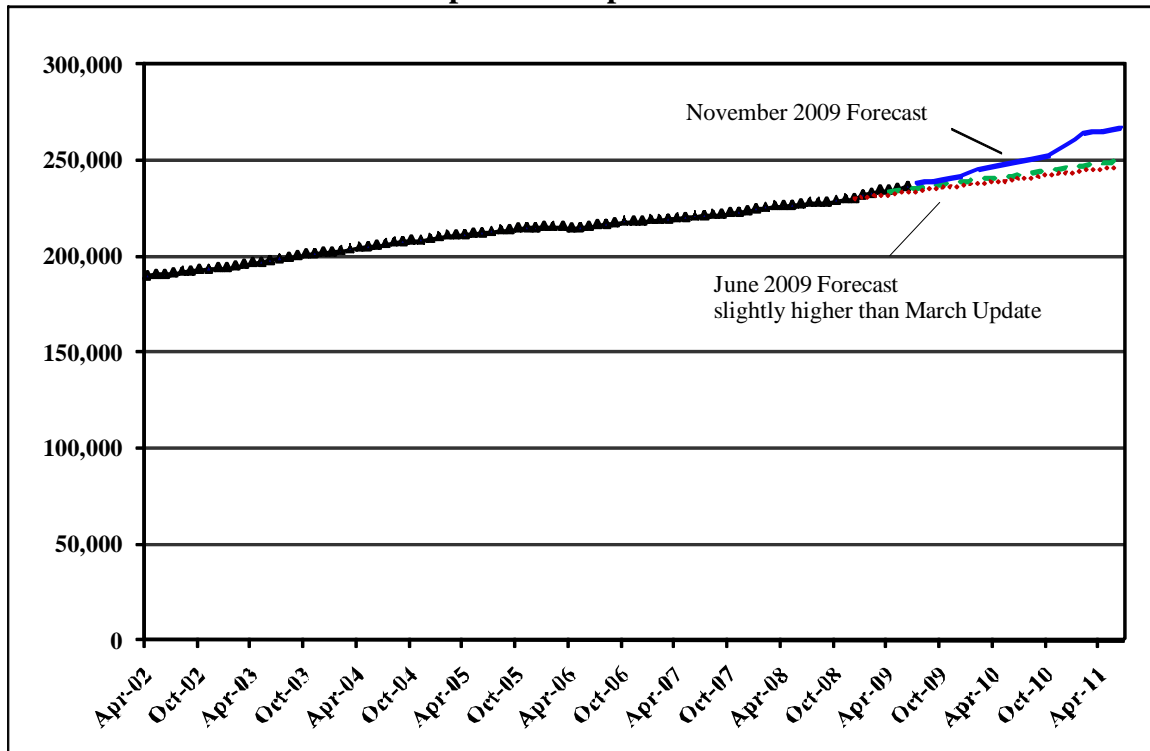


Health and Recovery Services Administration (HRSA)

Caseload Forecast Council
November 13, 2009

Older People and People with Disabilities



The forecast for medical assistance for Older People and People with disabilities is composed of seven components: Categorically Needy (CN) Aged, Categorically Needy (CN) Blind and People with Disabilities, Medically Needy (MN) Aged, Medically Needy (MN) Blind and People with Disabilities, Breast and Cervical Cancer, Healthcare for Workers with Disabilities, and Qualified Medicare Beneficiaries (QMB).

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Mar-09 Update	Jun-09 Forecast	Nov-09 Forecast	Mar Update-to-Nov Difference	Percent Difference	Jun-to-Nov Difference	Percent Difference
2010	236,862	238,855	243,078	6,216	2.6%	4,223	1.8%
2011	243,518	246,131	258,756	15,238	6.3%	12,625	5.1%

Three programs in this group account for almost all of the increase. The first is QMB, which covers some of the medical costs of Medicare clients. Due to two federal rule changes, we expect substantial increases in this program starting January 2010. This program is relatively inexpensive on a per capita basis.

The other two forecasts that were revised upwards provide Categorically Needy Medicaid services to people with disabilities and older people. Although both programs have recently experienced faster than normal growth, the program for people with disabilities appears to be experiencing a temporary impact due to policy changes. The increase in the growth rate of

the program for older people, however, may be more permanent. This program has historically been growing more slowly than the underlying population growth, but has recently grown faster than the population. We attribute most of this growth to declining income and asset values of older people. There has been a large increase nationally in applications for disability and for social security, which appear to be correlated with the weak labor market.

Tracking the Current Forecast

	Jun-09 Forecast	Actual	Variance	Percent Variance
Apr-09	233,601	234,240	639	0.3%
May-09	234,328	235,285	957	0.4%
Jun-09	234,809	236,375	1,566	0.7%

Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2003-2004	7,893	4.1%	Actual	202,120
2004-2005	7,238	3.6%		209,358
2005-2006	5,129	2.4%		214,487
2006-2007	3,854	1.8%		218,341
2007-2008	5,709	2.6%		224,050
2008-2009	7,262	3.2%		231,312
2009-2010	11,766	5.1%	Forecast	243,078
2010-2011	15,678	6.4%		258,756

The higher growth rates expected in fiscal year 2011 is mostly attributed to the federal changes in the QMB program. Excluding QMB, this group is expected to grow more in line with underlying population growth.

Risks to the Forecast

Risks to the HRSA forecast for Medicaid programs for Older People and People with Disabilities Forecast vary dramatically by program. The highest risk forecasts are those for programs undergoing temporary changes in response to policy changes, such as QMB and Categorically Needy Medicaid for People with Disabilities.