



Office of the Actuary

To: Gregory D'Angelo
Senate Budget Committee

From: John Shatto
Director, Medicare and Medicaid Cost Estimates Group

Date: June 22, 2011

Subject: Medicare Unfunded Obligation for 2010 and 2011 Trustees Report

Last week you requested our estimates of Medicare's unfunded obligations under the alternative scenario for both the CY 2011 and CY 2010 Trustees Reports. This memorandum presents a summary of those estimates.

Medicare's 75-year unfunded obligation under the alternative scenario, **2011 Trustees Report:**

Part A: \$8.3 trillion (\$8.5 trillion excluding the balance at the beginning of the period)
Part B: \$21.0 trillion
Part D: \$7.5 trillion
Total: **\$36.8 trillion** (\$37.0 trillion excluding HI balance at the beginning of the period)

Medicare's 75-year unfunded obligation under the alternative scenario, **2010 Trustees Report:**

Part A: \$7.0 trillion (\$7.3 trillion excluding the balance at the beginning of the period)
Part B: \$20.6 trillion
Part D: \$7.2 trillion
Total: **\$34.8 trillion** (\$35.1 trillion excluding HI balance at the beginning of the period)