

# Georgia Can't Wait

## How Medicaid expansion can help Georgia weather the Coronavirus crisis, the economic recession, and build towards a more equitable Georgia



Adapted from [Fast Facts for Medicaid Expansion](#) by Georgia Budget & Policy Institute

- Expanding Medicaid is an urgent need – it is one of the best tools our state has and can use right now to protect people during the COVID-19 crisis.
- One thing Gov. Kemp and the state legislature can do right now to protect families is to expand the Medicaid health insurance program so that more people have health coverage and can get care if they become sick without worrying about large medical bills afterward. Most states have already taken this step – it is time for Governor Kemp and our state legislature to do the right thing and expand Medicaid.
- The COVID-19 pandemic is disproportionately affecting Black Georgians, who are more likely to contract and pass away from the virus and work in jobs facing layoffs and furloughs. COVID-19 will likely push communities of color deeper into poverty, and exacerbate racial disparities in Georgia. Expanding Medicaid right now is one of the best ways to level the playing field and give every Georgian a fair shot at getting through the Coronavirus crisis healthy and whole.
- Immediate Medicaid expansion would save lives, provide desperately needed coverage to Georgia's most vulnerable, accelerate economic recovery and stabilize rural health systems.

### Key statistics:

- In total, over **560,000 Georgians** would be able to see a health provider and not worry about facing medical debt if Georgia expanded Medicaid.
  - 408,000 low-income Georgians<sup>1</sup> do not qualify for Medicaid in Georgia and make too little to get financial help to buy private insurance at [healthcare.gov](#). These Georgians have incomes below the poverty line (less than \$12,769 a year for an individual or \$21,720 a year for a family of

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<sup>1</sup> Georgia Department of Community Health, July 8, 2019. [Georgia Environmental Scan Report](#), Page17. "Count of Uninsured by Age & Poverty Status"

three) and fall into the coverage gap with no affordable health insurance options.

- Another 158,000 uninsured Georgians make slightly above the poverty line (between 100 and 138 percent of poverty).<sup>2</sup> Most will qualify for premium subsidies on [healthcare.gov](https://www.healthcare.gov), but they may not be able to use the coverage because of high deductibles or copayments. Medicaid does not have deductibles and has small copayments based on income.
- [1.4 million Georgians](#) do not have health insurance, and [Georgia's uninsured rate of 13.7 percent](#) is third highest in the country. In rural Georgia, the uninsured rate could [climb to more than 25 percent by 2026](#).
- Closing the coverage gap can significantly [strengthen mental health and addiction treatment and services in Georgia](#). About [25 percent](#) of uninsured Georgians who would qualify for Medicaid expansion coverage suffer from mental illness or substance abuse.

## Expanding Medicaid during COVID-19 helps Georgia weather the storm

- Expanding Medicaid in Georgia right now can help those who are putting their health on the line every day during the Coronavirus crisis. Those who work in grocery stores and pharmacies, home health workers in nursing homes, front office staff at hospitals and health clinics – these are often the workers who are uninsured and could be covered if our state expanded Medicaid. It is not right that the same individuals who are risking their health by staying on the job may be the ones to suffer the most.
- Experts agree that the U.S. is now in an economic recession because of the coronavirus. It is in tough economic times like these – when people lose jobs and need help – that Medicaid is there to make sure their health needs are met. Governor Kemp should expand Medicaid right now so that workers who lose jobs can still get affordable health coverage
  - As of April 16, 2020, 940,000 Georgians have filed for unemployment benefits this year, and some of them are losing health insurance they received through their job. Depending on what the state's new rate of unemployment is between 10 percent and 25 percent, the number of uninsured Georgians [could increase by 101,000 to 524,000](#).
- The heroes of the Coronavirus pandemic are our doctors, nurses, and staff at hospitals and health clinics who put their health on the line every day for all of us. These same health providers overwhelmingly support Medicaid expansion so that more people in Georgia can get care if they become sick, and our hospitals and health clinics can remain financially strong so they can meet the challenges of this crisis and its aftermath.
- Uninsured adults may face higher risk of exposure to COVID-19 because of the types of jobs they are more likely to hold. The [occupations with the highest](#)

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<sup>2</sup> See footnote 1

[number of uninsured workers](#) include cashiers, restaurant servers and cooks and retail sales, which require more contact with the public and do not allow for working at home. Expanding coverage will ensure more of these workers can afford testing and any necessary treatments.

- Rural communities and communities of color were hardest hit by the Georgia's existing health crisis. Without new solutions, this holds true for the COVID-19 public health crisis. The areas with the [highest rates of confirmed COVID-19 cases per 100,000 people](#) are mostly rural Southwest Georgia counties with large Black populations.
- As Georgia leaders refuse to close the coverage gap, the federal government simply keeps our tax dollars. Each year we wait, our state misses out on \$3 billion in federal dollars meant to pay for Georgians' health coverage. That is more than \$8 million each day. Georgia has already missed out on \$21 billion in federal health care dollars. Georgia cannot afford to keep waiting.
- The [Families First Coronavirus Response Act](#) gives states the option to provide free COVID-19 testing for the uninsured through Medicaid but does not cover treatment for the virus. The [CARES Act](#) set aside a [\\$100 billion fund](#) that hospitals can apply for to be reimbursed for treating uninsured COVID-19 patients or for other needs like equipment and staffing capacity. Georgia can support its hospitals by expanding coverage so they have the assurance they will get paid for services and can use most of the money they receive from the federal fund towards critical personal protective equipment and ventilators.

## Georgians need health coverage to stay healthy

- Georgians who could gain coverage under Medicaid expansion earn below 138 percent of the [federal poverty level](#), or about \$17,600 for an individual, \$23,790 for a family of two and \$29,970 for a family of three.
- Sixty percent of people who would be covered by Medicaid expansion are working but often not offered health benefits through their job or do not get paid enough to afford their employer plan. Only [41 percent of Georgia employers](#) offer employer-sponsored health insurance.
- Closing Georgia's coverage gap would [extend health insurance to over 155,000 uninsured women](#). Georgia ranks among the bottom five states for women's health insurance coverage.
- Closing the coverage gap could extend health insurance to nearly half of Georgia's uninsured veterans, expanding coverage to 32,000 uninsured veterans and military spouses in our state.
- Closing the coverage gap would help address [racial disparities](#) in health care access and outcomes. About 36 percent of Georgians in the coverage gap are Black, and 22 percent are Latinx.

## **Closing coverage gap yields economic benefits for Georgia and helps accelerate economic recovery**

- For every dollar the state spends on closing the coverage gap, Georgia receives up to \$9 in federal funding.
- Closing the coverage gap could create [56,000 jobs in Georgia](#) each year and boost the state's economic output by [\\$6.5 billion annually](#).
- Closing the coverage gap could create 12,000 jobs and \$1.3 billion in new economic activity in Georgia's rural communities each year.
- Georgians are already paying federal taxes toward closing our coverage gap, but state leaders have refused billions in federal health care dollars meant to pay for Georgians' health coverage and stabilize struggling rural hospitals.

## **Stabilize struggling rural hospitals by closing the coverage gap**

- Seven rural hospitals have shuttered since 2013 across the state, and more than half of Georgia's remaining rural hospitals [are financially vulnerable to closure](#). At least [118 counties](#) in Georgia are considered rural because they have a population below 50,000.
- Many Georgia hospitals are struggling because they treat so many patients who lack health insurance and cannot afford high out-of-pocket costs. Closing the coverage gap opens up an important revenue stream to ensure rural communities have access to health care.
- Taxpayers end up paying a share of the cost for uninsured people who show up in emergency rooms. Closing the coverage gap would allow people to go to their doctor instead of the emergency room when they get sick.
- Other states see [significant reductions in uncompensated care after closing their coverage gaps](#): Arkansas experienced a 56.4 percent decrease; Kentucky saw a 59.7 percent decrease.

## **Strengthen mental health, substance use treatment by expanding health coverage**

- Closing the coverage gap can significantly [strengthen behavioral health treatment and services in Georgia](#). About [25 percent](#) of uninsured Georgians who would qualify for Medicaid expansion coverage suffer from mental illness or substance abuse.
- States that closed their coverage gap [expanded treatment services to more people with mental illness or substance use disorders](#). Kentucky saw a [700 percent](#) increase in Medicaid beneficiaries using substance use treatment services after the state expanded eligibility in 2014.
- Addiction is a disease and most people need treatment to get better. Good treatment works but many people don't have the opportunity to get that treatment. We can support our friends, family and loved ones in the coverage

gap by making sure they have access to Medicaid coverage and the addiction services they need.

- Access to Medicaid is particularly important for communities of color who, due to many barriers including socioeconomic factors, are less likely to have access to coverage, or complete treatment for substance use disorders than any other group.
- Opioid specific funding helps only the portion of individuals with opioid use disorders and leaves out the large numbers of people addicted to alcohol or other drugs. Providing Medicaid coverage improves access to treatment for people with all types of substance use disorders.

## Georgia can afford to close the coverage gap

- Georgia [can afford to close the coverage gap](#), but state leaders have so far chosen to spend tax dollars in other ways, like \$309 million for insurance company tax breaks. State leaders could also increase Georgia's extremely low tobacco tax to the national average to raise hundreds of millions of dollars a year. [Three in four Georgians support raising the tobacco tax by \\$1, according to a recent poll.](#)
- Closing the coverage gap would extend health coverage to almost half a million Georgians, support struggling hospitals, create 56,000 jobs and bring in \$3 billion from the federal government. [The annual net cost to Georgia would be \\$143 million in 2020.](#)

## Georgia can expand Medicaid in a few different ways

- The Georgia Department of Community Health, the state Medicaid agency, can submit a state plan amendment to the federal government. The federal government has 90 days to approve it. Most expansion states took this path, referred to as a "traditional" Medicaid expansion.
- The Georgia Medicaid agency can submit a request to the federal government to waive certain parts of the Medicaid program. This plan, called an 1115 Medicaid waiver, can include increasing the Medicaid income eligibility to 138 percent of poverty (as intended by the Affordable Care Act). So far, [seven states](#) expanded Medicaid using waivers. For more about the differences between traditional Medicaid expansion and Medicaid 1115 waivers, see this [fact sheet](#).
- In December of 2019, Georgia submitted an [1115 waiver](#) that partially expanded Medicaid eligibility up to 100 percent of the poverty line. The plan has not yet been approved by federal officials, but it includes illegal work reporting requirements and is expected to only receive a 67 percent federal match instead of the full expansion's 90 percent match. You can read more about Gov. Kemp's Medicaid waiver plan [here](#) and [here](#).

- [Senate Bill \(SB\) 106](#), signed in March of 2019, restricted the Department of Community Health from extending coverage past the poverty line. State leaders should consider the following options to remove this restriction so more Georgians can receive Medicaid coverage:
  1. Georgia lawmakers can amend [SB 106](#) to allow expansion up to 138 percent of poverty and/or add language to the budget allowing the department to pursue a full expansion.
  2. Governor Kemp should consider if his [emergency powers](#) would allow him to authorize a full Medicaid expansion by suspending the restrictions from SB 106 to prevent delay in pursuing expanded coverage. The governor's [public health emergency powers allow](#) him to “suspend any regulatory statute prescribing the procedures for conduct of state business, or the orders, rules, or regulations of any state agency, if strict compliance with any statute, order, rule, or regulation would in any way prevent, hinder, or delay necessary action in coping with the emergency.”
  3. Georgia’s Department of Community Health should consider ways to expand coverage through emergency 1115(a) Medicaid waivers and resubmitting the state’s current waiver to remove work reporting requirements and other provisions that impose barriers to coverage and care.