

TESTIMONY ON
GRF REVENUES AND
PUBLIC ASSISTANCE SPENDING
FOR THE FY 2008 - FY 2009
BIENNIAL BUDGET

TESTIMONY BY LSC FISCAL STAFF
MAY 1, 2007



Ohio Legislative Service Commission

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Forecast of GRF Revenues and Public Assistance Spending For the FY 2008 - FY 2009 Biennial Budget

Testimony before Senate Finance and Financial Institutions Committee

May 1, 2007

*Testimony by Chuck Phillips, Division Chief
and LSC tax and human services fiscal staff responsible for producing the forecasts*

Chairman Carey and members of the Senate Finance and Financial Institutions Committee, I am here today to present the testimony on the Legislative Service Commission's (LSC's) forecasts for fiscal years (FYs) 2007, 2008, and 2009. This testimony and the other information in your packet includes an overview of the economy and an outlook on future economic performance, forecasts for GRF revenues, and forecasts for expenditures in the Medicaid and TANF (Temporary Assistance for Needy Families) programs.

The baseline forecasts provided today assume current law continues throughout the next biennium.

Summary

LSC forecasts project slightly lower baseline revenues for the forecast period than are assumed in the executive budget. The baseline forecasts assume a continuation of the tax reforms enacted in H.B. 66 and an end to the local government funds freeze.

The LSC estimates of total GRF receipts are lower by the following amounts:

FY 2007	\$136.4 million	0.5%
FY 2008	\$100.5 million	0.4%
FY 2009	\$61.6 million	0.2%

LSC forecasts also project slightly lower baseline Medicaid expenditures for the forecast period than are assumed in the executive budget. The LSC estimates of total and state share Medicaid expenditures are lower by the following amounts:

FY 2007	\$70.7 million (\$28.2 million state share)	0.7%
FY 2008	\$11.8 million (\$4.7 million state share)	0.1%
FY 2009	\$46.6 million (\$17.9 million state share)	0.4%

The Economy

The revenue forecasts depend on the state of the economy. The U.S. economy has been growing for more than five years, following the recession in 2001. Recovery in Ohio has been slower than in much of the rest of the country.

Growth of the U.S. economy slowed during 2006, following generally stronger expansion since mid-2003. The U.S. economy is expected to continue growing during the next two years. The pace of expansion in economic activity in the current fiscal year and in FY 2008 is expected to be slower than the 3.4% rise in FY 2006. Ohio gross domestic product is also expected to continue to increase over the forecast horizon, but not as rapidly as the nation's total economic output.

Following the 2001 recession, payroll employment in both the state and the nation continued to decline until 2003. Total payroll employment nationwide has risen 5.8% since the 2003 low, while in Ohio it has climbed only 0.8%. Total payroll employment in Ohio has fallen since March of last year. The state's economy has been under stress in part because of the greater concentration of motor vehicle and other durable goods production here. Manufacturing employment nationwide is at its lowest level in more than half a century, but factory output is near all-time highs reflecting long-term productivity gains.

Unemployment as a percent of the labor force, in the U.S. and in Ohio, peaked in 2003 then began to decline. Since then, the U.S. unemployment rate has been consistently below Ohio's. Both the U.S. and Ohio unemployment rates are expected to rise somewhat initially during the forecast period, and then fall in 2009.

Over the last three years, inflation-adjusted personal income rose 4.0% in Ohio, less than half of the 9.3% increase during the same time nationwide. Personal income is

forecast to continue to grow during 2007 through 2009, but the income to persons who reside in Ohio is projected to grow at a rate somewhat slower than the national average.

Revenue Forecasts

The LSC baseline forecasts for FY 2008 and FY 2009 assume the current Revised Code tax structure, including phase-in of the tax reform measures enacted in the budget bill for the current biennium, H.B. 66 of the 126th General Assembly. The corporate franchise tax on nonfinancial corporations is phased out over five years. Personal income tax rates adjust downward through tax year 2009. The new commercial activity tax (CAT) continues to increase during the same period, but revenues from the CAT are used during the next biennium to replace the revenue reductions incurred by local governments as a result of phase-out of the tangible personal property tax. CAT receipts in excess of obligations to local governments (for the phase-out of tangible personal property tax) will add to GRF revenues in the biennium. The sales and use tax remains at 5.5%. The freeze of distributions to the local government funds is assumed to end.

For FY 2007, LSC estimates total GRF tax revenue to be \$19.32 billion. This is \$43.3 million greater than the OBM estimate made at the start of the fiscal year and \$115.7 million (0.6%) less than the revised OBM estimate.

For FY 2008, LSC forecasts total GRF tax revenue to be \$19.26 billion, a \$54 million decrease from FY 2007. The phase-out of the corporate franchise tax and, to a much lesser extent, reduced collections of taxes on cigarettes and other tobacco products more than offset increases in nonauto sales and use tax revenues, and to a lesser extent in personal income tax revenues. Other tax changes are relatively small. The LSC forecast is \$94.7 million (0.5%) less than the OBM baseline forecast.

For FY 2009, LSC forecasts total GRF tax revenue to be \$19.36 billion, a \$102.0 million increase from FY 2008. Stronger growth of sales and use tax revenues and of personal income tax revenues more than offset the continued decline in corporate franchise tax revenues and in collections of taxes on cigarettes and other tobacco products. The LSC forecast is \$39.1 million (0.2%) less than the OBM baseline forecast.

For the FY 2008-2009 biennium, LSC forecasts total GRF tax revenue to be \$38.63 billion, a decrease of \$252.8 million (0.7%) from the FY 2006-2007 biennium. Most of the decline reflects inclusion of part of the revenues from the commercial activity tax in the GRF in FY 2006. LSC's forecast for the FY 2008-2009 biennium is \$133.8 million (0.3%) less than OBM's.

Public Assistance Expenditure Forecasts

Medicaid

For the upcoming biennium, LSC's baseline forecast for Medicaid expenditures is approximately \$11.0 billion in FY 2008 and \$11.5 billion in FY 2009. In FY 2008, LSC projects an increase in Medicaid expenditures of 3.1% or \$326 million in combined state and federal dollars, with a state share increase of \$130 million. In FY 2009, LSC projects an increase of 4.5%, or \$495 million in combined state and federal dollars, with a state share increase of \$197 million. These figures do not include offsetting revenues in the program.

While the expenditures for Medicaid continue to increase, LSC projects the Medicaid caseloads will decrease over the biennium. The Medicaid caseload is projected to decrease by 0.9% in FY 2008 to 1.72 million and by 2.3% in FY 2009 to 1.68 million. While the overall Medicaid caseload is forecasted to decrease over the biennium, the Aged, Blind, and Disabled (ABD) population is projected to increase. The growth of the ABD caseload contributes to the increase in Medicaid expenditures forecasted despite the decrease in the overall Medicaid caseload.

The overall decrease in the Medicaid caseload forecast is due to a number of factors. First, the improved labor market conditions in Ohio have reduced dependency on Medicaid. Although Ohio's labor market has remained relatively weak since the recession of 2001, the U.S. Bureau of Labor Statistics reports that employment in Ohio has increased steadily over the past four years. Another factor that reduces caseload forecasts is a federally imposed policy which, starting in September 2006, requires individuals applying or reapplying for Medicaid to prove citizenship. Officials at ODJFS and OBM indicate that this is the primary reason for a decline in caseload that has occurred since September, and LSC has included this factor in the caseload forecast. Finally, the change in eligibility for parents enacted in the last budget has reduced rates of growth in the Medicaid caseload.

The last budget required managed care for covered families and children to be implemented in all counties. In addition, it required certain aged, blind, and disabled Medicaid recipients to be enrolled in managed care. About 28% of all aged, blind, and disabled recipients and almost 90% of all covered families and children recipients are expected to enroll in managed care during the next biennium. This policy has resulted in a significant shift in expenditures from the fee-for-service categories to the managed care categories. Managed care in FY 2006 represented 13.2% of total Medicaid expenditures. LSC projects managed care will represent about 43.4% of total Medicaid expenditures in FY 2008 and about 43.7% in FY 2009.

TANF

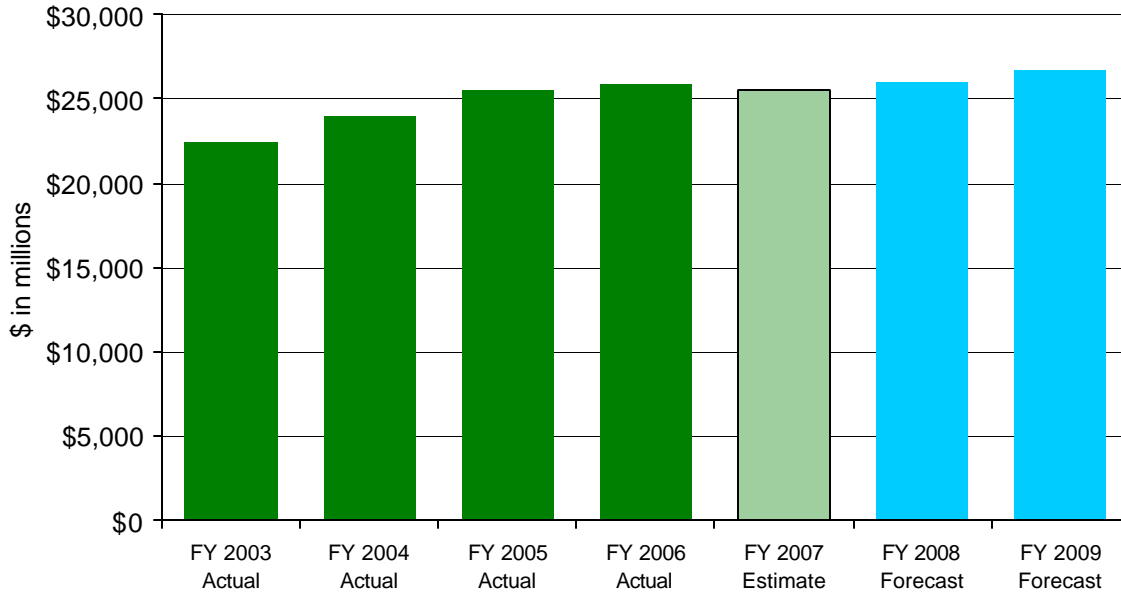
LSC expects the total number of TANF cases (or assistance groups) to decrease in FY 2008 to an average of 77,884 monthly cases from a FY 2007 average of 79,479. This decline in the total number of TANF cases will result in approximately \$6.3 million less being spent on TANF cash benefits in FY 2008 than LSC estimates for FY 2007 expenditures. The total spending on cash benefits is forecast to be \$308.5 million for FY 2008.

The decline in the number of TANF cases is expected to continue into FY 2009. The monthly average of cases is expected to decline to 76,053, representing a decrease in spending for TANF cash benefits of \$7.2 million for the year. That estimate brings total spending for cash benefits, assuming current eligibility and benefit levels, to \$301.2 million for FY 2009.

Mr. Chairman and members of the Committee, thank you for the opportunity to present the LSC forecasts. Sitting behind me are the people who did the analysis. We would be happy to answer any questions that you might have.

GRF Total Receipts

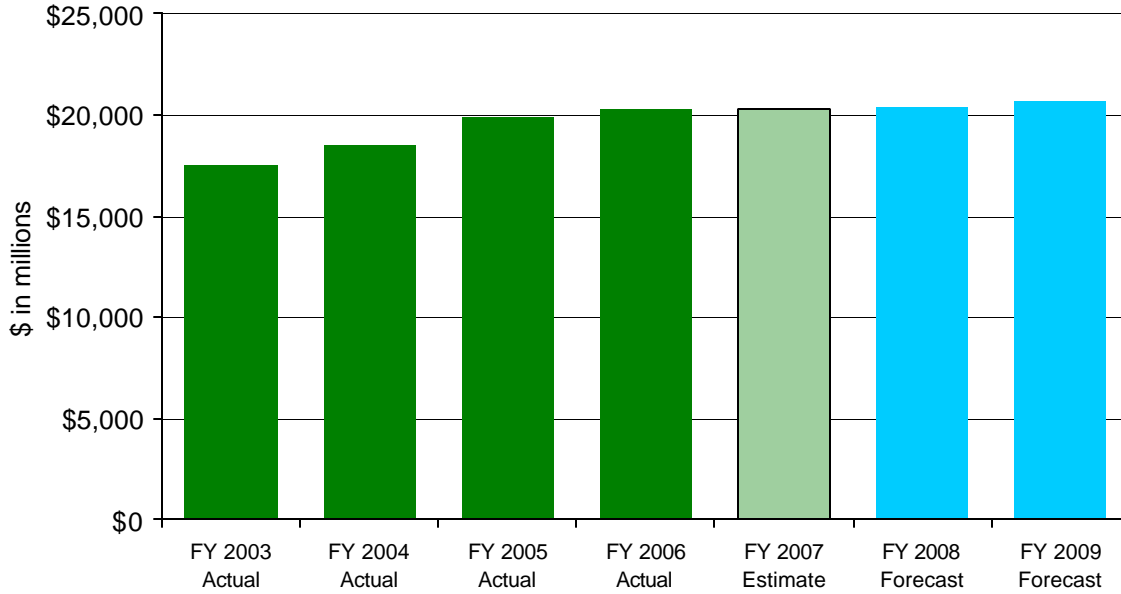
(in millions)



	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Revenue	\$22,449.6	\$24,030.8	\$25,550.5	\$25,846.0	\$25,581.9	\$25,999.3	\$26,717.7
Growth	4.6%	7.0%	6.3%	1.2%	-1.0%	1.6%	2.8%

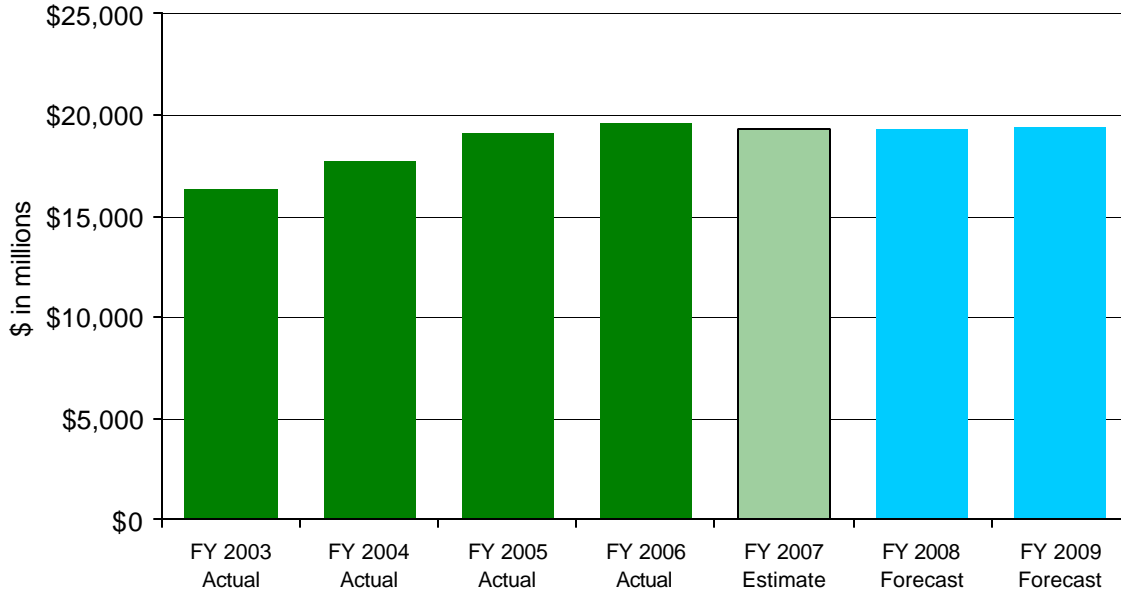
GRF State-Source Receipts

(in millions)



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	Actual	Actual	Actual	Actual	Estimate	Forecast	Forecast
Revenue	\$17,477.1	\$18,514.4	\$19,903.9	\$20,250.8	\$20,251.9	\$20,399.3	\$20,707.7
Growth	2.2%	5.9%	7.5%	1.7%	0.0%	0.7%	1.5%

GRF Tax Revenues
(in millions)



	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Revenue	\$16,317.9	\$17,737.5	\$19,088.0	\$19,563.4	\$19,316.6	\$19,262.6	\$19,364.6
Growth	5.5%	8.7%	7.6%	2.5%	-1.3%	-0.3%	0.5%

FY 2007 Revenue Estimates
Millions of Dollars

GRF*	Original July 2006	OBM Mar 2007	change	LSC Mar 2007	change	LSC minus OBM
TAX REVENUE						
Auto Sales	920.0	920.0	0.0	904.9	(15.1)	(15.1)
Nonauto Sales & Use	6,690.0	6,550.0	(140.0)	6,513.1	(176.9)	(36.9)
Total Sales & Use Taxes	7,610.0	7,470.0	(140.0)	7,418.0	(192.0)	(52.0)
Personal Income	8,650.0	8,790.0	140.0	8,788.5	138.5	(1.5)
Corporate Franchise	895.0	1,055.0	160.0	1,018.7	123.7	(36.3)
Public Utility	176.2	170.0	(6.2)	170.5	(5.7)	0.5
Kilowatt Hour Excise	330.0	330.0	(0.0)	320.5	(9.5)	(9.5)
Foreign Insurance	255.7	255.3	(0.4)	250.0	(5.7)	(5.3)
Domestic Insurance	173.6	174.7	1.1	170.0	(3.6)	(4.7)
Business & Property	19.0	19.0	0.0	17.7	(1.3)	(1.3)
Cigarette	1,020.0	1,020.0	0.0	1,015.0	(5.0)	(5.0)
Alcoholic Beverage	57.4	57.5	0.1	57.3	(0.1)	(0.2)
Liquor Gallonage	34.3	34.3	0.0	34.5	0.2	0.2
Estate	52.1	56.5	4.4	55.9	3.8	(0.6)
Total Tax Revenue	19,273.3	19,432.3	159.0	19,316.6	43.3	(115.7)
NONTAX STATE-SOURCE REVENUE						
Earnings on Investments	140.0	163.0	23.0	164.0	24.0	1.0
Licenses and Fees	71.0	71.0	0.0	76.3	5.3	5.3
Other Revenue	161.6	153.6	(8.0)	153.6	(8.0)	0.0
Nontax State-Source Revenue	372.6	387.6	15.0	393.9	21.3	6.3
TRANSFERS						
Liquor Transfers	135.0	135.0	0.0	135.0	0.0	0.0
Transfers In	119.0	119.0	0.0	119.0	0.0	0.0
Transfers In - Temporary	267.6	287.4	19.8	287.4	19.8	0.0
Total Transfers In	521.6	541.4	19.8	541.4	19.8	0.0
TOTAL GRF before Federal Grants	20,167.6	20,361.3	193.7	20,251.9	84.3	(109.4)
Federal Grants	5,829.1	5,357.0	(472.1)	5,330.0	(499.1)	(27.0)
TOTAL GRF SOURCES	25,996.7	25,718.3	(278.4)	25,581.9	(414.8)	(136.4)

*Revenues to local government funds at "freeze" rates.

FY 2008 Revenue Forecasts
 Millions of Dollars
GRF*

	OBM	LSC	difference	percent	Growth from FY 2007	
					OBM	LSC
TAX REVENUE						
Auto Sales	929.1	903.4	(25.7)	-2.8%	1.0%	-0.2%
Nonauto Sales & Use	6,678.3	6,652.7	(25.6)	-0.4%	2.0%	2.1%
Total Sales & Use Taxes	7,607.4	7,556.1	(51.3)	-0.7%	1.8%	1.9%
Personal Income	8,851.4	8,830.6	(20.8)	-0.2%	0.7%	0.5%
Corporate Franchise	773.4	766.8	(6.6)	-0.9%	-26.7%	-24.7%
Public Utility	172.3	183.3	11.0	6.4%	1.4%	7.5%
Kilowatt Hour Excise	343.0	333.5	(9.5)	-2.8%	3.9%	4.1%
Foreign Insurance	260.6	257.4	(3.2)	-1.2%	2.1%	3.0%
Domestic Insurance	178.4	175.0	(3.4)	-1.9%	2.1%	2.9%
Business & Property	19.5	16.9	(2.6)	-13.3%	2.6%	-4.5%
Cigarette	1,000.0	996.0	(4.0)	-0.4%	-2.0%	-1.9%
Alcoholic Beverage	58.0	57.0	(1.0)	-1.7%	0.8%	-0.5%
Liquor Gallonage	35.5	35.8	0.3	0.8%	3.5%	3.8%
Estate	57.8	54.2	(3.6)	-6.2%	2.3%	-3.0%
Total Tax Revenue	19,357.3	19,262.6	(94.7)	-0.5%	-0.4%	-0.3%
NONTAX STATE-SOURCE REVENUE						
Earnings on Investments	142.8	134.6	(8.2)	-5.7%	-12.4%	-17.9%
Licenses and Fees	71.0	78.0	7.0	9.9%	0.0%	2.2%
Other Revenue	103.6	103.6	0.0	0.0%	-32.6%	-32.6%
Nontax State-Source Revenue	317.4	316.2	(1.2)	-0.4%	-18.1%	-19.7%
TRANSFERS						
Liquor Transfers	147.0	147.0	0.0	0.0%	8.9%	8.9%
Transfers In	206.7	206.7	0.0	0.0%	73.7%	73.7%
Transfers In - Temporary	466.8	466.8	0.0	0.0%	62.4%	62.4%
Total Transfers In	820.5	820.5	0.0	0.0%	51.6%	51.6%
TOTAL GRF before Federal Grants	20,495.2	20,399.3	(95.9)	-0.5%	0.7%	0.7%
Federal Grants	5,604.6	5,600.0	(4.6)	-0.1%	4.6%	5.1%
TOTAL GRF SOURCES	26,099.8	25,999.3	(100.5)	-0.4%	1.5%	1.6%

*Share of revenues to local government funds assumed at statutory rates.

FY 2009 Revenue Forecasts
 Millions of Dollars
GRF*

	OBM	LSC	difference	percent	Growth from FY 2008	
					OBM	LSC
TAX REVENUE						
Auto Sales	948.1	914.0	(34.1)	-3.6%	2.0%	1.2%
Nonauto Sales & Use	6,892.5	6,910.8	18.4	0.3%	3.2%	3.9%
Total Sales & Use Taxes	7,840.6	7,824.8	(15.8)	-0.2%	3.1%	3.6%
Personal Income	8,967.7	8,932.2	(35.5)	-0.4%	1.3%	1.2%
Corporate Franchise	473.5	488.0	14.5	3.1%	-38.8%	-36.4%
Public Utility	172.3	186.3	14.0	8.1%	0.0%	1.6%
Kilowatt Hour Excise	347.0	339.9	(7.1)	-2.0%	1.2%	1.9%
Foreign Insurance	266.6	269.1	2.5	0.9%	2.3%	4.5%
Domestic Insurance	182.5	182.8	0.3	0.2%	2.3%	4.5%
Business & Property	20.0	16.6	(3.4)	-17.0%	2.6%	-1.8%
Cigarette	980.0	978.3	(1.7)	-0.2%	-2.0%	-1.8%
Alcoholic Beverage	58.5	57.0	(1.5)	-2.6%	0.9%	0.0%
Liquor Gallonage	36.7	37.0	0.3	0.8%	3.4%	3.4%
Estate	58.3	52.6	(5.7)	-9.8%	0.9%	-3.0%
Total Tax Revenue	19,403.7	19,364.6	(39.1)	-0.2%	0.2%	0.5%
NONTAX STATE-SOURCE REVENUE						
Earnings on Investments	146.2	135.3	(10.9)	-7.5%	2.4%	0.5%
Licenses and Fees	71.0	80.1	9.1	12.8%	0.0%	2.7%
Other Revenue	103.6	103.6	0.0	0.0%	0.0%	0.0%
Nontax State-Source Revenue	320.8	319.0	(1.8)	-0.6%	1.1%	0.9%
TRANSFERS						
Liquor Transfers	141.0	141.0	0.0	0.0%	-4.1%	-4.1%
Transfers In	298.0	298.0	0.0	0.0%	44.2%	44.2%
Transfers In - Temporary	585.1	585.1	0.0	0.0%	25.3%	25.3%
Total Transfers In	1,024.1	1,024.1	0.0	0.0%	24.8%	24.8%
TOTAL GRF before Federal Grants	20,748.6	20,707.7	(40.9)	-0.2%	1.2%	1.5%
Federal Grants	6,030.7	6,010.0	(20.7)	-0.3%	7.6%	7.3%
TOTAL GRF SOURCES	26,779.3	26,717.7	(61.6)	-0.2%	2.6%	2.8%

*Share of revenues to local government funds assumed at statutory rates.

FY 2008-2009 Biennium Forecasts
 Millions of Dollars
GRF*

	OBM	LSC	difference	percent	Growth over FY 2006-2007	
					OBM	LSC
TAX REVENUE						
Auto Sales	1,877.2	1,817.4	(59.8)	-3.2%	1.1%	-1.3%
Nonauto Sales & Use	13,570.8	13,563.5	(7.3)	-0.1%	4.5%	4.8%
Total Sales & Use Taxes	15,448.0	15,380.9	(67.1)	-0.4%	4.1%	4.0%
Personal Income	17,819.1	17,762.8	(56.3)	-0.3%	1.4%	1.1%
Corporate Franchise	1,246.9	1,254.8	7.9	0.6%	-40.9%	-39.5%
Public Utility	344.6	369.6	25.0	7.3%	-0.5%	6.6%
Kilowatt Hour Excise	690.0	673.4	(16.6)	-2.4%	5.3%	4.3%
Foreign Insurance	527.2	526.5	(0.7)	-0.1%	4.6%	5.6%
Domestic Insurance	360.9	357.8	(3.1)	-0.9%	4.6%	5.1%
Business & Property	39.5	33.5	(6.0)	-15.2%	3.7%	-8.9%
Cigarette	1,980.0	1,974.3	(5.7)	-0.3%	-5.9%	-5.9%
Alcoholic Beverage	116.5	114.0	(2.5)	-2.1%	1.2%	-0.7%
Liquor Gallonage	72.2	72.8	0.6	0.8%	6.7%	7.3%
Estate	116.1	106.8	(9.3)	-8.0%	5.0%	-2.9%
Total Tax Revenue	38,761.0	38,627.2	(133.8)	-0.3%	-0.6%	-0.7%
NONTAX STATE-SOURCE REVENUE						
Earnings on Investments	289.0	269.9	(19.1)	-6.6%	6.9%	-0.5%
Licenses and Fees	142.0	158.1	16.1	11.3%	-2.0%	5.3%
Other Revenue	207.2	207.2	0.0	0.0%	-39.9%	-39.9%
Nontax State-Source Revenue	638.2	635.2	(3.0)	-0.5%	-16.0%	-17.1%
TRANSFERS						
Liquor Transfers	288.0	288.0	0.0	0.0%	5.5%	5.5%
Transfers In	504.7	504.7	0.0	0.0%	78.2%	78.2%
Transfers In - Temporary	1,051.9	1,051.9	0.0	0.0%	250.3%	250.3%
Total Transfers In	1,844.6	1,844.6	0.0	0.0%	115.3%	115.3%
TOTAL GRF before Federal Grants	41,243.8	41,107.0	(136.8)	-0.3%	1.6%	1.5%
Federal Grants	11,635.3	11,610.0	(25.3)	-0.2%	6.2%	6.3%
TOTAL GRF SOURCES	52,879.1	52,717.0	(162.1)	-0.3%	2.5%	2.5%

*Revenues to local government funds at "freeze" rates in FY 2006-2007 and assumed at statutory rates in FY 2008-2009.

**Medicaid Table 1
Health Care Spending (ALI 600-525 Only)**

	FY 2007			FY 2008			FY 2009		
	LSC Estimated	JFS Estimated	LSC minus JFS	LSC Estimated	JFS Estimated	LSC minus JFS	LSC Estimated	JFS Estimated	LSC minus JFS
Nursing Facilities	\$2,622,413,608	\$2,619,417,333	\$2,996,275	\$2,671,949,151	\$2,668,329,500	\$3,619,651	\$2,678,961,432	\$2,656,034,976	\$22,926,456
ICFs/MR	\$516,007,293	\$518,757,863	(\$2,750,570)	\$563,272,349	\$574,855,755	(\$11,583,405)	\$581,813,889	\$597,632,092	(\$15,818,203)
Inpatient	\$1,234,317,995	\$1,200,046,215	\$34,271,779	\$644,971,790	\$673,186,466	(\$28,214,676)	\$661,992,271	\$662,991,794	(\$999,523)
Outpatient	\$553,156,910	\$531,499,481	\$21,657,429	\$288,148,257	\$251,380,147	\$36,768,110	\$298,618,636	\$248,909,871	\$49,708,765
Physicians	\$510,119,679	\$523,593,685	(\$13,474,006)	\$289,684,785	\$265,367,260	\$24,317,526	\$301,993,322	\$264,861,805	\$37,131,517
Prescription Drugs	\$937,732,792	\$913,613,370	\$24,119,422	\$463,573,338	\$425,831,835	\$37,741,503	\$509,369,039	\$472,605,448	\$36,763,591
Waiver	\$297,923,682	\$331,226,316	(\$33,302,634)	\$281,772,051	\$326,994,607	(\$45,222,556)	\$302,334,923	\$332,486,253	(\$30,151,330)
Managed Care - ABD	\$401,045,081	\$463,064,564	(\$62,019,483)	\$1,637,918,545	\$1,628,815,967	\$9,102,578	\$1,815,046,190	\$1,780,838,279	\$34,207,912
Managed Care - CFC	\$2,416,612,584	\$2,473,454,618	(\$56,842,034)	\$3,136,295,669	\$3,049,185,076	\$87,110,593	\$3,212,325,506	\$3,262,410,224	(\$50,084,718)
All Other Care	\$922,092,445	\$903,883,991	\$18,208,454	\$718,519,897	\$837,257,541	(\$118,737,644)	\$786,784,838	\$906,738,308	(\$119,953,470)
Medicare Buy-In	\$274,846,860	\$278,409,748	(\$3,562,888)	\$316,455,520	\$323,124,474	(\$6,668,954)	\$358,328,655	\$368,657,089	(\$10,328,434)
Total	\$10,686,268,929	\$10,756,967,184	(\$70,698,255)	\$11,012,561,353	\$11,024,328,627	(\$11,767,274)	\$11,507,568,701	\$11,554,166,138	(\$46,597,436)
State share	\$4,257,409,541	\$4,285,575,726	(\$28,166,185)	\$4,374,189,369	\$4,378,863,331	(\$4,673,961)	\$4,422,358,652	\$4,440,266,047	(\$17,907,395)
Federal share	\$6,428,859,388	\$6,471,391,458	(\$42,532,070)	\$6,638,371,983	\$6,645,465,296	(\$7,093,313)	\$7,085,210,049	\$7,113,900,091	(\$28,690,041)

1. This table only includes health care spending through the Department of Job and Family Services' 600-525 line item. It includes spending for Medicaid, CHIP-I, and CHIP-II.
2. The forecasts are baseline, which assume no change in the state health care policies and program for the upcoming biennium.
3. "All Other Care" includes services such as dental care, home health care, and other practitioners, and includes various contracts.
4. The FMAP rate used here is a blended FMAP.

Medicaid Table 2
Medicaid Caseload by Eligibility Group

SFY	Healthy Families		Healthy Families Expansion		Healthy Start Pregnant Women		Healthy Start		CHIP-I		CHIP-II		Adopted Children & Foster Care Children		Dual CFC		Total CFC	
	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates
2002	721,962		989		21,835		131,429		70,073		38,494		26,977		360		1,012,119	
2003	701,976	-2.8%	127,157	12758.2%	21,512	-1.5%	143,294	9.0%	76,914	9.8%	44,933	16.7%	28,309	4.9%	1,915	432.2%	1,146,011	13.2%
2004	709,136	1.0%	182,475	43.5%	21,805	1.4%	147,364	2.8%	82,866	7.7%	48,856	8.7%	29,211	3.2%	3,230	68.6%	1,224,942	6.9%
2005	739,070	4.2%	206,081	12.9%	22,025	1.0%	141,983	-3.7%	85,508	3.2%	50,754	3.9%	29,886	2.3%	4,075	26.2%	1,279,382	4.4%
2006	784,889	6.2%	185,558	-10.0%	22,892	3.9%	144,451	1.7%	87,714	2.6%	52,071	2.6%	30,054	0.6%	4,098	0.6%	1,311,728	2.5%
2007*	803,884	2.4%	144,662	-22.0%	24,409	6.6%	158,529	9.7%	93,372	6.5%	54,069	3.8%	30,230	0.6%	3,988	-2.7%	1,313,142	0.1%
2008*	775,411	-3.5%	138,935	-4.0%	24,754	1.4%	160,990	1.6%	95,935	2.7%	54,599	1.0%	31,337	3.7%	3,980	-0.2%	1,285,942	-2.1%
2009*	736,158	-5.1%	131,902	-5.1%	24,502	-1.0%	159,019	-1.2%	94,832	-1.1%	53,407	-2.2%	32,349	3.2%	3,970	-0.2%	1,236,139	-3.9%

SFY	ABD		Dual ABD		QMBO		SLMB		Total ABD	
	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates	Monthly Average	Growth Rates
2002	170,215		158,291		21,576		18,019		368,101	
2003	176,562	3.7%	164,418	3.9%	22,280	3.3%	17,784	-1.3%	381,044	3.5%
2004	183,987	4.2%	171,909	4.6%	22,505	1.0%	15,528	-12.7%	393,928	3.4%
2005	187,988	2.2%	179,217	4.3%	24,079	7.0%	16,004	3.1%	407,288	3.4%
2006	191,408	1.8%	175,433	-2.1%	32,076	33.2%	18,458	15.3%	417,375	2.5%
2007*	195,984	2.4%	166,085	-5.3%	42,430	32.3%	23,424	26.9%	427,922	2.5%
2008*	199,797	1.9%	167,799	1.0%	44,614	5.1%	26,442	12.9%	438,652	2.5%
2009*	204,263	2.2%	170,119	1.4%	45,644	2.3%	28,733	8.7%	448,758	2.3%

SFY	Total ABD & CFC	
	Monthly Average	Growth Rates
2002	1,380,220	
2003	1,527,055	10.6%
2004	1,618,870	6.0%
2005	1,686,670	4.2%
2006	1,729,103	2.5%
2007*	1,741,065	0.7%
2008*	1,724,593	-0.9%
2009*	1,684,897	-2.3%

MCP				
SFY	CFC		ABD	
	Monthly Average	Growth Rates	Monthly Average	Growth Rates
2002	334,043		10	
2003	403,717	20.9%	13	30.0%
2004	483,346	19.7%	18	38.5%
2005	521,929	8.0%	773	4194.4%
2006	621,096	19.0%	952	23.2%
2007*	958,261	54.3%	26,687	2703.0%
2008*	1,150,577	20.1%	123,165	361.5%
2009*	1,103,806	-4.1%	126,461	2.7%

FFS				
SFY	CFC		ABD	
	Monthly Average	Growth Rates	Monthly Average	Growth Rates
2002	678,076		368,091	
2003	742,294	9.5%	381,031	3.5%
2004	741,596	-0.1%	393,910	3.4%
2005	757,453	2.1%	406,515	3.2%
2006	690,632	-8.8%	416,423	2.4%
2007*	354,882	-48.6%	401,236	-3.6%
2008*	135,365	-61.9%	315,486	-21.4%
2009*	132,333	-2.2%	322,297	2.2%

*LSC baseline estimates