

Rural Georgians Stand to Benefit Most from Medicaid Expansion

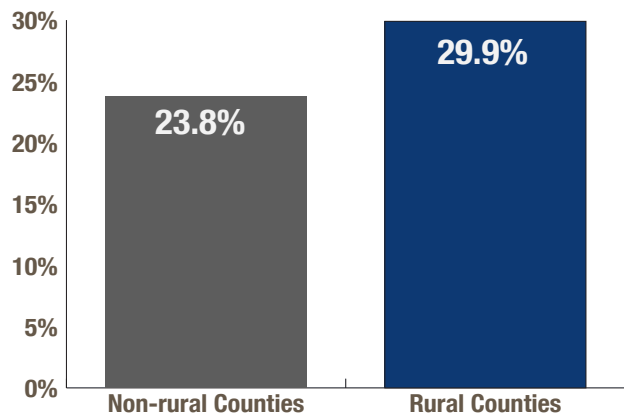
By Tim Sweeney, Director of Health Policy

More than 140,000 uninsured Georgians in rural communities could get health coverage through Medicaid in 2014 if Georgia expands eligibility. That is about half of all uninsured adults under 65 in Georgia's 109 rural counties.

About three in ten rural Georgians ages 18 to 64 had income that fell below the new eligibility threshold in 2011, according to the most recent U. S. Census figures available. Residents of Georgia's rural communities are 26 percent more likely than those in non-rural communities to have income that would qualify for Medicaid if Georgia expands under the Affordable Care Act, assuming the 2011 figures still hold true.

Beginning January 1, 2014, Georgia can opt to expand Medicaid eligibility to cover adults under 65 with income up to 138 percent of the federal poverty level. That percentage translates to an income of about \$16,000 annually for an individual or about \$27,000 for a family of three.

Rural Georgians More Likely to Benefit from Medicaid Expansion



Percent of Adults under 65 with Income 138% Below the Poverty Line

Source: 2011 Small Area Health Insurance Estimates from U.S. Census Bureau

Failure to Expand Medicaid Disproportionately Hurts Rural Georgians

Higher poverty rates in Georgia's rural counties mean rural communities will be disproportionately left out of new coverage options without Medicaid expansion. Georgians with income above the federal poverty level will be eligible for new subsidies to aid in the purchase of private health insurance. That income line is \$11,500 for an individual or \$19,500 for a family of three. But those below the poverty level will not be eligible. The average poverty rate among Georgia's rural counties was nearly 25 percent in 2011, compared to 20 percent for non-rural counties. So Georgia's decision not to expand Medicaid creates a significant coverage gap that will, on average, leave close to 25 percent of rural Georgians ages 18 to 64 without new coverage options.

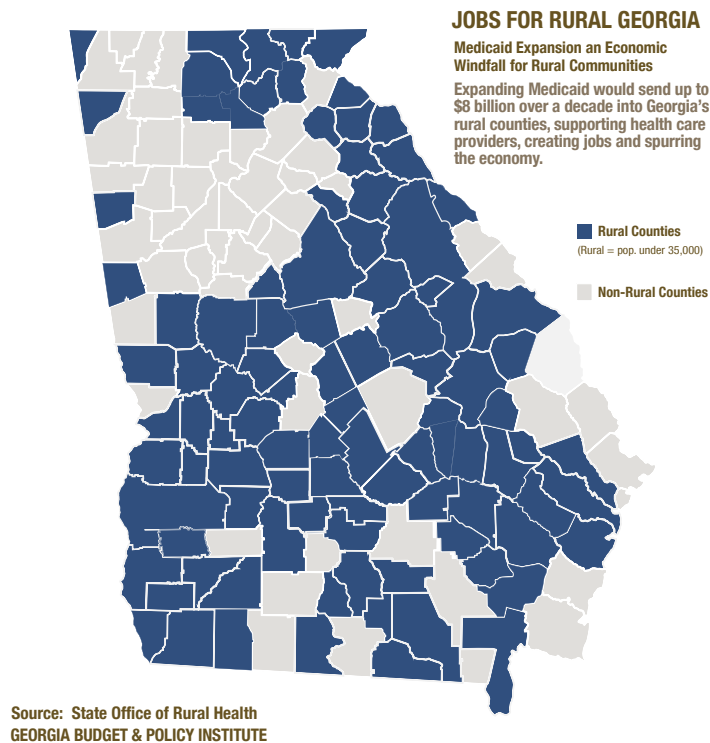
An Economic Boost for Georgia

Expanding Medicaid would bring more than \$33 billion in new federal spending to Georgia's health care system and would boost statewide economic activity by more than \$65 billion over the next 10 years. New Medicaid spending would reach hospitals, doctors, pharmacies and other health care providers throughout the state and help create more than 56,000 new jobs statewide, according to a 2013 Georgia State University (GSU) study. The new activity expected from the expansion would also increase yearly state tax collections by \$104 million and local tax collections by \$117 million.

Expansion's Economic Spark Would Boost Rural Communities

Expanding Medicaid would bring up to \$8 billion in new federal funding to Georgia's rural communities over the next decade. About 23 percent of new statewide spending will likely be made on behalf of rural Georgians, based on the distribution of Georgia's population and existing Medicaid spending. This money would sustain hospitals, doctors, pharmacies and other health care providers in Georgia's rural counties.

New federal money would provide more than \$14 billion in new economic activity to Georgia's rural communities over the next decade. Expansion could create more than 12,000 jobs in or near rural communities, based on the share of projected Medicaid spending in rural Georgia.



Cities, counties and schools in rural Georgia could gain up to \$250 million over the next decade in new revenue from new expansion-related economic activity. This estimate is based on the GSU economic impact analysis, applying the share of Georgia's rural population and the share of new Medicaid spending expected in rural counties.

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