment during fiscal year, millions of people)												
Part A	57	58	60	62	63	65	67	69	70	72	74	76
Part B	52	54	55	57	58	60	61	63	65	66	68	70
Part D (h)	43	44	45	47	49	50	52	53	55	57	58	60
Memorandum:												
Part D low-income subsidy	12	13	13	13	14	14	15	15	15	16	16	17
Part A fee-for-service enrollment	39	39	39	40	40	40	41	42	42	43	44	44
Group plan enrollment (i)	18	19	21	22	23	25	26	27	28	29	30	31

Continued

By fiscal year	Actual											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Status of Hospital Insurance (HI or Part A) Trust Fund (Billions of dollars)												
HI Trust Fund Income												
Receipts (mostly payroll taxes)	287	298	312	326	339	354	370	386	404	423	442	462
Interest	8	8	8	8	8	7	6	5	3	(k)	(k)	(k)
Total Income	295	306	320	334	347	361	376	391	407	(k)	(k)	(k)
HI Trust Fund Outlays	299	304	309	336	357	381	419	432	448	486	524	560
HI trust fund surplus or deficit (j)	-4	2	10	-2	-10	-20	-42	-41	-41	(k)	(k)	(k)
HI Trust Fund Balance (end-of-year)	193	195	205	203	193	173	131	90	49	(k)	(k)	(k)
Offsetting Receipts (Billions of dollars)												
Part A premiums	-3	-3	-4	-4	-4	-4	-4	-5	-5	-5	-5	-5
Part B premiums (l)	-72	-80	-90	-99	-107	-113	-123	-128	-135	-147	-160	-171
Part D premiums (m)	-5	-5	-5	-6	-7	-8	-8	-9	-10	-11	-12	-14
Part D payments by states	-10	-11	-11	-12	-13	-14	-15	-16	-17	-18	-19	-20
Amounts paid to providers and recovered (e)	-14	-15	-15	-16	-17	-18	-19	-21	-22	-24	-26	-28
Subtotal, Offsetting Receipts	-104	-113	-126	-137	-148	-157	-170	-178	-188	-204	-222	-237

NOTES: Components may not add up to totals because of rounding.

- a. Mandatory outlays include the effects of sequestration under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, on spending for Medicare benefits.
- b. The discretionary amounts in this table do not reflect any potential reductions in spending stemming from the across-the-board cut (0.1901 percent) that is part of the continuing resolution that expires on April 28, 2017.
- c. Offsetting receipts include premiums, amounts paid to providers and later recovered, and phased-down state contribution (clawback) payments from the states to Part D.
- d. Mandatory outlays for quality improvement organizations, certain activities against fraud and abuse, and certain administrative activities funded in authorization acts.
- e. Recoveries are amounts that are paid to providers and later recovered and are included in the total for mandatory Medicare spending. CBO counts the initial payment of such amounts as outlays for benefits and the subsequent recovery as offsetting receipts to conform to the reporting in the *Monthly Treasury Statement*. In the past, the Medicare Trustees have reported benefits net of recoveries, so they have not treated the recoveries as offsetting receipts.
- f. Capitation payments to group health plans and prescription drug plans for the month of October are accelerated into the preceding fiscal year when October 1 falls on a weekend. The adjustment for timing shifts reflects 12 capitation payments per year.
- g. The inflation-based updates to payment rates for certain services and providers are adjusted by the 10-year moving average of multi-factor productivity, including: inpatient acute hospitals, skilled nursing facilities, long-term care hospitals, inpatient rehabilitation hospitals, home health agencies, psychiatric hospitals, hospice care, physician services, dialysis, outpatient hospitals, ambulance services, ambulatory surgical center services, laboratory services, and certain durable medical equipment. The adjustment for multi-factor productivity is included in the PPS Update Factor shown above.
- h. Includes individuals enrolled in stand-alone prescription drug plans, Medicare Advantage plans with prescription drug coverage, employer group waiver plans, and the retiree drug subsidy.
- i. Includes Medicare Advantage, cost contracts, and demonstration contracts covering Medicare Parts A and B. Does not include Health Care Prepayment Plans, which cover Part B services only.
- j. Surpluses and deficits reflect income minus outlays for each year. Deficits are indicated by negative numbers.
- k. The Hospital Insurance Trust Fund is projected to become exhausted in 2025. Accordingly, certain components of trust fund operations for the year of exhaustion and subsequent years are not meaningful under present law and are not shown in this table. The Centers for Medicare & Medicaid Services (CMS) may not make payments in excess of the available balances in a trust fund. However, following rules in the Deficit Control Act of 1985 (section 257(b)), CBO's baseline incorporates the assumption that CMS would pay HI benefits in full even after the balance of the trust fund is exhausted. CBO projects that outlays will exceed receipts by \$62 billion in 2025, \$83 billion in 2026, and \$103 billion in 2027.
- l. Part B premium receipts include the income-related premium, but do not include the premium surcharge that is transferred to the general fund of the Treasury.
- m. Part D premium receipts include the income-related premium but do not include premiums that enrollees pay directly to their plans or premiums covered by the low-income subsidy.