

FALL 2009 FORECAST FOR STAKEHOLDER REVIEW

Budget, Planning and Analysis
Office of Forecasting, Research and Analysis



FALL 2009 FORECAST
FOR STAKEHOLDER REVIEW

January 2010

Office of Forecasting, Research and Analysis

500 Summer Street N.E.
Salem, Oregon 97301
503-945-5944
TTY: 503-378-2897
FAX: 503-945-6214

SUMMARY OF FALL 2009 CASELOAD FORECASTS

An increase of up to 12 percent in the Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) is predicted over today's record level need, with a peak of 756,000 anticipated in June 2011.

Temporary Assistance for Needy Families (TANF) caseload has increased by 19 percent between December 2008 and December 2009, and should continue to grow to 26,000 families by January 2011. However, the level of increase in families relying on TANF began to slow in 2009 due to program budget cuts.

The Child Welfare caseload should gradually increase through 2013.

The total Oregon Health Plan (OHP) caseload is expected to reach a monthly average of 582,326 in this biennium, and 658,611 in 2011-13. The OHP caseload includes estimates of the Healthy Kids program for the first time.

The number of people receiving Long-term Care (LTC) services should increase by 2 percent over this forecast period to a high of 27,658 in June 2011, an increase of 590 clients. After four years of steady decline, LTC caseload is growing in response to the economic downturn and program changes.

Mental Health caseload should increase by 11 percent through 2011-13.

Introduction

This document summarizes the primary fall 2009 forecasts of client caseloads for Oregon's Department of Human Services (DHS). We compare the new forecasts to those used to calculate the 2009 Legislatively Approved Budget (LAB), which, for most caseloads, are the same as the spring 2009 forecasts. We also discuss the projected growth of the most economically sensitive caseloads by comparing the predicted, maximum monthly number to the current level. The economy continues to be the dominant driver of caseload increases. Overall, the most economically sensitive caseloads continue to increase. Supplemental Nutritional Assistance Program (SNAP, formerly Food Stamps) and some Oregon Health Plan (Medicaid) caseloads are expected to significantly increase above those levels predicted by the spring/LAB 2009 forecasts. The Temporary Assistance for Needy Families (TANF) caseload has grown since the last forecast; however, end-of-session management actions have mitigated the effects of this growth in the current forecast. The total Child Welfare caseload should increase gradually through 2011. The total Long-Term Care caseload is forecasted to increase via gains, some of which are economically induced, in In-Home Services and Community-Based Care in contrast to a decreasing Nursing Facilities Forecast. Likewise, the mandated Mental Health caseload should increase as well.

Background and risks

The Office of Forecasting, Research and Analysis (OFRA), a unit within Budget, Planning and Analysis (BPA), produces two comprehensive forecasts of client caseloads per year. The forecasted period is generally through the next biennium. Caseload forecasts are used to develop program budgets for a two-year period, or biennium. OFRA economists estimate caseloads for all major DHS programs. Forecasting methodologies include a combination of time-series techniques, input-output deterministic models and expert consensus. Forecast accuracy is tracked via monthly reports of actuals vs. forecasts. OFRA also conducts opinion surveys of DHS community stakeholders and field staff in local offices to ascertain current and future levels of client demand for services as well as the drivers of this demand.

Caseload forecasts, by definition, are estimates of future numbers of clients enrolled in our programs. DHS caseloads, in turn, are affected by a number of environmental factors that contribute to the demand for benefits and services (such as the economy

and changing demographics). The future states of these factors, along with policy and program changes, can alter the actual numbers of clients relative to today's forecasted value. Therefore, forecasts are based on a set of assumptions about the future states of these factors. For example, the SNAP Forecast is based on an assumed state of the economy in 2010 and 2011. Because these assumptions can, and will, be different than what we believe today, they are collectively referred to as "risks to the forecast." That is, there is a certain level of risk that the forecast will be wrong due to a future change in one or more of these factors.

Since March 2008, Oregon has experienced a recession characterized by growing unemployment and an overall slowing of the economy. The unemployment rate climbed to 12.2 percent in May 2009, the highest level since 1983; it is currently 11.1 percent. Professional and Business Services, job types held by many DHS clients, has lost more than 11,000 jobs since October 2008. Since April 2009, the rate of job loss in Oregon has slowed, with some economists proclaiming that the recession ended in November 2009. However, economists predict that the Oregon economy will not begin to recover until the latter part of 2010, and job numbers should not reach pre-recession levels until early 2013.

There is no doubt that Oregon's recession has affected several caseloads and is a significant risk to many forecasts. The rate of Oregonians without health insurance is another risk. Also, state demographers predict that Oregon's population will continue to increase moderately with relatively rapid increases in the elderly population starting in 2012. Finally, the number of Oregon children and families in extreme poverty is anticipated to grow. These factors will likely exert significant upward pressure on several DHS caseloads.

The fall 2009 forecasts continue to incorporate known economic effects and expert opinion in the forecast models to produce "recession-based" forecasts for select caseload groups. Because the historical data used in the forecasting models include several months of the current recession, the primary adjustments concerned the period of the predicted job recovery.

OFRA analysts also conducted Web-based and telephone surveys of the DHS Community Provider Advisory Group and additional community-based non-profit agencies to help interpret the base forecasts and aid in selecting the final estimates. We also included

DHS field staff in the sample. Respondents indicated the status of demand for applicable services; identified qualitative economic and demographic descriptors of people requesting assistance; described their abilities to meet demand; and identified reasons they expect demand to increase over the next six months.

Most respondents observed demand increasing over the past three months and expect the increase to continue into the next six months. Unemployment and lack of income, combined with a lack of health insurance and a shortage of accessible community programs, contribute to demand across all caseloads. DHS clients and stakeholders' customers struggle to meet basic needs (e.g., food, housing, health care). These challenges often result in stressful family issues (e.g., homelessness, domestic violence, abuse/neglect of elders and children) and cause preventable medical, dental and mental health cases to become serious conditions.

DHS and community partners rely on each other to meet the increasing demand. Reported funding, staff and capacity shortages at both DHS and among community partners make it difficult to meet the increasing demand. Respondents note more complex and severe cases resulting from the lack of available assistance.

The majority of respondents reported an increase in individuals and families living in poverty across all DHS program areas and geographic regions. Several providers also reported an increase in two- and three-income families, those with moderate income, and the "working poor" seeking assistance from DHS programs.

Finally, we include information from our regional forecasts, which are caseload estimates for our major programs by DHS service district.



Total DHS biennial average forecast comparison

	2009-11 Biennium			Fall 2009 Forecast		
	LAB* 09 to Fall 09			2009-11 to 2011-13		
	LAB* 09 Forecast 2009-11	Fall 09 Forecast 2009-11	% diff. LAB* 09 to Fall 09 2009-11	Fall 09 Forecast 2009-11	Fall 09 Forecast 2011-13	% diff. Fall 09 2009-11 to 2011-13
Children, Adults and Families (CAF)						
Self-Sufficiency						
SNAP (households)	328,628	368,882	12.2%	368,882	382,495	3.7%
Temporary Assistance for Needy Families (families: cash assistance) Basic and UN	23,662	25,513	7.8%	25,513	24,991	-1.9%
Employment-Related Day Care (families)	9,761	9,597	-1.7%	9,597	5,330	-44.5%
Child Welfare (children served)						
Adoption Assistance	11,633	11,229	-3.5%	11,229	11,891	5.9%
Out-of-Home Care	7,710	7,997	3.7%	7,997	7,892	-1.3%
Child-in-Home	2,915	3,107	6.6%	3,107	3,030	-2.5%
Vocational Rehabilitation (clients served)	9,736	8,835	-9.3%	8,835	8,813	-0.2%
Medical Assistance Programs**						
OHP Plus/Temporary Assistance for Needy Families (medical)	165,514	138,308	-16.4%	138,308	151,524	9.6%
OHP Plus/Children (PLMC and CHIP)	205,312	216,230	5.3%	216,230	251,656	16.4%
OHP Plus/Seniors and People with Disabilities	106,340	107,180	0.8%	107,180	118,526	10.6%
OHP Plus/Poverty-Level Medical Women	11,835	12,212	3.2%	12,212	13,156	7.7%
OHP Plus/Substitute Care and Adoption Services	18,360	19,705	7.3%	19,705	20,340	3.2%
Other Medical Assistance Programs	35,016	38,186	9.1%	38,186	42,761	12.0%

*LAB = Spring 2009 Forecast + legislative actions

**Includes Healthy Kids estimates

Total DHS biennial average forecast comparison

	2009-11 Biennium			Fall 2009 Forecast		
	LAB* 09 to Fall 09			2009-11 to 2011-13		
	LAB* 09 Forecast 2009-11	Fall 09 Forecast 2009-11	% diff. LAB* 09 to Fall 09 2009-11	Fall 09 Forecast 2009-11	Fall 09 Forecast 2011-13	% diff. Fall 09 2009-11 to 2011-13
Seniors and People with Disabilities - Long-Term Care						
In-Home	10,643	11,054	3.9%	11,054	11,224	1.5%
Community-Based	11,218	11,673	4.1%	11,673	12,226	4.7%
Nursing Facilities	4,855	4,667	-3.9%	4,667	4,384	-6.1%
Addictions and Mental Health (AMH)						
Criminal commitment						
Aid and Assist	154	130	-15.6%	130	132	1.5%
Psychiatric Security Review Board	785	769	-2.0%	769	781	1.6%
Civil commitment						
24-Hour Care	1,704	1,731	1.6%	1,731	1,991	15.0%
Acute Care	178	175	-1.7%	175	173	-1.1%
State Hospital	313	250	-20.1%	250	250	0.0%
Non-Residential Community Care	3,761	3,807	1.2%	3,807	4,412	15.9%

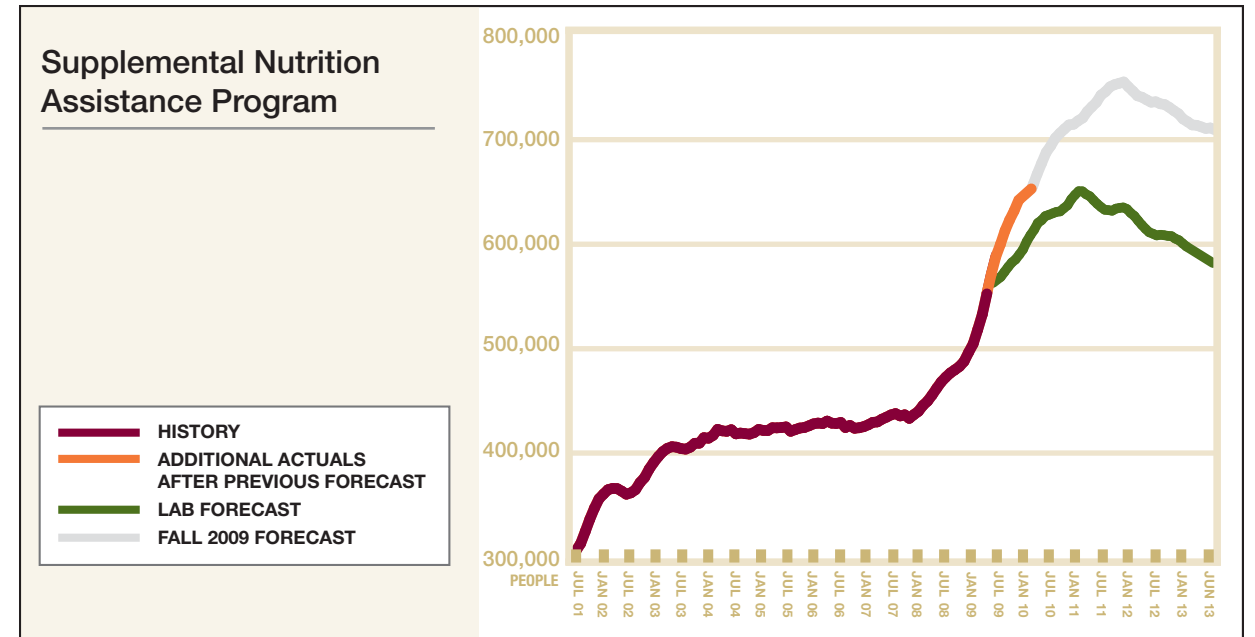
*LAB = Spring 2009 Forecast + legislative actions

Children, Adults and Families Division (CAF)

Self-Sufficiency — Some SNAP and Temporary Assistance for Needy Families (TANF) caseloads exhibit a strong relationship to Oregon's economy. A decrease in employment translates into a recognizable increase in families seeking some types of public assistance. Oregon's seasonally adjusted unemployment rate has increased by 6.6 percentage points in the last two years, from 4.7 percent in October 2007 to 11.3 percent in October 2009. More than 100,000 jobs were lost during that period. Most of the economic decline occurred in the year ending October 2009. Likewise, the rate of growth in TANF and SNAP caseloads accelerated during that period. DHS incorporates statistical associations between these caseloads and per-capita employment into our forecasting models.

The Fall 2009 Forecast is based in part on Oregon's official economic forecast that is produced by the Office of Economic Analysis (OEA). The third and fourth quarter 2009 editions of OEA's Oregon Economic and Revenue Forecast call for job losses to continue through the first quarter of 2010, although those losses will not be as steep as those endured during late 2008 and early 2009. OEA forecasts job gains to increase in 2011 and 2012. The number of jobs is not predicted to reach pre-recession levels until the second quarter of 2013. Because Oregon's population should continue growing throughout this period, the per capita employment is not expected to reach pre-recession levels during the current forecast horizon.

Supplemental Nutrition Assistance Program (SNAP) — There were 342,600 households (653,000 people) receiving SNAP benefits in October 2009, 33 percent more than in October 2008. Caseload growth was driven by an increase in the number of households seeking benefits and an increase in the typical duration that they receive benefits. The caseload is expected to increase more slowly until it peaks at 395,000 cases (756,000 people) in June 2011, 15 percent higher than in October 2009. The number of cases opened is expected to remain at the current high level over the next year, and then begin to decline as the job market improves. Tepid to moderate job market improvement translates in this case to the same pace of decline in the SNAP caseload. The SNAP caseload is not expected to decline to pre-recession levels during the forecast horizon, consistent with the same outlook for Oregon's per capita employment.



Temporary Assistance for Needy Families — There were 24,700 families (64,000 people) receiving TANF benefits in October 2009, 21 percent more than in October 2008. The caseload would almost certainly have been higher today were it not for management actions implemented last spring to stem the exponential growth of the TANF caseload. The caseload is expected to increase more slowly until it peaks at 26,000 families (68,000 people) in January 2011, 6 percent higher than in October 2009. As with the SNAP caseload, the number of TANF cases opened is expected to remain at the current high level over the next year, and then begin a slow decline as the job market improves.

Child Welfare — The Child Welfare caseload increased by 2 percent for the year ending May 2009. Increases in the number of children on the Adoption Assistance, Subsidized Guardianship, and Child-in-Home caseloads were partially offset by a decrease in the Out-of-Home caseload. Over the next several years, the Adoption Assistance and Subsidized Guardianship caseloads are expected to grow at a nearly constant rate, but more slowly than they have grown in the past several years. If current policies and practices remain in place, the Out-of-Home Care caseload

Total Self-Sufficiency biennial average forecast comparison

	2009-11 Biennium			Fall 2009 Forecast		
	LAB* 09 to Fall 09			2009-11 to 2011-13		
	LAB* 09 Forecast 2009-11	Fall 09 Forecast 2009-11	% diff. LAB* 09 to Fall 09 2009-11	Fall 09 Forecast 2009-11	Fall 09 Forecast 2011-13	% diff. Fall 09 2009-11 to 2011-13
Self-Sufficiency Supplemental Nutrition Assistance Program (households)						
Children, Adults and Families	245,727	282,299	14.9%	282,299	283,668	0.5%
Seniors and People with Disabilities	82,901	86,583	4.4%	86,583	98,827	14.1%
SNAP total	328,628	368,882	12.2%	368,882	382,495	3.7%
Temporary Assistance for Needy Families (Families: cash/grants)						
Basic	20,976	22,544	7.5%	22,544	22,326	-1.0%
UN	2,685	2,969	10.7%	2,969	2,665	-10.2%
TANF total	23,662	25,513	7.8%	25,513	24,991	-1.9%
*Pre-SSI	1,143	1,015	-11.2%	1,015	1,051	3.5%
*Post-TANF	3,119	2,308	-26.0%	2,308	2,218	-3.9%
Employment-Related Day Care (families)	9,761	9,597	-1.7%	9,597	5,330	-44.5%
Temporary Assistance for Domestic Violence Survivors	560	568	1.4%	568	575	1.2%

*LAB = Spring 2009 Forecast + legislative actions

Total Children, Adults and Families biennial average forecast comparison

	2009-11 Biennium			Fall 2009 Forecast		
	LAB* 09 to Fall 09			2009-11 to 2011-13		
	LAB* 09 Forecast 2009-11	Fall 09 Forecast 2009-11	% diff. LAB* 09 to Fall 09 2009-11	Fall 09 Forecast 2009-11	Fall 09 Forecast 2011-13	% diff. Fall 09 2009-11 to 2011-13
Child Welfare (children)						
Adoption Assistance	11,633	11,229	-3.5%	11,229	11,891	5.9%
Subsidized Guardianship	1,118	1,083	-3.1%	1,083	1,215	12.2%
Out-of-Home Care	7,710	7,997	3.7%	7,997	7,892	-1.3%
Child-in-Home	2,915	3,107	6.6%	3,107	3,030	-2.5%

is expected to be, on average, 200 cases lower than was typical over the year ending May 2009. The Child-in-Home caseload is expected to be, on average, about 200 cases higher than was typical for the year ending May 2009.

Regional estimates

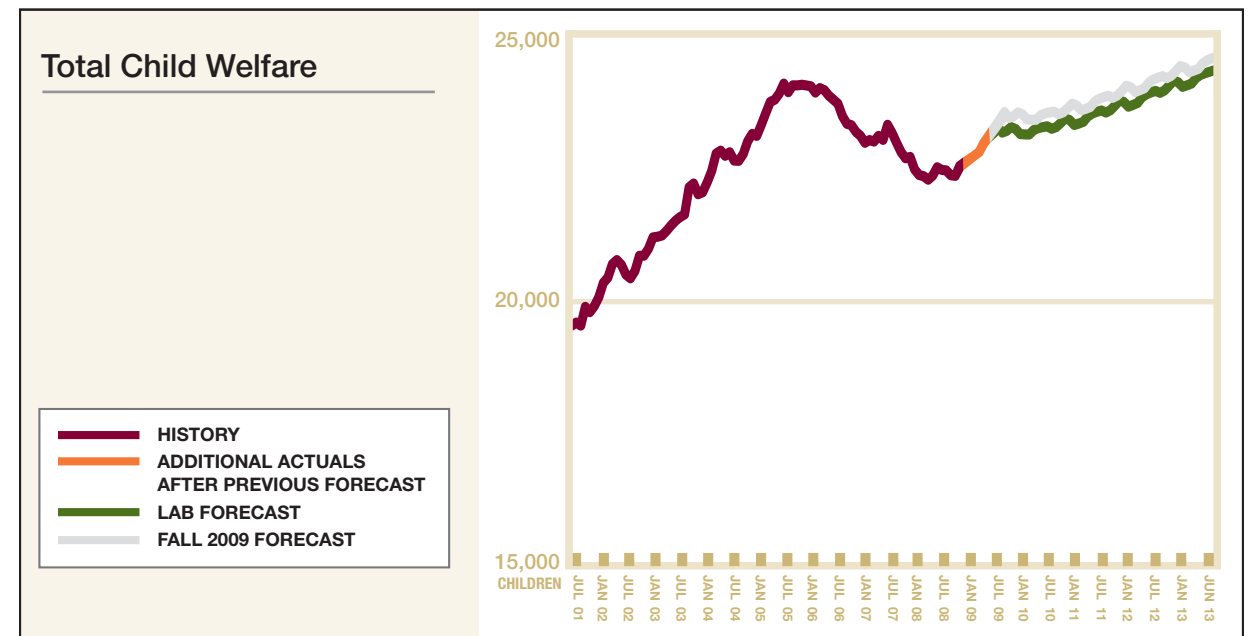
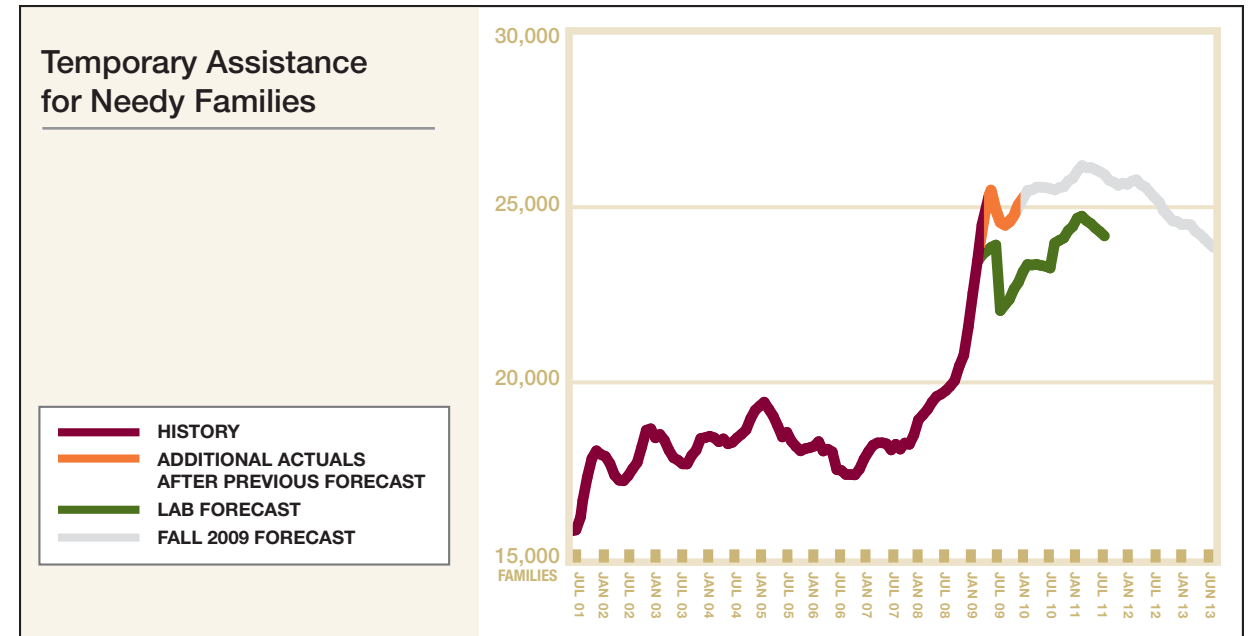
SNAP — Caseloads for SNAP are to a large extent driven by economic conditions, and this is apparent in both the statewide and regional forecasts. In general, caseloads are expected to continue to rise through the 09-11 biennium, with growth moderating or reversing in the 11-13 biennium. The magnitude of the forecasted increase varies from region to region. The Portland metro area is expected to see quite large increases in caseload through the 2009-11 biennium (for Multnomah County a 19 percent increase, Clackamas County a 19 percent increase and Washington County a 21 percent increase) before expected declines in the following biennium.

Interestingly, the Bend metropolitan area (Deschutes County, in the 10th District), which has experienced unemployment exceeding 15 percent, is not expected to see an equivalent increase in SNAP cases. A flattening of the caseload is expected in 2009-11, and a downturn in 2011-13.

TANF — TANF caseloads are expected to stabilize in 2009-11 and decline marginally in the following biennium. Increases in 2009-11 will occur primarily in population centers around the state, with Multnomah, Yamhill, Lane, Deschutes and Josephine counties experiencing caseload growth in excess of the expected statewide rate.

Stakeholder survey results

Self-Sufficiency programs - field staff. The majority of Self-Sufficiency field staff (96 percent) noted increased demand for programs over the past three months. Most (95 percent) also expected demand for self-sufficiency programs to increase over the next six months. The programs in the greatest demand were SNAP, followed by Medical Assistance and TANF. Several respondents indicated wait listing or closed community partners (30 percent) and noted the lack of funding, staff and capacity. Respondents also noted their own lack of staff and time in responding to requests for services.



Respondents noted clients of nearly every economic and demographic group increasing their demand for services. The most frequently mentioned included two-parent and two-income households, those experiencing the end of unemployment benefits and seasonal workers.

Respondents noted that, in the previous three months, several factors increased the demand for Self-Sufficiency programs. These issues included recent unemployment, chronic local unemployment (lack of available jobs and lack of major employers), and the end of unemployment benefits. The respondents expect clients' anticipated end of unemployment benefits and related uninsured status to increase demand over the next six months.

Several respondents noted their clients' needs for assistance co-occurring with other social conditions. These conditions include mental health and medical needs, domestic violence, child welfare incidents, addiction issues and homelessness. Most told of families struggling to meet basic needs (food, shelter, health care).

Community stakeholders who refer clients to Self-Sufficiency programs noted several conditions increasing demand for services in their communities. The most frequently reported included unemployment; the need for affordable housing and homelessness; the lack of health insurance coupled with the high cost of health care; the need for mental health treatment; domestic violence incidents; and child neglect. Most (69 percent) observed overall increased demand, with 74 percent reporting limited program capacity for their own services over the past three months.

Child Welfare programs — field staff. The majority of Child Welfare field staff (72 percent) noted increased demand for Child Welfare programs over the past three months. Even more (82 percent) expected increased demand for Child Welfare programs over the next six months. The programs in the greatest demand were Child Protective Services, followed by Family-Based Services and Foster Care.

Few Child Welfare field staff (18 percent) experienced wait listing or closed community partners; however, 30 percent expected wait listing in the next six months. Respondents noted gaps in the areas of mental health, domestic violence, food, housing and transportation assistance.

Child Welfare field staff noted several client economic and demographic groups increasing their demand for services, including low- and mid-income families experiencing stress due to unemployment and reduced income; clients of Hispanic and non-Hispanic cultural backgrounds with varying citizenship status; and returning clients.

Respondents noted a connection between increased demand for Self-Sufficiency and Child Welfare programs. When families cannot meet basic needs (food, shelter, health care), they experience stress that can lead to neglect and abuse. Parents need assistance from community partners to create a safe environment for their children; however, the lack of programs makes it difficult for parents to achieve their case goals.

Community stakeholders who refer clients to Child Welfare programs noted several conditions increasing demand for services in their communities. The most frequently reported included unemployment, lack of health insurance, domestic violence and child neglect. Most observed increased demand with limited program capacity for their own services over the past three months.



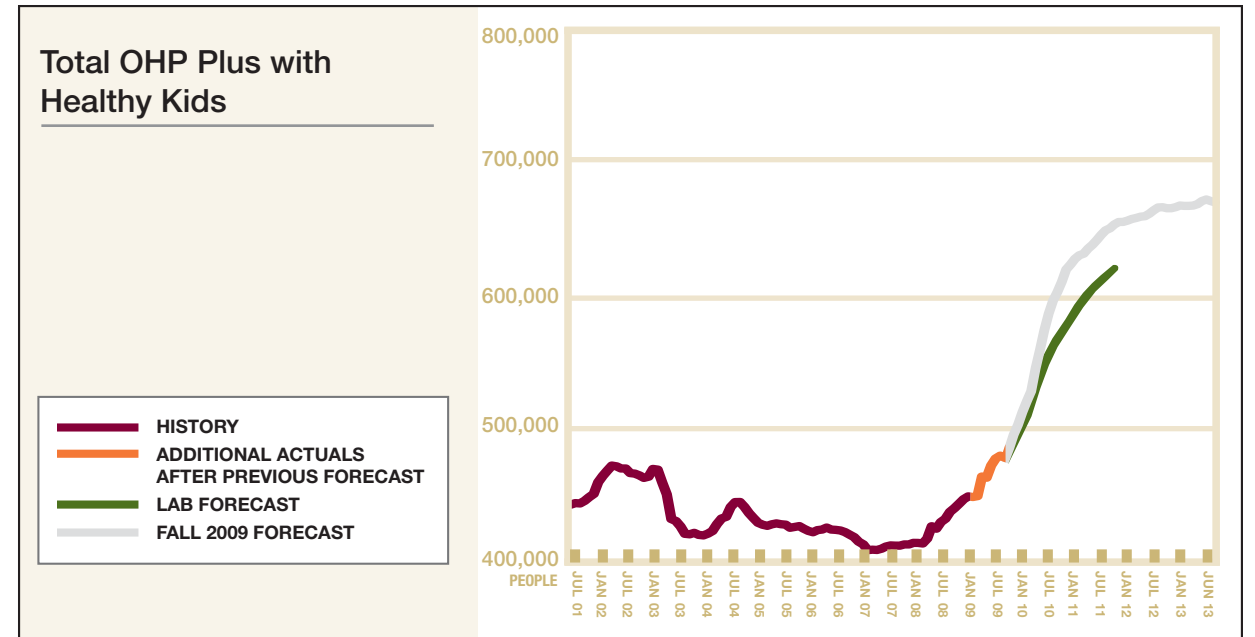
Division of Medical Assistance Programs (DMAP)

The Division of Medical Assistance Programs (DMAP) forecast is comprised of 14 categories corresponding to various combinations of age, income, family structure, legal residency status and medical condition. The forecasting process develops assumptions about the number of new clients expected to enter each category, the amount of time clients are expected to remain, and the patterns of movement across eligibility categories as clients' characteristics change with time. DMAP caseloads are further subject to changes in policy and procedure, new federal and state laws, general economic conditions, and Oregon demographics. Each of these factors, once identified and carefully examined, is incorporated into a monthly forecast of program caseloads extending one to two biennia into the future.

The Fall 2009 DMAP Forecast comes at a time when the general economic conditions of both Oregon and the nation have declined to a level rivaled only by the depression of the 1930s. These economic conditions represent the most significant driver of the recently increasing caseloads. This effect on caseloads is expected to continue well into 2011 with a general slowing of growth in the years beyond.

Due to the economy, the demand for the Oregon Health Plan began to grow aggressively in January 2008. There are currently 510,590 people on the Oregon Health Plan, which is predicted to increase to 645,200, an increase of 26 percent. Some of the new growth will be due to the addition of children coming in under the Oregon Health Plan, but much of it is expected to be driven by economic factors.

The economic recession is the paramount driver in caseload growth. However, other factors also affected caseload growth. In addition to the implementation of the Healthy Kids initiative in July 2009, changing the interval of eligibility review from six to 12 months — especially for child clients — also increased caseload growth. Also, the OHP Standard program is being reopened to a managed capacity of close to 50,000 clients. This capacity is projected to increase the current Standard caseload by nearly 100 percent through 2009-2011.



Regional estimates

As Oregon's population grows, an influx of new residents can change a region's caseload. OHP Plus/SPD caseloads are expected to increase in the 10th District by 14 percent when comparing 2009-11 to 2011-13. This increase is at least partly fueled by the growth of new residents into the area, many of whom are retirees. According to the Oregon Population Research center, these counties (Jefferson, Deschutes and Crook) have experienced a 40 percent increase in population from 2000 to 2008, mostly due to in-migration, and have a higher percentage of people aged 65 and older than the state as a whole.

Total Medical Assistance biennial average forecast comparison

	2009-11 Biennium			Fall 2009 Forecast		
	LAB* 09 to Fall 09			2009-11 to 2011-13		
	LAB* 09 Forecast 2009-11	Fall 09 Forecast 2009-11	% diff. LAB* 09 to Fall 09 2009-11	Fall 09 Forecast 2009-11	Fall 09 Forecast 2011-13	% diff. Fall 09 2009-11 to 2011-13
OHP Plus**						
Poverty Level Medical - Women	11,835	12,212	3.2%	12,212	13,156	7.7%
Poverty Level Medical - Children	132,120	143,671	8.7%	143,671	163,169	13.6%
Aid to the Blind and Disabled	73,831	74,671	1.1%	74,671	83,771	12.2%
Old Age Assistance	32,509	32,509	0.0%	32,509	34,755	6.9%
Substitute Care and Adoption Services	18,360	19,705	7.3%	19,705	20,340	3.2%
Children's Health Insurance Program	73,192	72,559	-0.9%	72,559	88,488	22.0%
OHP Plus subtotal	507,361	493,635	-2.7%	493,635	555,202	12.5%
Other Medical Assistance Programs						
Citizen-Alien Waived Emergency Medical	19,548	22,792	16.6%	22,792	23,506	3.1%
Qualified Medicare Beneficiary	14,985	14,911	-0.5%	14,911	18,655	25.1%
Breast and Cervical Cancer Program	483	483	0.0%	483	600	24.2%
Other subtotal	35,016	38,186	9.1%	38,186	42,761	12.0%
OHP Standard total	24,933	50,506	102.9%	50,506	60,648	20.0%
Medical Assistance Programs total	567,310	582,326	2.7%	582,326	658,611	13.1%
OHP Plus**						
TANF-Related Medical	136,510	111,982	-18.0%	111,982	117,753	5.2%
TANF-Extended	29,004	26,326	-9.2%	26,326	33,771	28.3%
TANF Medical total (only)	165,514	138,308	-16.4%	138,308	151,524	9.6%

*LAB = Spring 09 Forecast + legislative actions **Includes Healthy Kids estimates

Stakeholder survey results

Seventy-eight percent of Self-Sufficiency field staff noted an increased demand for medical programs over the past three months. Demand for medical programs was second only to the demand for SNAP; often, people apply for both food assistance and medical programs. Several respondents expected increased demand at CAF field offices due to new policies related to Healthy Kids and OHP Standard.

Of those staff discussing demand for medical programs, many (47 percent) noted the increase among two-parent or two-income households and families experiencing some form of unemployment or underemployment. Most respondents specified that their uninsured clients had recently lost health insurance benefits related to employment or the expiration of COBRA benefits. Some noted clients with preexisting medical and mental health conditions seeking access to health care.

Seventy-three percent of community stakeholders who refer clients to DHS medical programs also reported increased demand and 76 percent expected more demand over the next six months. Seventy percent of these stakeholders reported limited program capacity to facilitate the increase. Most cited unemployment and uninsured persons' increasing demand.

Community stakeholders who provide health-related services (including mental and medical health and addiction treatment) reported increased community need for health and medical services among low- and mid-income families due to unemployment and lack of health insurance, specifically for untreated preventable conditions. Several noted patients unable to access DHS medical programs due to allowed services, client relation issues, and lack of available OHP providers.



Addictions and Mental Health Division (AMH)

This forecast focuses on mental health services provided by the Addictions and Mental Health Division (AMH). Services primarily fall into two categories: Community Services, including Residential Care, and the Oregon State Hospital system. Community programs provide outpatient services including community/outpatient intervention and therapy, case management, child and adolescent day treatment, supported employment, crisis and pre-commitment services. The state hospitals — located in Salem, Portland and Pendleton — provide 24-hour supervised care to people with the most severe mental health disorders including people who have been found guilty except for insanity.

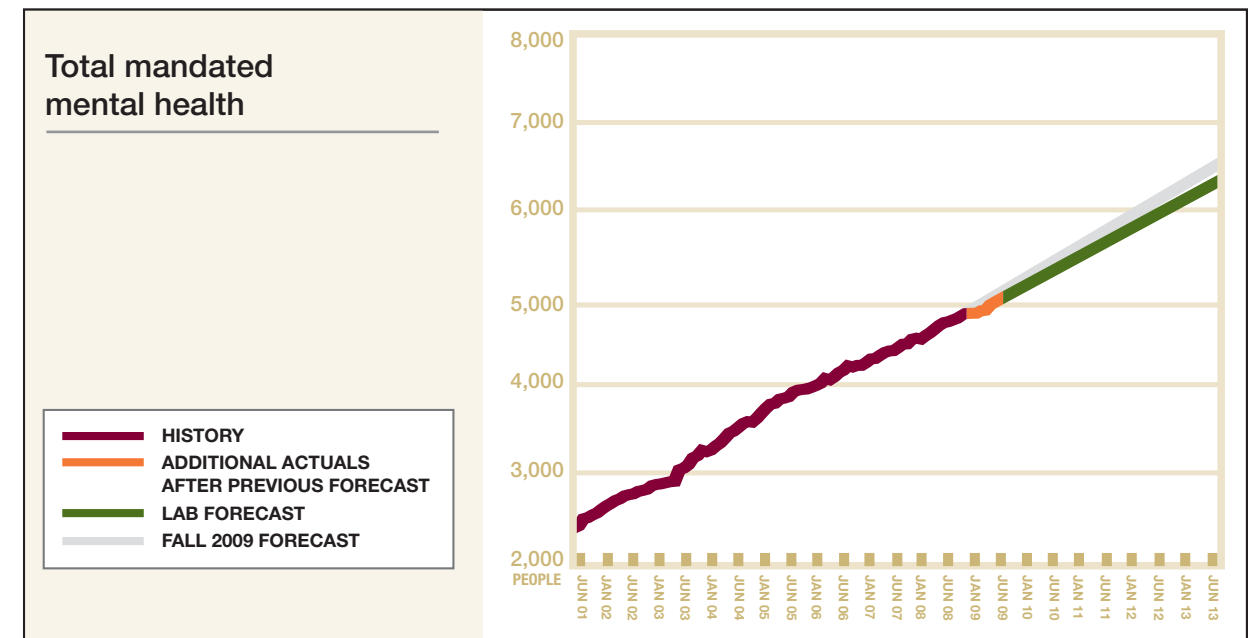
For budgeting purposes, the Mental Health caseload is divided into two client groups: mandated and non-mandated. Oregon law requires mandated populations, including criminally and civilly committed patients, to receive mental health services. Services for the mandated populations occur in community settings and state hospitals. Non-mandated services are primarily provided in community outpatient settings. Only mandated caseloads are forecasted.

Mandated mental health — The fall 2009 biennial average for the 2009-11 biennium is approximately 2 percent lower than the spring 2009 forecasted amount.

Overall, the mandated caseload is predicted to continue to increase through June 2013. The 2011-13 biennial average number of clients is estimated to increase by 11 percent over that for the 2009-11 biennium.

Forensic — The rate of growth in the total forensic caseload has decreased since the latter half of 2007. We anticipate that this rate of growth will continue with a slight upward trend leading to a slight increase of the caseload through 2013. The fall 2009 biennial average for the 2009-11 biennium is 4 percent lower than that for the Spring 2009 Forecast. The Fall 2009 Forecast is expected to increase the average caseload by 2 percent over the 2009-11 Forecast.

Civilly committed — The Fall 2009 Forecast estimates that the combined civilly committed caseload will continue to increase through the end of the 2011-13 biennium. The fall 2009 biennial average for the 2009-11 biennium is 2 percent lower than the spring 2009 forecasted amount. The Fall 2009 Forecast anticipates that, the average caseload for the 2011-13 biennium will increase by 14 percent over the 2009-11 biennium.



Number of mandated mental health clients served per month biennial average forecast comparison

	2009-11 Biennium			Fall 2009 Forecast		
	LAB* 09 to Fall 09			2009-11 to 2011-13		
	LAB* 09 Forecast 2009-11	Fall 09 Forecast 2009-11	% diff. LAB* 09 to Fall 09 2009-11	Fall 09 Forecast 2009-11	Fall 09 Forecast 2011-13	% diff. Fall 09 2009-11 to 2011-13
Criminal commitment						
Aid and Assist	154	130	-15.6%	130	132	1.5%
Psychiatric Security Review Board	785	769	-2.0%	769	781	1.6%
Criminal commitment total	939	899	-4.3%	899	913	1.6%
Civil commitment						
24-Hour Care	1,704	1,731	1.6%	1,731	1,991	15.0%
Acute Care	178	175	-1.7%	175	173	-1.1%
State Hospital	313	250	-20.1%	250	250	0.0%
Non-Residential Community Care	3,761	3,807	1.2%	3,807	4,412	15.9%
Civil commitment total	5,956	5,963	0.1%	5,963	6,826	14.5%
Mandated care total	6,895	6,862	-0.5%	6,862	7,739	11.3%
Unduplicated count, mandated care total	5,477					

*LAB = Spring 09 Forecast + legislative actions

Seniors and People with Disabilities Division (SPD)

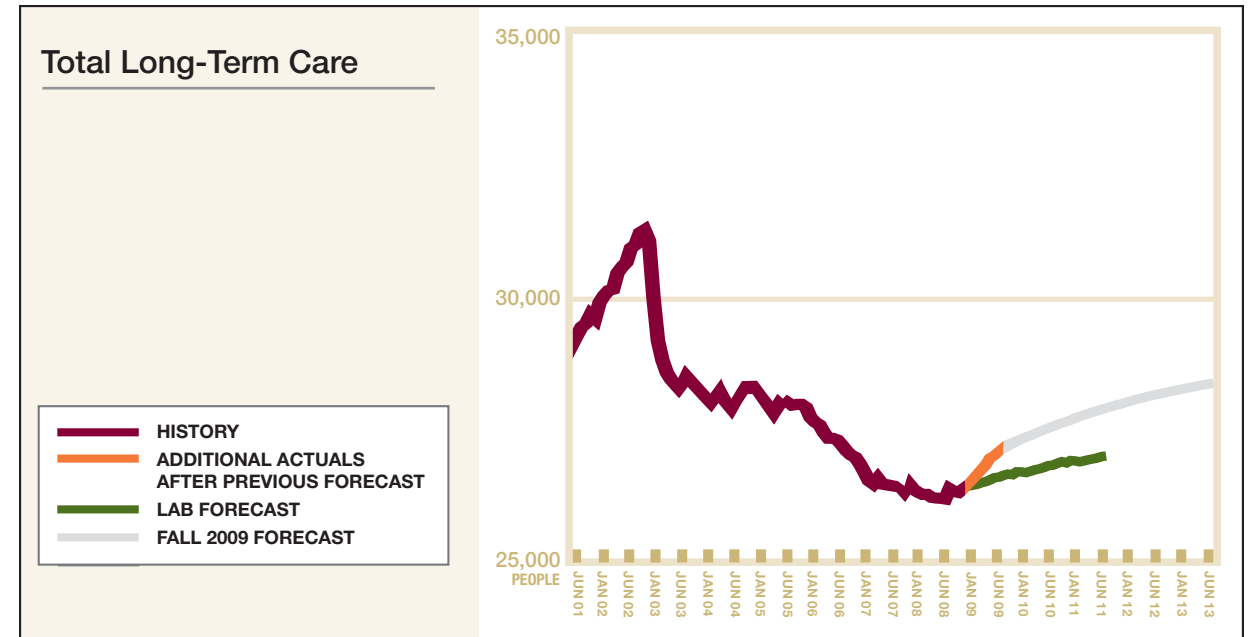
Long-Term Care — The Long-Term Care (LTC) forecasts are divided into In-Home Care, Community-Based Care Facilities, and Nursing Facilities. We estimate that the fall 2009 Long-Term Care caseload will be 3 percent greater than the Spring 2009 Forecast over 2009-11, and 2 percent higher in 2011-13 than 2009-11.

Historically, the Long-Term Care caseload averaged more than 28,000 before the elimination of LTC service priority levels 12 through 17 in 2001-03. The LTC caseload declined approximately 10 percent, or more than 3,000 cases, during the eight-month period ending June 2003. This population decreased in the subsequent biennia by more than 3 percent. However, total LTC caseload has been increasing; this upward trend is expected to continue due to growing In-Home and Community-Based Care caseloads.

The growth in the Long-Term Care caseload can be attributed to a combination of several program initiatives in combination with the current economic recession: Medicaid contracts designed to increase Medicaid participation in Community-Based Care; increased CBC rates for providers, diversion and transition of clients from Nursing Facilities; and expansion of the all-inclusive ElderPlace Program. The observed economic impacts are notable because this caseload is generally thought to be one of the least sensitive to variations in the economy. As individuals and families incur significant financial hardship, more and more Oregonians become potential clients.

After declining during the first half of the decade, the In-Home Care caseload stabilized and grew in the second half of the 2007-09 biennium. This caseload is now forecasted to be 2 percent greater than the spring 2009 level and is expected to increase by 2 percent in 2011-13.

The Community-Based Care Facilities (CBC) caseload has also grown from the lower levels of the past few years. More recently, Assisted Living and Contract Residential Care providers had been withdrawing from Medicaid contracts due to lower Medicaid reimbursements. However — due to the implementation of various program initiatives including a CBC rate increase, new licensing requirements and revised eligibility determinations — we've observed stabilization and modest



growth in most CBC services throughout the 2007-09 biennium. This upward trend is expected to continue through 2009-11 and into 2011-13.

Overall, the Nursing Facilities caseload has steadily declined for several years; this trend is expected to continue. Active diversion and transition programs contribute to this decline. However, there is great risk associated with this forecast due to issues with the new MMIS payment system, the source of data for the forecasting process.

Developmentally Disabled — Fall 2009 is the inaugural forecast for this caseload. The Developmentally Disabled caseload is grouped into three distinct categories: Adult DD Services, Children DD Services and Other Services.

Case Management — is an entry-level eligibility with evaluation and coordination services delivered to individuals with developmental disabilities. In the 2005-07 biennium, the Case Management enrollment total averaged 16,285, and grew to 17,288 in 2007-09. Seventy-two percent of the total Case Management caseload receives additional DD services while 28 percent do not. Case Management is forecasted to grow to 18,578 in 2009-11 and 19,681 in 2011-13.

Aged and physically disabled biennial average forecast comparison

	2009-11 Biennium			Fall 2009 Forecast		
	LAB* 09 to Fall 09			2009-11 to 2011-13		
	LAB* 09 Forecast 2009-11	Fall 09 Forecast 2009-11	% diff. LAB* 09 to Fall 09 2009-11	Fall 09 Forecast 2009-11	Fall 09 Forecast 2011-13	% diff. Fall 09 2009-11 to 2011-13
Seniors and People with Disabilities						
In-Home Hourly	9,459	9,668	2.2%	9,668	9,820	1.6%
In-Home Live-In	1,048	1,072	2.3%	1,072	1,088	1.5%
In-Home Spousal Pay	136	139	2.2%	139	141	1.4%
Specialized Living	165	175	6.1%	175	175	0.0%
In-Home subtotal	10,643	11,054	3.9%	11,054	11,224	1.5%
Relative Adult Foster Care	1,547	1,609	4.0%	1,609	1,660	3.2%
Commercial Adult Foster Care	2,645	2,771	4.8%	2,771	2,893	4.4%
Regular Residential Care	908	1,000	10.1%	1,000	1,028	2.8%
Contract Residential Care	1,276	1,460	14.4%	1,460	1,590	8.9%
Assisted Living	3,886	3,993	2.8%	3,993	4,073	2.0%
ElderPlace (PACE)	791	840	6.2%	840	982	16.9%
Specialized Living	165	—	—	—	—	—
Community-Based Care subtotal	11,218	11,673	4.1%	11,673	12,226	4.7%
Basic Nursing Facility Care	4,285	4,064	-5.2%	4,064	3,815	-6.1%
Complex Medical Add-On	368	401	9.0%	401	367	-8.5%
Pediatric Care	56	56	0.0%	56	56	0.0%
Extended Care NFC	80	80	0.0%	80	80	0.0%
Enhanced Care	60	60	0.0%	60	60	0.0%
Post-Hospital Benefit	6	6	0.0%	6	6	0.0%
Nursing Facilities subtotal	4,855	4,667	-3.9%	4,667	4,384	-6.1%
Long-Term Care total	26,716	27,394	2.5%	27,394	27,834	1.6%

Developmentally disabled biennial average forecast comparison

	2009-11 Biennium			Fall 2009 Forecast		
	LAB* 09 to Fall 09			2009-11 to 2011-13		
	LAB* 09 Forecast 2009-11	Fall 09 Forecast 2009-11	% diff. LAB* 09 to Fall 09 2009-11	Fall 09 Forecast 2009-11	Fall 09 Forecast 2011-13	% diff. Fall 09 2009-11 to 2011-13
Case management enrollment	—	18,578	—	18,578	19,681	5.9%
Adult						
**Comprehensive In-Home Services	—	197	—	197	198	0.5%
**Non-Related Foster Care	—	2,621	—	2,621	2,830	8.0%
**24-Hour Residential	—	2,449	—	2,449	2,530	3.3%
**Supported Living	—	816	—	816	925	13.4%
**State-Operated Community Programs	—	147	—	147	147	0.0%
Children						
Intensive In-Home Support	—	308	—	308	335	8.8%
Residential Care	—	132	—	132	132	0.0%
Proctor Care	—	68	—	68	78	14.7%
Support Services (family)	—	808	—	808	808	0.0%
Other Services	—	7,547	—	7,547	7,983	5.8%
Transportation	—	2,643	—	2,643	2,714	2.7%
Employment	—	4,086	—	4,086	4,289	5.0%

*LAB = Spring 09 Forecast + legislative actions.

**Five DD caseload forecasts are derived from the forecast model, which requires that the caseload categories are mutually exclusive and are counted on the last day of the month.

The other seven DD caseload forecasts are based on time-series models using the clients served count in each month.

Comprehensive In-Home Support Services — provide an opportunity for developmentally disabled adults to design and manage the services they need to live in their own home. This caseload is maintained at the current level of approximately 200 clients. In 2005-07, this caseload averaged 199 and in 2007-09 it averaged 203. The Comprehensive In-Home Support caseload is expected to remain at the current level through the forecasted periods, maintaining a biennial average of 198.

Foster Care — Foster Care Homes provide care, supervision and training to individuals with developmental disabilities. In 2005-07, Total Foster Care enrollment averaged 2,012, and in 2007-09 it averaged 2,312. It is expected to grow rather slowly to 2,621 in 2009-11 and to 2,830 in 2011-13. Approximately 7 percent of the total Foster Care caseload is children below the age of 18.

24-Hour Residential — provides supervised care, training and support for individuals with developmental disabilities living in residential facilities. The growth in this caseload is very moderate and is expected to maintain the slow pace of growth. In 2005-07, this caseload averaged 2,360, and it was 2,381 in 2007-09. It is forecasted to grow slowly to 2,449 in 2009-11 and 2,530 in 2011-13.

State-Operated Community Programs — offer 24-hour care and supervision to individuals with developmental disabilities who represent the most risk to the public. They receive a full range of DD services. This caseload averaged 146 in 2005-07 and 140 in 2007-09; it is forecasted to be 147 in the current and the next biennia.

SPD also provides 24-hour out-of-home services to children with developmental disabilities who can no longer continue to live in their families' homes.

Children Intensive In-Home Services (CIIS) — cares for children with intensive medical or behavioral needs at home. This caseload is composed of three distinct groups: Medically Fragile Children Services, Intensive Behavior Program and Medically Involved Programs. Collectively, SPD served about 177 children in 2005-07; this caseload averaged 221 in 2007-09, and is expected to grow to about 308 in 2009-11 and 335 in 2011-13.

Children Proctor Care — provides individualized services to children through the contracted proctor care agencies. In this program, SPD served an average of 71 children in 2005-07 and 69 in 2007. It is expected to serve 68 in 2009-11 and 78 in 2011-13.

SPD also provides Employment and Community Inclusion and Transportation services to qualified recipients of DD comprehensive or support services. In 2005-07, 3,668 clients, on average, received Employment and Community Inclusion services. This caseload averaged 3,794 in 2007-09. It is forecasted to grow an average of 4,086 in 2009-11 and 4,289 in 2011-13. Similarly, Transportation Services was used by 2,470 clients in 2005-07, and 2,546 in 2007-09. It is forecasted to be used by 2,643 in 2009-11 and 2,714 in 2011-13.

Regional estimates

Although caseloads in SPD have been declining or flat, some regions continue to experience moderate increases, including the 10th District, where a high population of persons over 65 and a rapid increase in in-migration has led to forecasted increases in caseload for all three programs: In-Home Care, Community-Based Care and Nursing Care.

Stakeholder survey results

Ninety-three percent of SPD field staff noted increased demand for services over the past three months; even more (96 percent) expected increased demand for programs over the next six months. The programs in greatest demand were Direct Financial Support, followed by In-Home Services and Community-Based Services. Reported demand for Direct Financial Support and Nursing Facilities has grown significantly since January 2009.

Several field staff (36 percent) experienced wait listing or closed community partners; 45 percent expected wait listing in the next six months. Twenty-four percent expected community partners to go out of business in the next six months. Respondents noted gaps in health care providers and appropriate care facilities. Affordable, appropriate providers have become difficult for clients to access, and this can lead to more expensive, complex cases.

SPD staff reported increased workload via processing applications and managing service inquiries, with insufficient staff and time to respond to demand. Additionally, budget reductions have caused some independence programs to restrict capacity, leading to missed opportunities to assist clients. These conditions, combined with similar budget and staffing reductions among community partners, leave some SPD clients without access to programs, and increases the complexity and severity of cases that do become involved with SPD.

Field staff noted increasing numbers of low-income seniors and disabled adults in their caseloads. Several also noted increases among clients with developmental disabilities and mental health needs. Some SPD clients have trouble affording basic needs (food, housing, health care); this can lead to opportunities for elder abuse and inadequate preventive health care, resulting in more severe and complex cases by the time clients are involved with SPD.

Seventy-one percent of community stakeholders who refer clients to SPD observed demand for their services increasing, while 82 percent expected demand to increase over the next six months. Seventy-four percent reported limited program capacity to meet demand. Causes of increased demand are unemployment and reduced income; uninsured persons and the cost of prescription medication; and domestic violence.





This document can be provided upon request in alternative formats for individuals with disabilities. Other formats may include (but are not limited to) large print, Braille, audio recordings, Web-based communications and other electronic formats. Call 503-945-5944 (voice) or 503-378-2897 (TTY), or fax 503-945-6214 to arrange for the alternative format that will work best for you.