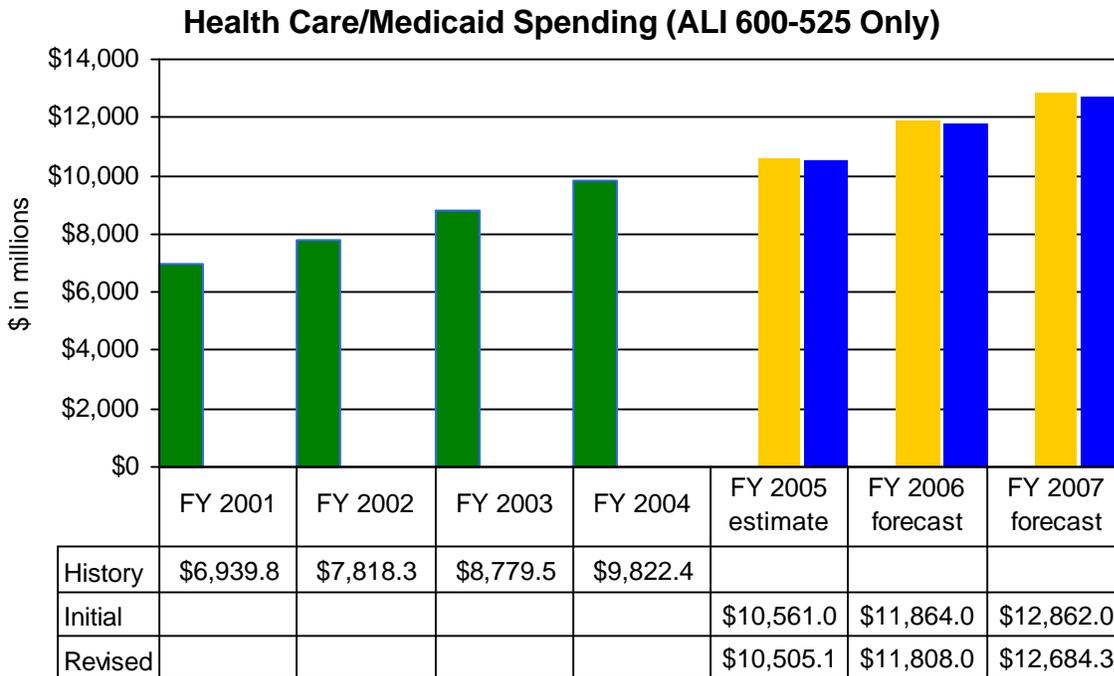


## Public Assistance Expenditure Forecasts *Health Care/Medicaid*



The initial forecast was \$10.56 billion in FY 2005, \$11.86 billion in FY 2006, and \$12.86 billion in FY 2007.

The revised forecast is \$10.51 billion in FY 2005, \$11.81 billion in FY 2006, and \$12.68 billion in FY 2007.

The difference is \$55.94 million lower in FY 2005, \$55.96 million lower in FY 2006, and \$177.71 million lower in FY 2007.

The forecast was changed because:

- (1) LSC revised the forecast of the Medicaid caseload downward for both Covered Family and Children, and Aged, Blind, and Disabled for FYs 2005 to 2007 due to the fact that recent caseload growth has tracked lower than originally forecasted.
- (2) The Department of Job and Family Services anticipates amending rules to update the relative weights for Diagnostic Related Groups used in the prospective payment system for hospital services. The Department has increased its hospital recalibration savings estimate significantly to \$65.7 million in FY 2006 and \$170.2 million in FY 2007. LSC has adjusted its updated forecast to reflect this change in estimate, accordingly.