

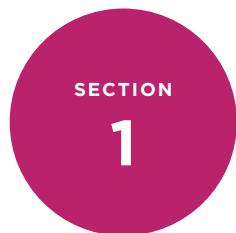


A CHART BOOK FOR

# Understanding Medicaid in Georgia and the Opportunity to Improve It

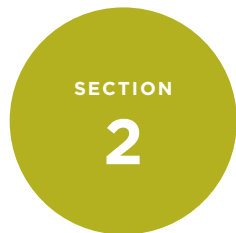
v1 / September 2015

## TABLE OF CONTENTS



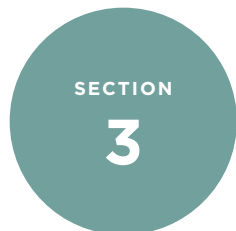
### UNDERSTANDING GEORGIA'S MEDICAID PROGRAM TODAY

- PAGE 4 Medicaid Plays an Important Role in Covering Georgians
- PAGE 5 Who Gets Medicaid in Georgia
- PAGE 6 How Restrictive is Georgia's Program Today?
- PAGE 7 Medicaid Protects Georgians During Economic Downturns
- PAGE 8 Medicaid Controls Costs



### GEORGIA'S OPPORTUNITY TO CLOSE THE COVERAGE GAP

- PAGE 10 Georgia's Health Insurance Coverage Gap
- PAGE 11 Using Medicaid to Close the Coverage Gap
- PAGE 12 Communities Across Georgia Stand to Benefit
- PAGE 13 Workers in Key Sectors Could be Covered
- PAGE 14 Demographics of Adults in the Coverage Gap
- PAGE 15 Georgia's Veterans are in the Coverage Gap
- PAGE 16 State Coverage Gains Show Promise



### THE ECONOMIC & SOCIAL BENEFITS OF CLOSING THE COVERAGE GAP

- PAGE 18 Closing the Coverage Gap is a Good Deal for Georgia
- PAGE 19 Closing the Gap is Good for Georgia's Economy
- PAGE 20 States are Saving Money by Closing the Gap
- PAGE 21 Medicaid Brings Trustworthy Funding
- PAGE 22 Health Insurance Matters
- PAGE 23 Medicaid is Access
- PAGE 24 Georgia Can't Afford to Wait
- PAGE 25 Georgia is in the Driver's Seat

### CONTACT INFORMATION

### APPENDIX

SECTION

1

# Understanding Georgia's Medicaid Program Today

- Medicaid Plays an Important Role in Covering Georgians
- Who Gets Medicaid in Georgia
- How Restrictive is Georgia's Program Today?
- Medicaid Protects Georgians During Economic Downturns
- Medicaid Controls Costs

# Medicaid and PeachCare for Kids Play an Important Role in Health Coverage in Georgia



1 in 5 of all Georgians



1 in 5 of all poor adults in Georgia\*



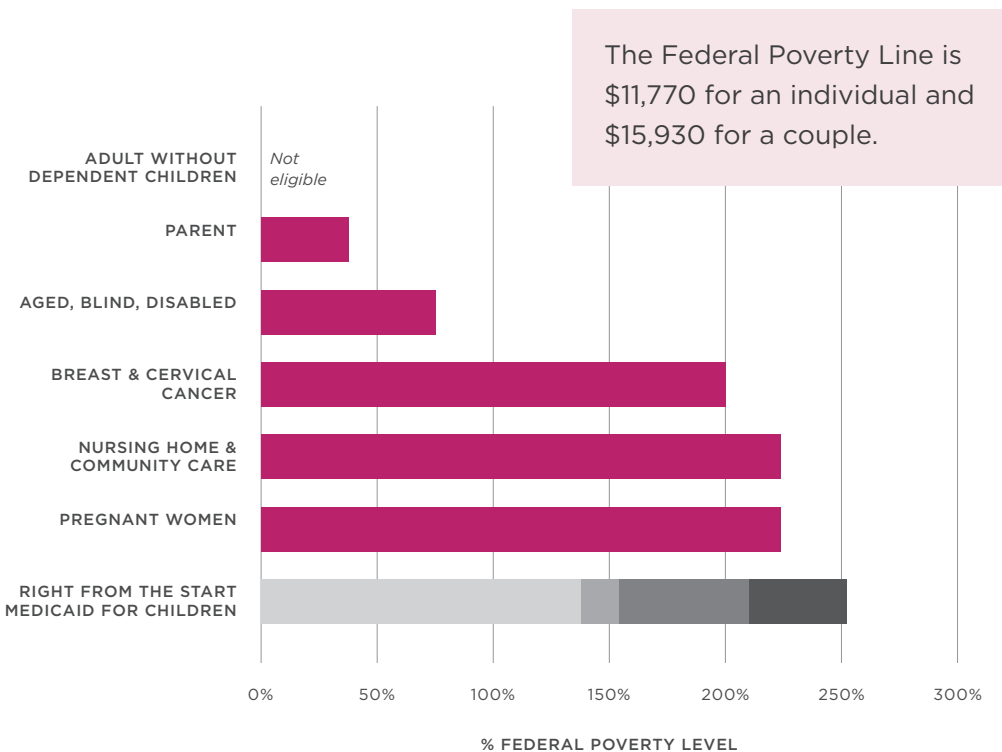
1 in 2 of all children in Georgia

- ✔ Medicaid is a public health insurance program for low-income people. It was created in 1965.
- ✔ Medicaid covers mostly children, pregnant women, parents, seniors over age 65, and people with disabilities.
- ✔ In Georgia, more than 1.9 million people have health coverage through Medicaid. Sixty-four percent of beneficiaries are children.
- ✔ Medicaid is a partnership between the states and federal government. Each state enjoys flexibility managing its program in accordance with national guidelines. In exchange, the federal government provides the bulk of funding.
- ✔ In FY 2015 and 2016 every dollar Georgia spends on Medicaid benefits is matched by more than two dollars in federal funds.

*\*Poor is defined as ≤100% Federal Poverty Level  
Source: GBPI calculations based on data from U.S. Census Bureau and Georgia Department of Community Health*

# Who Gets Medicaid in Georgia?

Several populations are covered and each group has its own income eligibility guidelines.



## Children Eligibility Levels are Cumulative

- Children Ages 6-19
- Children Ages 1-5
- Children Ages 0-1
- PeachCare

For more information on poverty level by family size, see Appendix.

- ✔ Eligibility levels determine who can receive Medicaid coverage. States set eligibility levels based on personal income and assets. Eligibility levels for children, parents, and pregnant women include a 5% income disregard.
- ✔ Georgia has set very restrictive Medicaid eligibility.
- ✔ Elderly, blind, and disabled people cannot have income higher than 75 percent federal poverty level (FPL) or \$13,200 for an elderly couple. Income limits are higher for those needing long-term care.
- ✔ Parents with minor children must earn an annual income below 38 percent FPL or \$7,600 for a family of three in order to qualify for Medicaid.
- ✔ Pregnant women cannot have income higher than 225 percent FPL which is \$26,500 for an individual or \$45,200 for a family of three.
- ✔ Children are eligible for Medicaid at varying rates as they age, starting at 210 percent FPL for an infant up to age 1, decreasing to 138 percent FPL for children ages 6-19. Children in families beyond these income limits can get coverage through PeachCare for Kids, which covers children up to 252 percent FPL or \$50,600 for a family of three.
- ✔ Adults without dependent children are not eligible for Medicaid in Georgia.

Source: Georgia Department of Community Health, thresholds rounded

# How Restrictive is Georgia's Program Today?

50<sup>th</sup>

in spending  
per Medicaid enrollee,  
about 30 percent below  
the national average

44<sup>th</sup>

in Eligibility

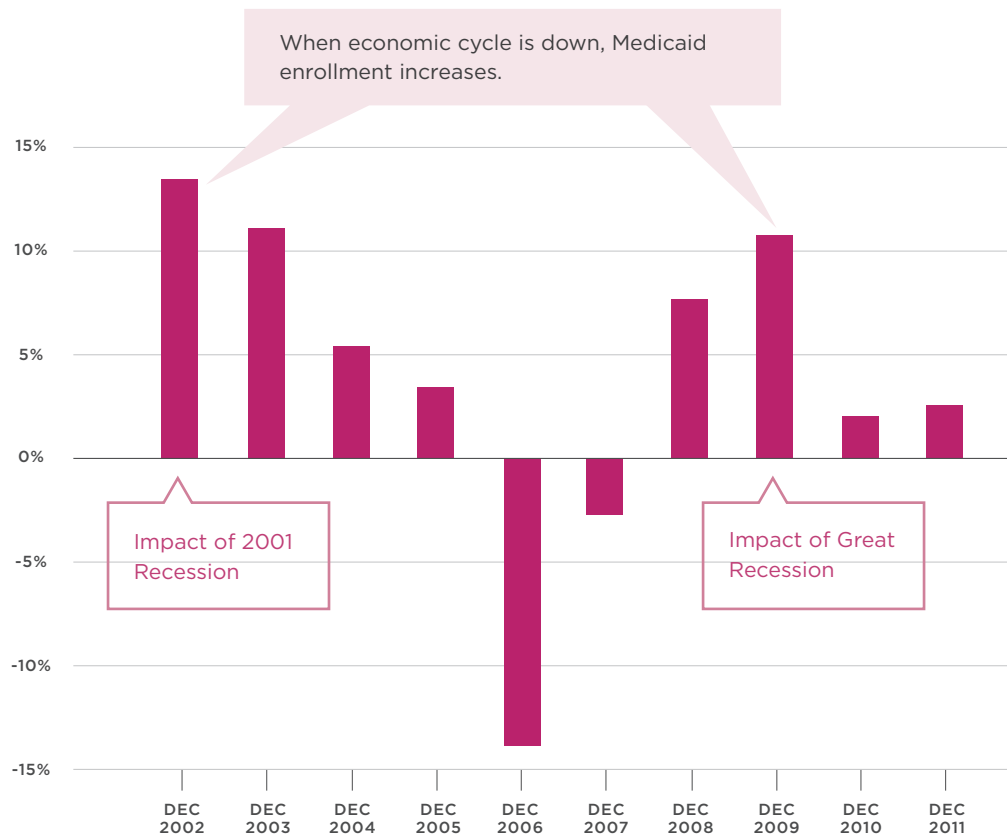
Only seven states make it harder  
for parents to get Medicaid

- ✓ Georgia's Medicaid program has very limited eligibility criteria, making it difficult for people to qualify for coverage.
- ✓ Only seven states offer stricter standards for parents of minor children. For working parents, maintaining eligibility is very difficult. Because the maximum allowable income is so low (\$7,600 annually for a family of three), working parents can end up losing their eligibility with just a little overtime or even a promotion that comes with slightly higher wages.

Sources: Kaiser Family Foundation State Health Facts

# Medicaid Protects Georgians During Economic Downturns

Percent Change in Medicaid Enrollment

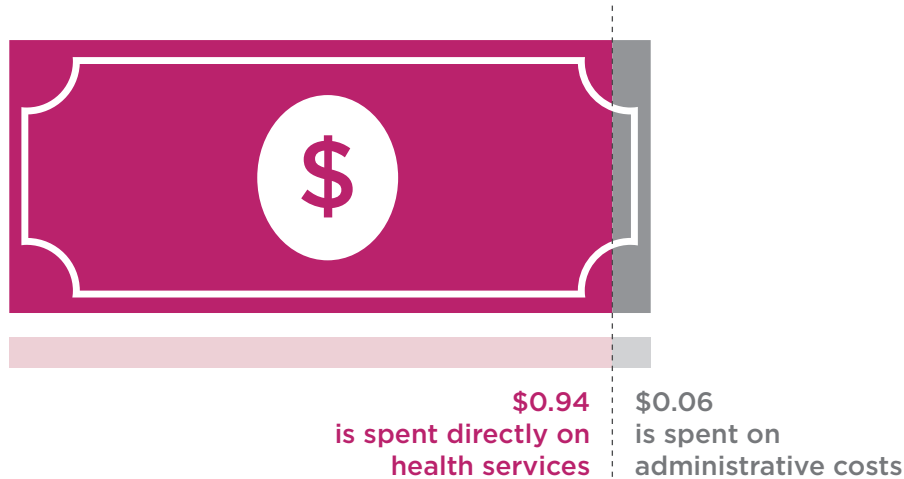


Source: GA Department of Community Health and U.S. Bureau of Labor Statistics

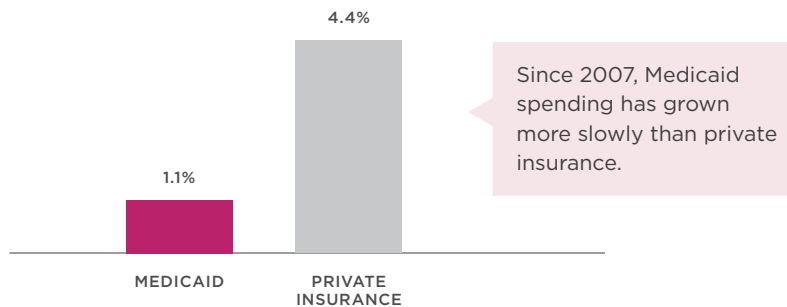
- ✓ Medicaid is a countercyclical program, meaning it grows to meet the need when the economy is bad and residents face job loss or economic hardship.
- ✓ On several occasions, leaders at the federal level increased federal Medicaid contributions to help states manage enrollment growth when states experience declining revenues.
- ✓ This countercyclical aspect proved critical for many Georgia families at the height of the Great Recession when the state's unemployment rate remained over 10 percent for more than two years and unemployment peaked at more than 500,000 people.
- ✓ Between the start of the recession in 2007 and the depth of its impact in 2010, 150,000 more low-income Georgians gained coverage through Medicaid. The majority of those enrollees were children.

# Medicaid Controls Costs

For every dollar spent on Medicaid:



## Medicaid's modest growth in per enrollee spending since 2007



Source: Center on Budget and Policy Priorities

- ✓ Not only does Medicaid provide access to critical health care services, it also does it less expensively than private insurers do.
- ✓ Ninety-four cents of every dollar spent on Medicaid goes directly to health services. Medicaid also spends less per enrollee than private insurers for both children and adults.
- ✓ Medicaid's costs increased at about one-fourth the rate of private insurance since 2007.



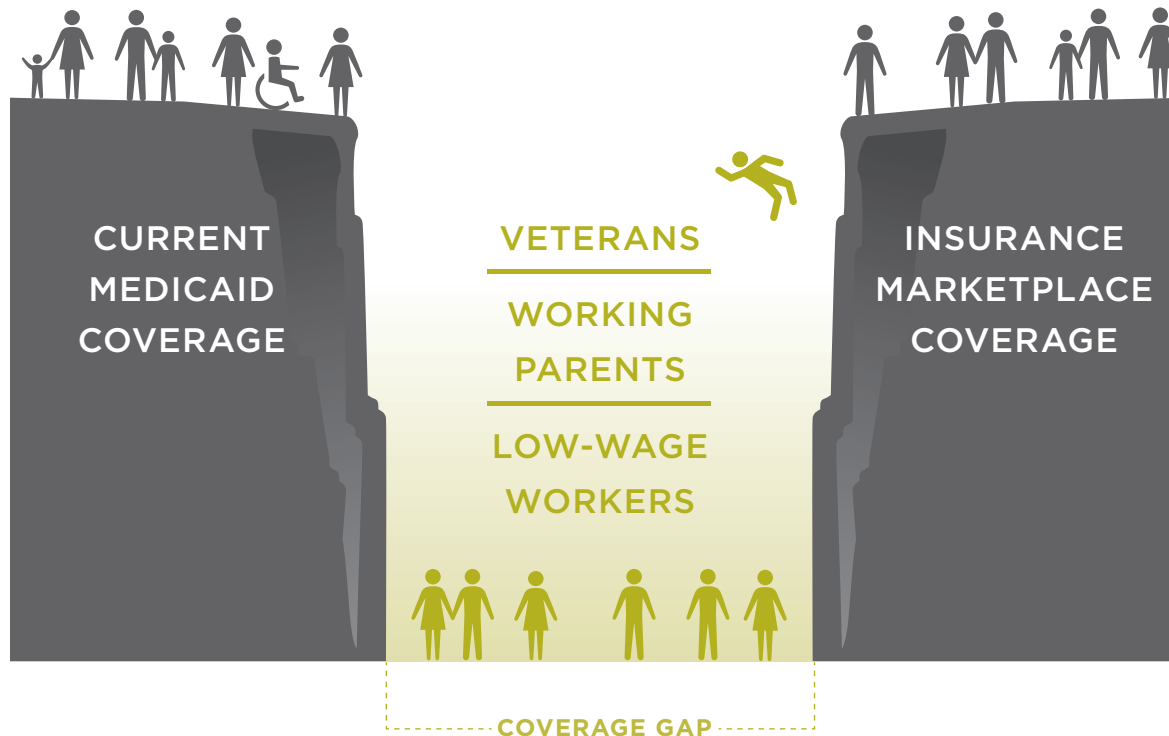
SECTION

2

# Georgia's Opportunity to Close the Coverage Gap

- Georgia's Health Insurance Coverage Gap
- Using Medicaid to Close the Coverage Gap
- Communities Across Georgia Stand to Benefit
- Workers in Key Sectors Could be Covered
- Demographics of Adults in the Coverage Gap
- Georgia's Veterans are in the Coverage Gap
- State Coverage Gains Show Promise

# Georgia's Health Insurance Coverage Gap



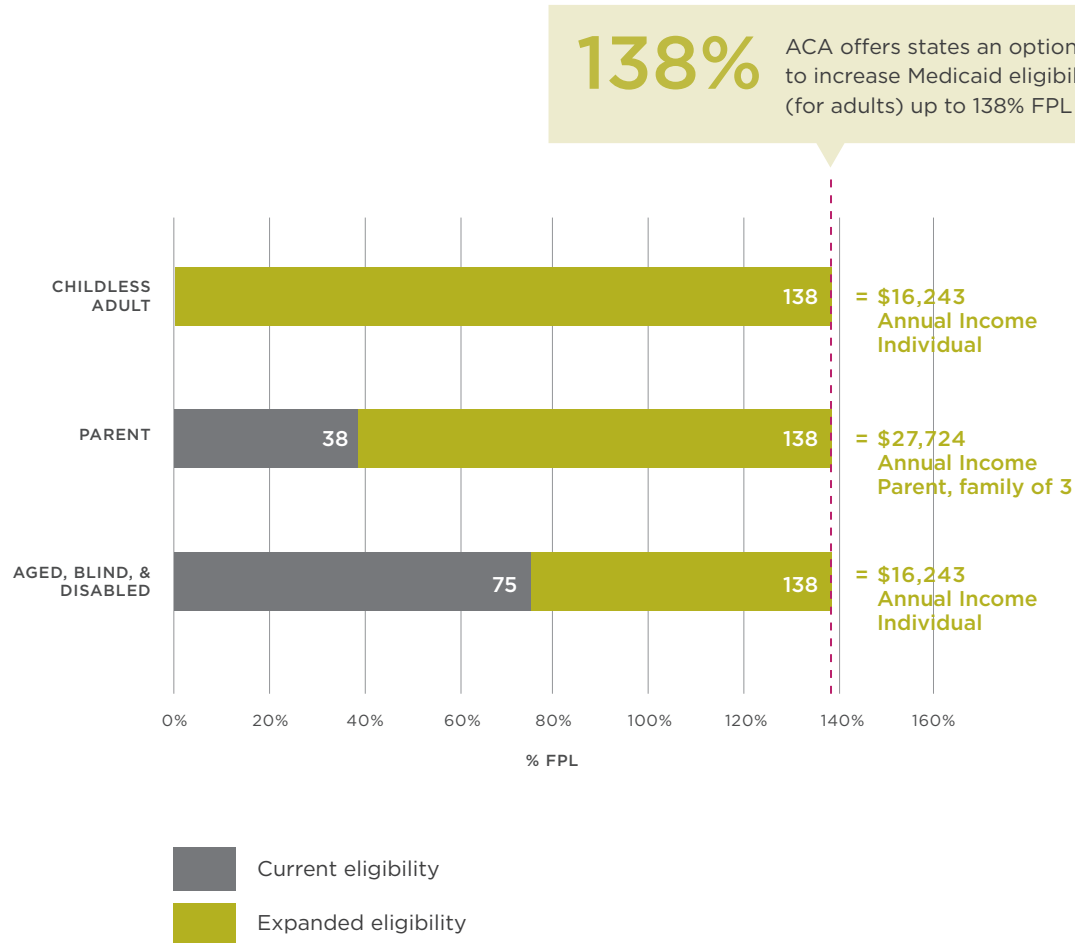
**300,000**  
uninsured Georgians

are now in the coverage gap, where they are ineligible to enroll in Medicaid and do not earn enough to get tax credits on healthcare.gov.

- ✓ Parents are only eligible for Medicaid if they earn less than 38 percent of Federal Poverty Level. For a single parent with one child, this means the parent loses eligibility if they make more than about \$6,000 annually. They do not become eligible for subsidies to purchase private insurance until they make above \$15,930. This leaves a large insurance coverage gap for low-income adults trying to access affordable health insurance.
- ✓ A single adult or couple without dependent children are not eligible for Medicaid at all. They remain in the coverage gap unless they make more than \$11,770 or \$15,930 respectively.
- ✓ Many people in the coverage gap work low-wage jobs where they are not offered health benefits. A person making minimum wage would have to work more than 30 hours per week all year to earn enough income to qualify for subsidies through the federal health insurance marketplace.

# Using Medicaid to Close the Coverage Gap

## Current & Expanded Eligibility

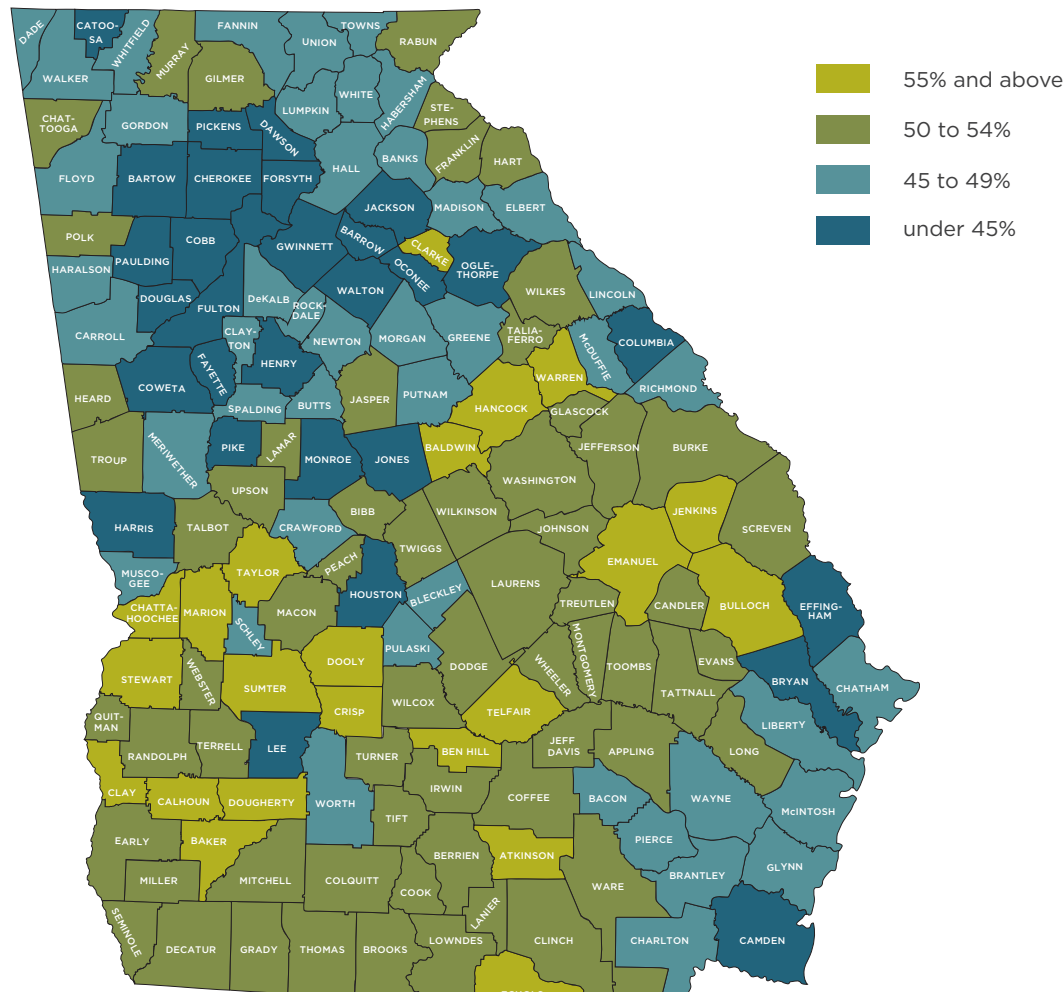


Source: Georgia Department of Community Health, 2015 Financial Limits

- ✓ The Affordable Care Act (ACA) offers states an option to increase Medicaid eligibility for adults up to 138% FPL. This is equal to an annual income of \$16,200 for an individual and \$ 27,700 for a family of three in 2015.
- ✓ This expanded eligibility would primarily help parents and other working adults who are not offered coverage through their jobs and cannot afford other coverage.

# Communities Across Georgia Stand to Benefit

## Percent of uninsured adults who could get Medicaid



- ✓ Approximately 500,000 Georgians could enroll in quality, affordable health insurance if Georgia closes its coverage gap.
- ✓ This would drastically reduce the number of uninsured amongst low-income individuals in the state.

Source: GBPI analysis of U.S. Census Bureau data. Specific county-by-county figures available upon request

# Workers in Key Sectors Could be Covered

## Adult Citizens in Georgia with Family Income at or Below 138% of Poverty

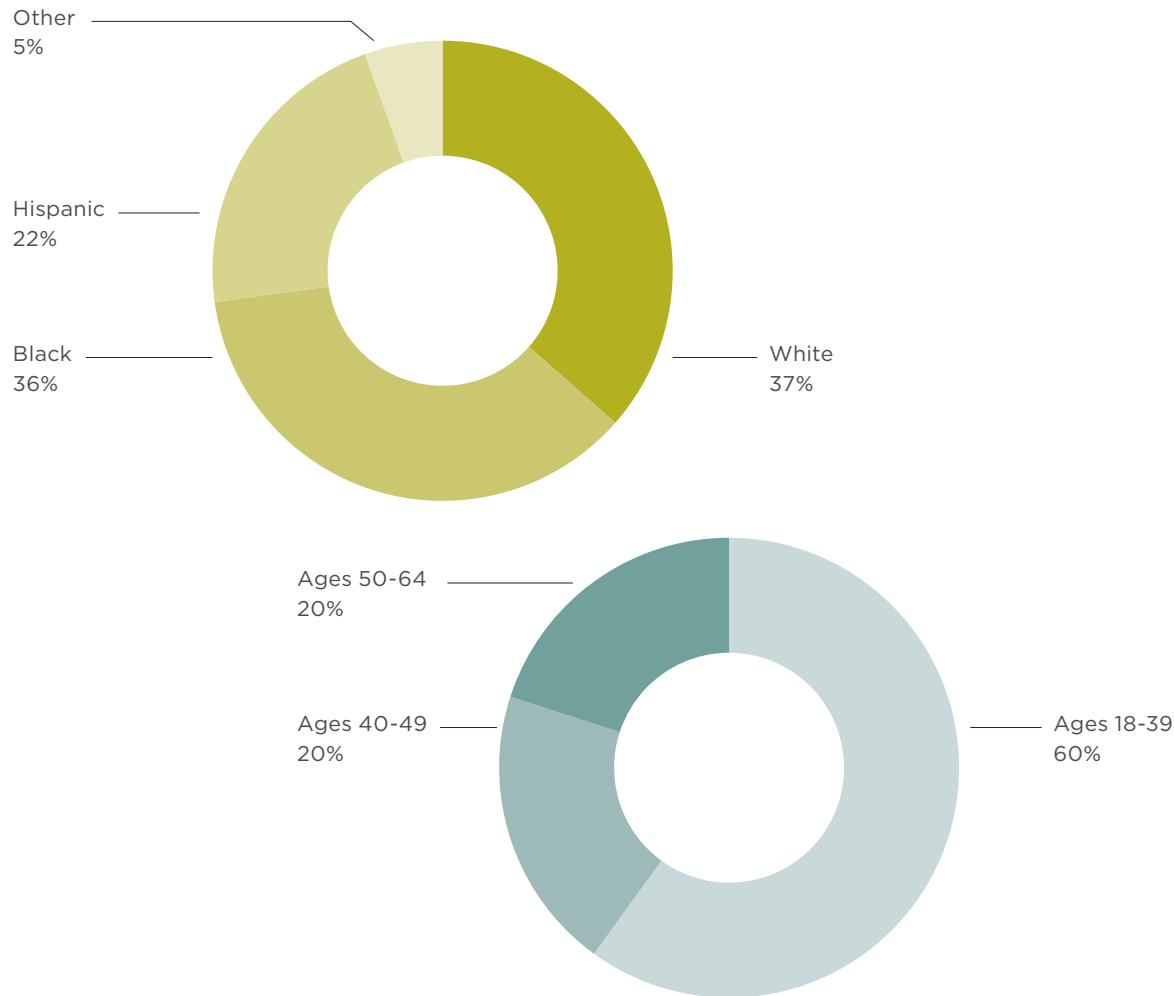


Sources: U.S. Census data compiled by Center on Budget & Policy Priorities

- ✓ The majority of people who could be newly covered are working. Many of these workers are in some of Georgia's most important economic sectors, such as construction, transportation, education, and retail.
- ✓ Lower-wage workers are less likely to have access to affordable health coverage through their jobs than workers at higher wage jobs. Closing the coverage gap will increase health coverage for hundreds of thousands of workers without job-based coverage and is a smart investment in the hard-working people who enable Georgia to prosper.

# Demographics of Adults in the Coverage Gap

## Uninsured Georgia Adults below 138% FPL



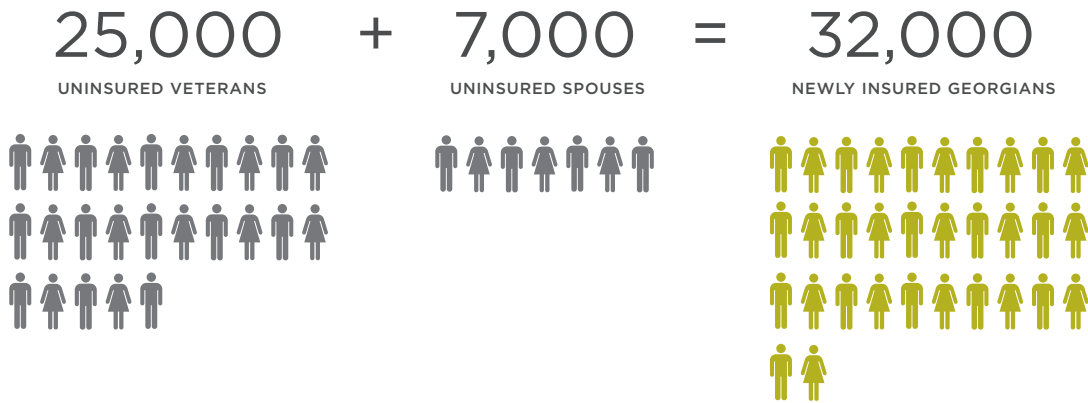
Source: GBPI analysis of U.S. Census Bureau data. (pie chart)

- ✓ Across the state, 23 percent of all adults ages 18-64 went without health insurance in 2013. For adults in families earning less than 138 percent of the poverty level (about \$27,700 for a family of three), the uninsured rate was nearly twice the statewide average (45 percent), while adults with income greater than four-times the poverty level went without health insurance less than nine percent of the time.
- ✓ Georgians of all racial and ethnic backgrounds would benefit from the enhanced coverage opportunities that would come if Georgia closes its coverage gap. However, racial and ethnic minorities in Georgia currently face higher poverty rates than their white counterparts, and as a result, face disproportionately high uninsured rates.
- ✓ Younger Georgians make up the majority of uninsured adults. They tend to have lower incomes than older Georgians, making it less likely that they will be eligible for health insurance subsidies.

Source: Center on Budget and Policy Priorities analysis of U.S. Census Bureau Data

# Georgia's Veterans are in the Coverage Gap

Increasing Medicaid coverage could extend health insurance to nearly half of Georgia's uninsured veterans



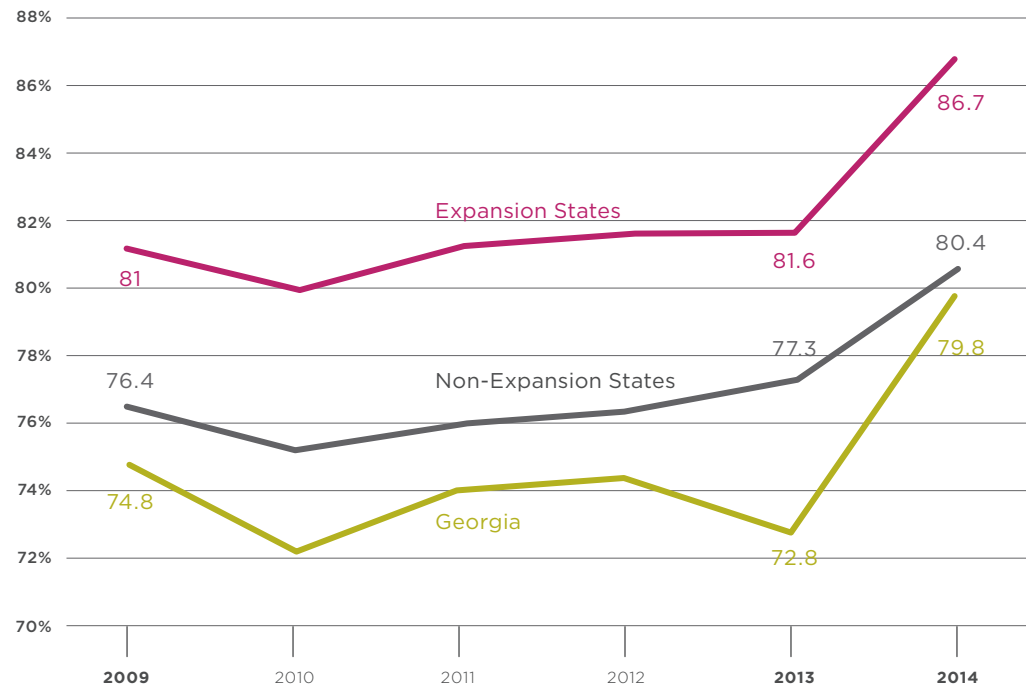
- ✔ Many veterans without job-based health coverage face some of the same barriers to health care as other uninsured Americans. Not all veterans are eligible for health benefits through the Department of Veteran Affairs (VA).
- ✔ Geographic and other barriers may also prevent some people with VA health benefits from accessing needed medical services if they don't have additional insurance.
- ✔ Younger veterans are more likely to be uninsured than their older counterparts and are more likely to only have VA health benefits, leaving them partially uncovered.
- ✔ Veterans without insurance are more likely than insured veterans to delay care due to cost. They are also more likely to report unmet health or dental needs.

Source: *Uninsured Veterans and Family Members: State and National Estimates of Expanded Medicaid Eligibility Under the ACA*. The Urban Institute, March 2013.

# State Coverage Gains Show Promise

States that have closed their coverage gaps are leading national coverage gains.

## Percent Insured, 2009 to 2014



Source: National Health Interview Survey, 2009-2014 data. National Center for Health Statistics, U.S. Centers for Disease Control and Prevention

- States that have closed their coverage gaps have seen greater gains in the the number of adults with health insurance coverage than states that did not close their coverage gaps.
- Nine of the 10 states with the highest uninsured rates in 2014, including Georgia, were states that had not yet closed their coverage gaps.



SECTION

3

# The Economic & Social Benefits of Closing the Coverage Gap

- Closing the Coverage Gap is a Good Deal for Georgia
- Closing the Gap is Good for Georgia's Economy
- States are Saving Money by Closing the Gap
- Georgia Can't Afford to Wait
- Medicaid Brings Trustworthy Funding
- Health Insurance Matters
- Medicaid is Access
- Georgia's in the Driver's Seat

# Closing the Coverage Gap is a Good Deal for Georgia

New revenues collected from existing funding sources would exceed the costs to close Georgia's coverage gap.

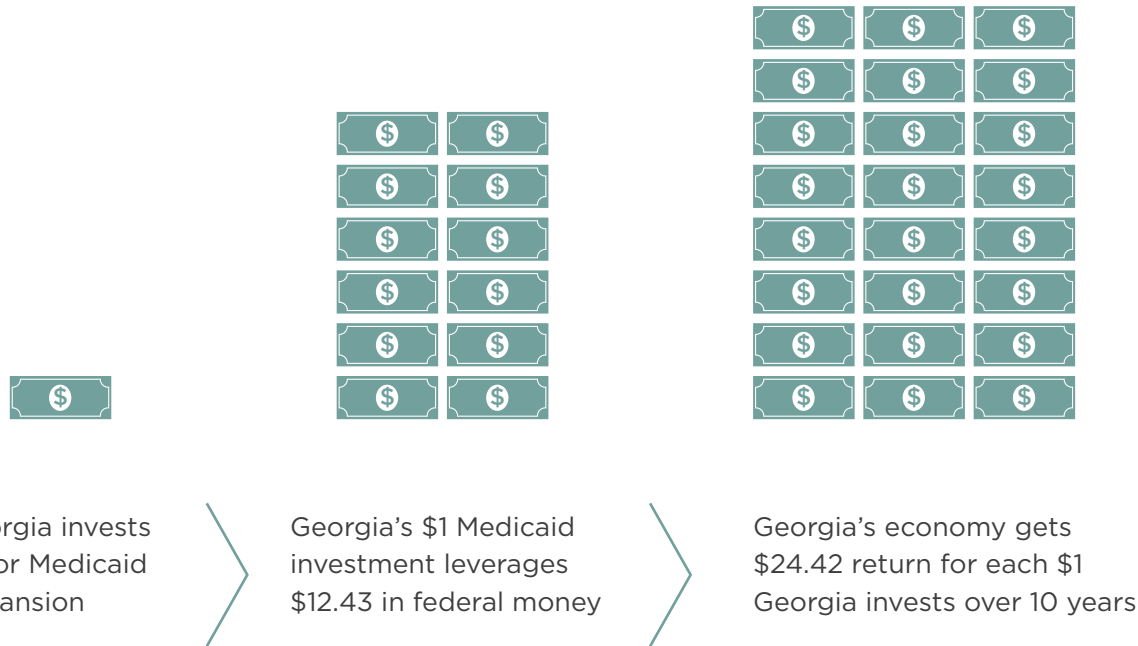
## Georgia's Medicaid Expansion Ledger (2016-2019 Total)



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

# Closing the Gap is Good for Georgia's Economy

The federal government will cover the vast majority of the costs of closing the coverage gap



- ✔ Despite giving up two-years worth of full federal funding — likely about \$6 billion that could have bolstered Georgia's health care system — substantial economic benefits will accrue if Georgia closes its coverage gap.
- ✔ Over the next eight years, each \$1 invested by the state would generate more than \$12 in new federal funding to the state's health care system and would generate a \$24 return for Georgia's economy as a whole.
- ✔ This new economic activity would be projected to create more than 56,000 jobs statewide.

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.

# States are Saving Money by Closing the Gap

According to a Robert Wood Johnson Foundation report, every expansion state should expect to:

- Reduce state spending on programs for the uninsured
- See savings related to previously eligible Medicaid beneficiaries now eligible for the new adult group under expansion
- See revenue gains related to existing insurer or provider taxes

*Source: Robert Wood Johnson Foundation – State Health Reform Assistance Network*



## KENTUCKY

59.7 percent decrease in uncompensated care charges in 2014, a decrease from \$1.9 billion to \$766 million.

\$16.4 million in savings in the first year and half by transitioning “spend down” Medicaid enrollees to the new adult group.

\$108.9 million projected in total savings and revenue increases in the first year and a half.



## ARKANSAS

56.4 percent reduction in uncompensated care in the first six months.

\$17.2 million in state general fund savings in 2015 from decreased uncompensated care.

\$6.4 million in reduced spending on community health centers without reduced services due to previously uninsured patients now utilizing Medicaid insurance.



## MICHIGAN

85 percent decrease in uncompensated care costs in a group of Detroit-area hospitals.

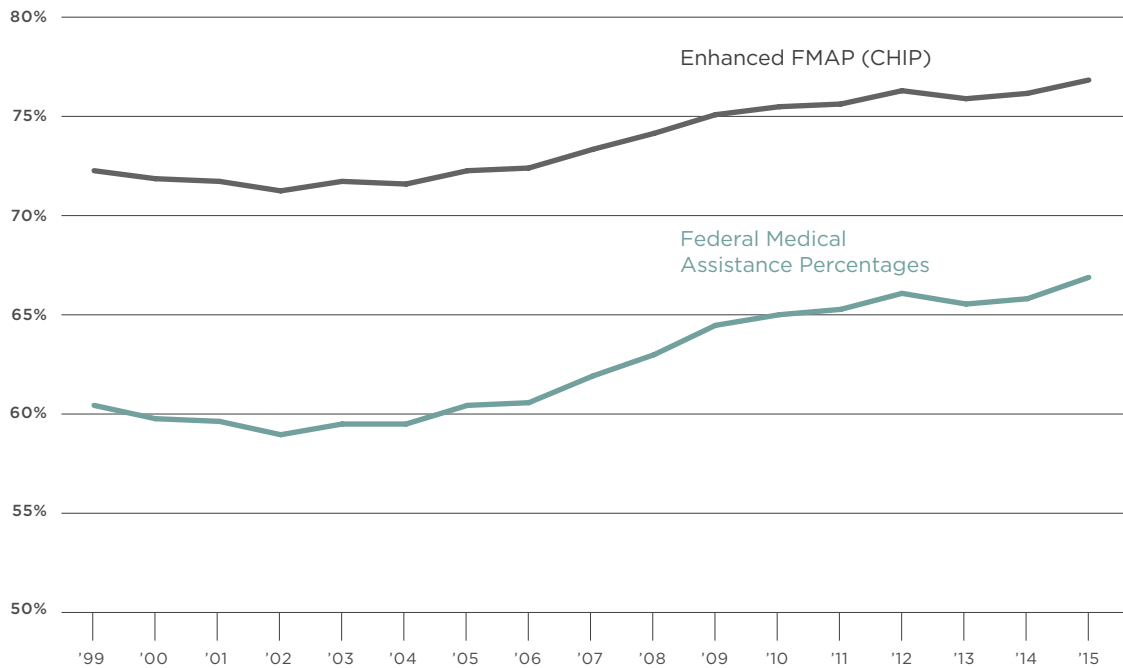
\$190 million in projected savings for state fiscal year 2015 by using federal funds to cover a previously state funded program for mental/behavioral health.

\$203.7 million in savings and new revenue in the first six months.

# Medicaid Brings Trustworthy Funding

The federal match rate for Georgia has remained consistent since the program began in the 1960s.

## Federal Medical Assistance Percentage – Medicaid and Children’s Health Insurance Program



Source: U.S. Department of Health and Human Services

- ✔ Federal Medicaid funding has long been a stable revenue source for Georgia’s health care system. Federal funds currently provide for more than two-thirds of the costs to cover more than 1.9 million children, persons with disabilities, pregnant women, and others.
- ✔ During times of severe economic downturn, such as during the Great Recession and in the aftermath of 9/11, additional federal help has come to states to enable them to manage greater Medicaid enrollment even while state revenues decline.

# Health Insurance Matters

The debate over closing Georgia's coverage gap often focuses on the impact on the state budget.

This ignores an equally important consideration: *the value of health insurance.*

Several recent studies demonstrate the value of health insurance to individuals and the health system.

Sources: New England Journal of Medicine, Commonwealth Fund, National Bureau of Economic Research, Association of County Commissioners of Georgia



## HEALTH INSURANCE IMPROVES FINANCIAL HEALTH

1

People with health insurance are 80 percent less likely to have catastrophic medical bills.

2

People who have health insurance are 50 percent less likely to borrow money or fail to pay other bills because of medical debt.

3

51 percent of people without health insurance have medical bill problems or medical debt as compared to 29 percent of people with health insurance.

1, 2. Results compare people who gained coverage in Oregon versus those who are eligible but uninsured  
3. Results from Commonwealth Fund Biennial Health Insurance Survey



## HEALTH INSURANCE IMPROVES PHYSICAL HEALTH

1

People received more preventive care, like cholesterol screenings, pap smears, and mammograms when insured.

2

People reported higher rates of "excellent" or "very good" health

3

Expansion of Medicaid reduced mortality by six percent

1. Results compare people who gained coverage in Oregon versus those who are eligible but uninsured  
2, 3. Study compared mortality and health outcomes in 3 states that expanded adult Medicaid eligibility with neighboring states without expansions



## COMMUNITIES AND THE HEALTH SYSTEM SAVE MONEY WITH HEALTH INSURANCE

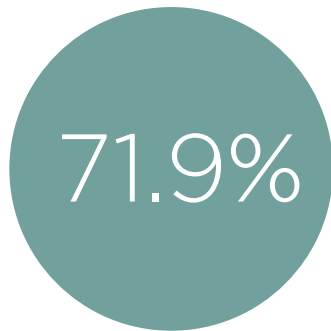
1

Each additional uninsured person costs their local hospital \$900 per year in uncompensated care costs.

2

Local taxes often go to support hospital uncompensated care costs. In 2012, 43 of the 109 Georgia counties with a hospital provided funding to their local hospital.

# Medicaid is Access



Physicians accepting  
new Medicaid patients  
in Georgia  
(higher than the national average)

PERCENT OF PEOPLE WITH USUAL SOURCE OF CARE  
*a place they can go when they get sick or  
need advice about their health*

Uninsured	39.8%
Medicaid	88.1%
Employer-sponsored insurance	89.8%

- ✔ Multiple studies have demonstrated that those insured by Medicaid have comparable access to care as those with employer-sponsored insurance.
- ✔ About 72 percent of Georgia's doctors are accepting new Medicaid patients. That is higher than the national average of 68.9 percent.
- ✔ Comparatively, about 81.7 percent of physicians are taking new privately insured patients and 80 percent are taking new Medicare patients.

Source: National Electronic Health Records Survey, 2013 data. National Center for Health Statistics, U.S. Centers for Disease Control and Prevention.

# Georgia Can't Afford to Wait

## PEOPLE & COMMUNITIES

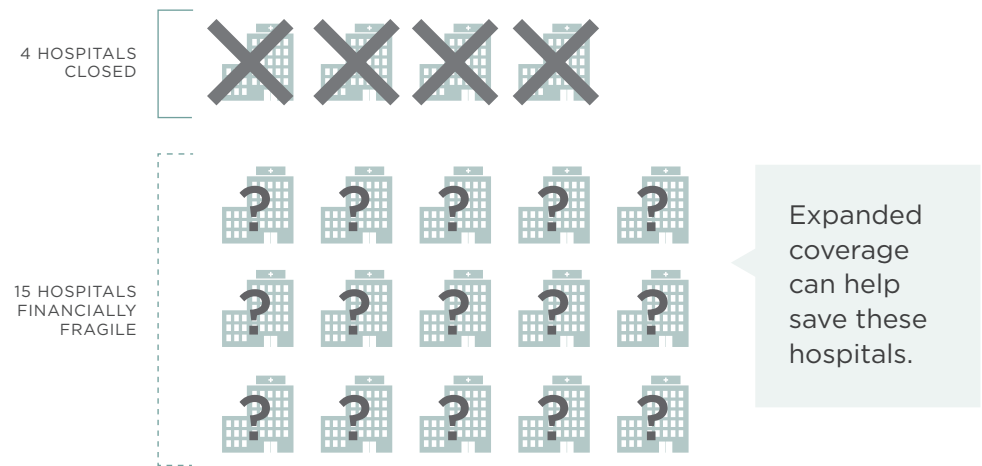


Stacy Soulimiotis had a successful career, but several years ago she decided she wanted to go back to school to get her masters degree. While she was in school, Stacy's mother fell ill and needed Stacy to care for her. Stacy is stuck in the coverage gap.

"I am grateful and honored to have been a full-time caregiver for my mother, but I had to put my life on hold to do so. Working was out of the question, and finishing my master's degree was not possible. I also did not expect to be stricken with so much grief after her passing. I am trying to get back on my feet, but I feel as though I was being punished for deciding to dedicate myself to caring for someone else instead of myself."

— Stacy Soulimiotis

## HOSPITALS & COMMUNITIES



Four of Georgia's rural hospitals have closed in the last several years. Fifteen more are financially fragile according to the 2015 final report from Georgia's own Rural Hospital Stabilization Committee. Increasing health coverage would provide Georgia's hospitals with an increase source of revenue and a lower burden of uncompensated care. Closing Georgia's coverage gap could keep hospital doors open in rural communities.



# Georgia is in the Driver's Seat!

## GEORGIA'S PATH TO COVERAGE



**Georgia can map a route to close the coverage gap in a way that works best for our state.** Medicaid provides significant flexibility to states in the design of each state's program. Georgia can create a program that works best for its budget, its health care system, and Georgians.

**Georgia can hit the brakes at any time.** If the federal government ever fails to pay its share of the costs, Georgia can discontinue the expansion at no cost.

## For more information, contact:

---



### **Cindy Zeldin**

*Executive Director*

[czeldin@healthyfuturega.org](mailto:czeldin@healthyfuturega.org)  
404-567-5016 ext. 1

### **Laura Colbert**

*Community Outreach Manager*

[lcolbert@healthyfuturega.org](mailto:lcolbert@healthyfuturega.org)  
404-567-5016 ext. 2

Georgians for a Healthy Future provides a strong voice for Georgia consumers and communities on the health care issues and decisions that impact their lives. Our vision is of a day in which all Georgians have access to the quality, affordable health care they need to live healthy lives and contribute to the health of their communities. Georgians for a Healthy Future has a history of providing substantive health policy information to legislators, community leaders, and advocates throughout the state, equipping consumers with the tools they need to be informed consumers and advocates, and engaging with policymakers to spark policy change for a healthier Georgia.



### **Tim Sweeney**

*Deputy Director—Policy*

[tsweeney@gbpi.org](mailto:tsweeney@gbpi.org)  
404.420.1324 ext. 103

The Georgia Budget & Policy Institute (GBPI) conducts research, data and fiscal analysis and offers a host of policy solutions to show Georgia ways to improve education, health care and economic opportunity for all. We couple our research with robust communications and outreach strategies to educate lawmakers, the media and advocacy partners around the state to inform and influence the public debate and responsible decision-making. GBPI is committed to building an economy that works for all Georgians. GBPI is an independent, nonpartisan nonprofit source for policy analysis to elected and appointed officials throughout the state.

# Appendix

References for all slides and data available online

## FEDERAL POVERTY LINE BY FAMILY SIZE

Family Size	100% Federal Poverty Line Annual Income	138% Federal Poverty Line Annual Income
1	\$11,770	\$16,242
2	\$15,930	\$21,983
3	\$20,090	\$27,724
4	\$24,250	\$33,465
5	\$28,410	\$39,205
6	\$32,570	\$44,946

## ANNUAL INCOMES OF PEOPLE IN THE COVERAGE GAP

Family size	Annual Incomes of People in the Coverage Gap
<b>Adults without dependent children</b>	
1 person	\$0 to \$11,770
2 people (married couple)	\$0 to \$15,930
<b>Parents of dependent children</b>	
2 people (parent & child)	\$5484 to \$15,930
3 people	\$6612 to \$20,090
4 people	\$7836 to \$24,250
5 people	\$8956 to \$28,410