



Office of the Actuary

To: ██████████
Senate Budget Committee

From: Suzanne Codespote
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Date: July 28, 2014

Subject: Medicare Unfunded Obligation for 2014 Trustees Report

Per your request, this memorandum presents a table with a summary of Medicare’s unfunded obligations (in trillions) under the projected baseline projections, which are presented throughout the 2014 Medicare Trustees Report, along with under current law and the illustrative alternative scenario.

	Projected baseline	Current law	Illustrative alternative scenario
<i>Part A</i>			
Income	\$16.5	\$16.5	\$16.6
Expenditures	20.4	20.4	24.8
Income less expenditures	-3.8	-3.9	-8.3
Beginning trust fund balance	0.2	0.2	0.2
Unfunded obligation	-3.6	-3.6	-8.1
Dedicated revenues less expenditures	-3.8	-3.9	-8.3
<i>Part B</i>			
Beneficiary premiums	6.4	5.7	7.2
Fees related to brand-name prescription drugs	0.1	0.1	0.1
General revenue contributions	17.9	16.0	20.0
Expenditures	24.3	21.8	27.3
Unfunded obligation	0.0	0.0	0.0
Beginning trust fund balance	0.1	0.1	0.1
Dedicated revenues less expenditures	-17.9	-16.0	-20.0
<i>Part D</i>			
Beneficiary premiums	1.6	1.6	1.7
State transfers	0.9	0.9	0.9
General revenue contributions	6.8	6.8	6.9
Expenditures	9.3	9.3	9.4
Unfunded obligation	0.0	0.0	0.0
Beginning trust fund balance	0.0	0.0	0.0
Dedicated revenues less expenditures	-6.8	-6.8	-6.9
Total Medicare unfunded obligation	-3.6	-3.6	-8.1
Total Medicare dedicated revenues less expenditures	-28.5	-26.7	-35.2