The Dollars and Sense of Expanding Medicaid in Georgia

Medicaid Expansion Yields Great Return for Georgia’s Economy

By Timothy Sweeney, Director of Health Policy

Georgia should take advantage of new federal funding to expand Medicaid in 2014 to boost Georgia’s economy and create tens of thousands of new jobs, all while extending health coverage to hundreds of thousands of Georgians.

A modest state investment of about 1 percent of the state budget, ($2.1 billion over the next 10 years), to bring in new federal funding will help create more than $65 billion in new economic activity in Georgia over 10 years, which will support more than 56,000 new jobs throughout state.

This new economic activity and subsequent job creation will increase state and local tax collections by more than $2.2 billion over the next 10 years. Along with $750 million in state revenue from the insurance premium tax the state has already projected, nearly $3 billion in new revenue will come to Georgia and its cities, counties, and school districts.

Medicaid Expansion Can Deliver Big Bang for Georgia’s Buck

Georgia could receive more than $31 billion over the next 10 years by investing about $2.1 billion. Each Georgia dollar would leverage $14.46 in federal money on average over 10 years, creating a $30.45 jolt to the overall state economy.

Source: “The Economic Impact of Medicaid Expansion in Georgia,” William S. Custer, Ph.D., Institute of Health Administration, J. Mack Robinson College of Business, Georgia State University, Healthcare Georgia Foundation, Publication #74, February 2013.

*Note: Per dollar figures are based on Georgia State University report projecting a $65.4 billion economic impact of the expansion, relative to the $2.1 billion 10-year state investment.
Expanding Medicaid is the Most Cost-Effective Way to Increase Access to Health Insurance for Many of the Nearly 2 Million Georgians Without Coverage

Expanding Medicaid is a good budget deal for Georgia

- Starting next year, Georgia has access to more than $31 billion in new federal funds over 10 years to extend Medicaid coverage to hundreds of thousands of working-poor Georgians, most of whom currently lack health insurance.
- State costs to expand Medicaid are modest – only $1 of $100 Georgia spends in the next decade would be for newly-eligible Georgians.
- Georgia’s 10-year investment amounts to only $328 per newly covered Georgian, per year.
- Federal money is already set aside to pay all the costs for newly eligible Georgians for the next three years – state costs for newly eligible Georgians won’t kick in until 2017.

Expanding Medicaid helps Georgia address significant coverage issues

- Georgia is home to the fifth largest uninsured population in the country – nearly 2 million Georgians lack health coverage.
- Half of all Georgia’s working age adults below 138 percent of the poverty level – $15,000 for an individual or $26,000 for a family of three – go without health coverage.
- Expanding Medicaid could cover 500,000 Georgians who will otherwise remain uninsured.

Expanding Medicaid can improve health and economic well-being of the newly insured, studies show

- Medicaid enrollees 25 percent more likely to report being in better health
- Medicaid enrollees 40 percent less likely to skip other bills because of medical costs
- Medicaid enrollees more likely to adhere to recommended preventive care
- Expanding Medicaid reduced state death rates.

*Findings from state-level Medicaid expansions presented at GBPI fall policy forum [http://gbpi.org/2012-fall-policy-forum](http://gbpi.org/2012-fall-policy-forum)