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Georgia Budget and Policy Institute

MEDICAID EXPANSION FACTS

WHAT IS IN STORE FOR GEORGIA'S MEDICAID ENROLLMENT?

GEORGIA'S LOW-INCOME UNINSURED WILL DROP DRAMATICALLY WHILE OVERALL COSTS WILL RISE MODESTLY

The Affordable Care Act includes a major expansion of state Medicaid programs starting in 2014, extending health insurance coverage to nearly 500,000 currently uninsured people in Georgia by 2019.

Currently, Medicaid covers many low-income children, but coverage for adults is less robust. Federal rules require states to cover all children up to age 6 with family incomes below 133% of the poverty level (this equals approximately \$24,400 for a family of three), and children aged 6 to 19 with family incomes up to 100% of the federal poverty line.

The income eligibility standards for parents are much lower, however, and states generally cannot cover adults without dependent children. Consequently, eligibility guidelines for adults vary considerably across states (as shown in chart on reverse side), and low-income adults are far more likely to be uninsured than low-income children.

WORKING POOR WILL GAIN COVERAGE

In Georgia, working parents are eligible only if their incomes do not exceed 50% of the Federal Poverty Level (or about \$9,500 for a family of three), while adults without dependent children are not eligible at any income level. As a result, 55% of adults below poverty are uninsured in Georgia, compared to 21% of children from families below the poverty level.

The Affordable Care Act expands Medicaid beginning in 2014 to cover adults and children

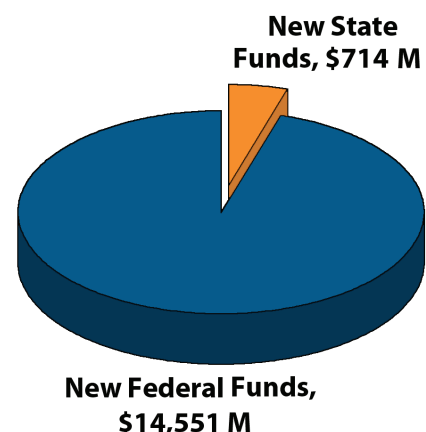
S U M M A R Y

The Affordable Care Act brings Medicaid eligibility levels to a more equal level state-to-state. Since Georgia's levels are so low, and currently exclude the working poor, more Georgians will now be eligible for coverage.

COSTS AND SAVINGS FROM 2014-2019

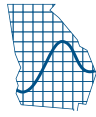
- Georgia can expect \$714 million in new spending associated with nearly half a million newly insured Georgians.
- New spending represents only a 2.7% increase above what Georgia would spend on Medicaid without the expansion.
- New state costs average \$120 million per year.
- Increasing Medicaid coverage reduces the number of uninsured Georgians and therefore reduces the cost of uncompensated health care services
 - to providers and
 - to privately insured Georgians who subsidize them through premiums.

Total New Costs 2014-2019



THOUGHTFUL ANALYSIS...RESPONSIBLE POLICY

100 Edgewood Avenue, Suite 950, Atlanta, GA 30303 | Ph: 404.420.1324 | Fax: 404.420.1329 | www.GBPI.org



with family incomes up to 133% of the federal poverty threshold (this equals approximately \$14,400 for an individual and \$24,400 for a family of three). This greatly increases access to health insurance for Georgia's lowest-income adults.

National analysis by the Kaiser Family Foundation estimates that nearly 480,000 previously uninsured adults will gain coverage in Georgia by 2019. This expansion alone is likely to reduce by half the number of low-income adults (under 133% of poverty) in Georgia who are uninsured.

The Affordable Care Act provides full federal funding for Georgia's expanded coverage for three years. After the third year, the federal government is responsible for more than 90 percent of the costs of covering individuals who are newly eligible to Medicaid. Over the first six years of the expansion (2014-2019), the federal government will bear nearly all of the new Medicaid costs in Georgia and contribute more than \$14.5 billion to the state's health care sector.

Under the Affordable Care Act, Georgia is expected to insure a half-million more people by 2019, at a total cost of \$714 million from 2014 through 2019. The new spending over the six year time period represents a 2.7% increase above what the state would be expected to spend during this time frame without the Medicaid expansion.

The largely federally-financed expansion is expected to save Georgia money too; the state will no longer primarily be responsible for uncompensated health care services for the poor. In addition, some state-funded mental health services will now qualify for federal Medicaid reimbursement.

All enrollment figures are based on data from fiscal years 2007 and 2008.

ADULT GEORGIANS AND MEDICAID

- Only adults with dependent children are eligible for Medicaid, and their income must not exceed 50% of the Federal Poverty Level.
- 55% of adults below the Federal Poverty Level, more than 400,000 Georgians, were uninsured in 2007-2008, a figure estimated to have increased due to the recession.
- Three out of five uninsured adults in Georgia have income below twice the Federal Poverty Level, which is \$29,100 for a family of 2.
- Only 14% of Georgia adults below the Federal Poverty Level have insurance through their employer.
- 32 states plus the District of Columbia have more generous eligibility standards than Georgia.
- Expanding parental coverage likely will increase participation by eligible children.

State Medicaid Eligibility for Parental Coverage

