

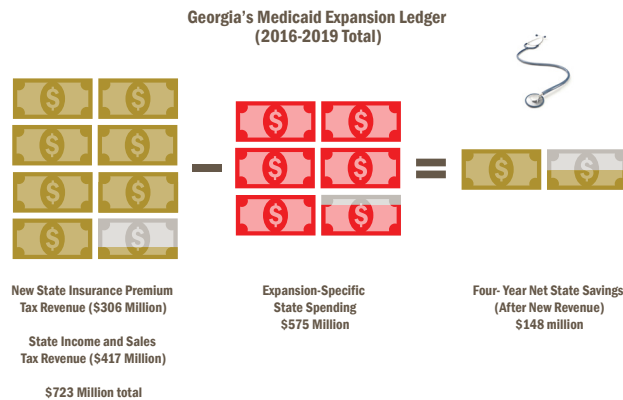
## Missed Opportunity to Extend Health Coverage to More Georgians

By Tim Sweeney, Director of Health Policy

Georgia is home to the fifth most residents without health coverage of any state according to 2013 data, the latest available. Despite this poor ranking, Georgia's leaders continue to refuse new federal funding to close Georgia's coverage gap. Accepting this money could extend health coverage to as many as 500,000 uninsured Georgians, while pumping billions of dollars into the state's health care system.

Georgia first missed the opportunity in 2014 to take advantage of new federal money to extend Medicaid eligibility to adults with income below 138 percent of the poverty level, which is about \$16,200 for an individual or about \$27,700 for a family of three. Adults in families with children are now eligible only when their income falls below about 38 percent of the poverty level, or about \$7,600 for a family of three. Childless adults are ineligible for Medicaid at any income level. Nearly half of Georgia's adults under age 65 with income below this new eligibility threshold went without health coverage in 2013.

### New Revenues Exceed State Costs to Close Coverage Gap



Source: GBPI calculations based on state expenditure estimates released in 2012 and "The Economic Impact of Medicaid Expansion in Georgia," William S. Custer, Feb. 2013

New federal funding could pay all the costs to cover newly-eligible Georgians through the end of 2016 and would cover at least 90 percent of such costs in the future. This remarkably high match rate ensures Georgia could extend coverage up to one-third of its uninsured residents with a modest investment of about \$575 million over the next four years. This modest increase of about 5 percent or less in state Medicaid spending could be fully offset by new state revenue generated by the increased health care spending. When Georgia's share of new spending reaches a peak of 10 percent in 2020, annual state spending for newly-eligible Georgians would amount to about 1 percent of the total state budget.

Accepting new federal money to cover uninsured Georgians also generates savings in state-funded programs that now serve patients who can't pay for health care. Experiences in other states indicate substantial savings could exist in programs that provide mental health services, inmate health care services and public health services, although Georgia has not produced a savings estimate.<sup>1</sup>

<sup>1</sup>Savings in four highlighted states ranged from \$78 million to \$100 million, as compiled by The Commonwealth Institute for Fiscal Analysis, Richmond Va. [http://www.thecommonwealthinstitute.org/wp-content/uploads/2014/11/rx\\_for\\_an\\_ailing\\_virginia.pdf](http://www.thecommonwealthinstitute.org/wp-content/uploads/2014/11/rx_for_an_ailing_virginia.pdf)