PROTECT OUR CARE

Closing the Coverage Gap in Georgia: Medicaid Expansion

Introduction

Eleven years ago, the Affordable Care Act (ACA) opened the doors for states to expand Medicaid, and the results are piling in: Medicaid expansion works. In addition to covering 15 million people, expansion has resulted in healthier people, communities, and economies. Despite the overwhelming benefits of Medicaid expansion, Georgia continues to reject the program, locking 275,000 Georgians out of affordable coverage options, and leaving a total of more than 600,000 from gaining Medicaid coverage.

Republican leaders like Governor Brian Kemp have spent years undermining the ACA and its expansion of Medicaid at every turn. Governor Kemp and his Republican allies in the legislature continue to insist on pursuing an extremely limited expansion instead of accepting federal funding to provide coverage to hundreds of thousands more Georgians. By rejecting expansion, Georgia is putting rural communities, people of color, and other vulnerable groups at high risk during the pandemic and beyond.

At the same time, Medicaid expansion has become increasingly popular among voters. In 2020, the country saw voters in two deeply conservative states, Oklahoma and Missouri, approve expansion. 75 percent of Americans have a favorable view toward the Medicaid program, and 61 percent of Americans in non-expansion states favor expansion. The Urban Institute estimates that more than 6 million people could enroll in Medicaid coverage if the remaining states implemented expansion. This includes at least 2.4 million people of color, 500,000 people with disabilities, and almost a million older Americans who are currently uninsured.

Georgia has been hit hard by the coronavirus pandemic in large part due to Governor Kemp's mismanagement of the crisis; at the beginning of July 2021, Georgia had reported more than one million cases and over 20,000 deaths from the virus. As Georgians continue to suffer from the health and economic consequences of the pandemic, expanding access to health care has never been more urgent.

On March 11, President Biden signed the American Rescue Plan into law, historic legislation that includes the most significant health care expansion in a decade. In addition to providing affordable coverage options for millions of uninsured Americans through the ACA, the American Rescue Plan provides robust financial incentives for the 13 states, including Georgia, that have not yet implemented Medicaid expansion. Under the American Rescue Plan, even after paying for the cost of Medicaid expansion, Georgia would receive an additional $710 million in federal funding to help offset budget shortfalls as the state recovers from the pandemic.

Americans with low-incomes should not be forced to go without health coverage simply because they live in a state that has refused Medicaid expansion. Democrats in Congress, led by Senator Warnock, are now proposing another approach that would provide lifesaving care to those in the coverage gap by creating a federal solution to Medicaid expansion that would bypass those state governments who refuse to do the right thing.

What Could Georgia Gain From Medicaid Expansion?

Without Medicaid expansion, Georgia ranks 48th out of 50 states for coverage rates, with 13.4 percent of the population or 1.38 million people going without insurance in 2019. By refusing Medicaid expansion, Georgia has prevented an estimated 646,000 adults and children from gaining coverage. In order to qualify for Medicaid in Georgia, parents need to earn less than 35 percent of the federal poverty line, just $7,686 for a family of three each year. Adults who do not have children are not even eligible.

Study after study demonstrates that Medicaid expansion increases access to care, improves financial security, and leads to better health outcomes. The program has increased access to lifesaving cancer screenings, improved infant and maternal health, and increased access to substance abuse treatment — and the list goes on. A growing body of evidence shows that expanding Medicaid has saved lives. Medicaid expansion has played a vital role in reducing racial disparities in health care access and has served as a critical safety net as millions have lost jobs and their employer-based health insurance during the pandemic.

Medicaid expansion is especially important for reducing uncompensated care costs and protecting rural hospitals from financial peril. Rural Georgians experience higher prevalence of pre-existing conditions, lower coverage rates, and other barriers to accessing health care. Two rural Georgia hospitals closed in October of 2020 alone due in part to the financial impact of the pandemic. Without expansion, more than 4 in 10 of Georgia's rural hospitals remain at high risk of closing.

646,000 Georgians Could Gain Coverage If The State Expanded Medicaid. Pre-pandemic estimates from the Urban Institute found that 646,000 Georgians would enroll in Medicaid if the state adopted expansion. 58 percent who stand to gain coverage are people of color. Currently, a family of three cannot have an annual income exceeding $7,686, or 35 percent of the federal poverty line, in order to qualify for Medicaid. Adults without children, regardless of income, do not qualify at all.

Medicaid Expansion Would Create An Estimated 56,000 Jobs Annually. According to the Georgia Budget & Policy Institute, expanding Medicaid could create 56,000 jobs in Georgia each year, including 12,000 jobs in rural communities. Additionally, adopting expansion would increase the state's economic output by $6.5 billion annually.

Georgians Living In Rural Areas Are Experiencing Rising Uninsurance Rates. The Georgia Budget and Policy Institute estimates that without action, by 2026 the uninsurance rate in rural Georgia could exceed 25 percent. Not only would Medicaid expansion provide health coverage to more Georgians, it is also estimated to create $1.3 billion in rural economic activity.

Medicaid Expansion Helps Rural Hospitals Stay Open. Rural hospital closures are associated with a 6 percent increase in death rates in surrounding counties. Rural hospitals in Medicaid expansion states are 62 percent less likely to close. Eight rural hospitals in Georgia have closed since 2010, including two in October 2020 due in part to the financial strains caused by the pandemic. These hospitals include:

- *Northridge Medical Center (GA-09, closed in 2020)*
- *Southwest Georgia Regional Medical Center (GA-02, closed in 2020)*
- *North Georgia Medical Center (GA-09, closed in 2016)*
- *Lower Oconee Community Hospital (GA-12, closed in 2014)*
- *Charlton Memorial Hospital (GA-01, closed in 2013)*
- *Calhoun Mem Hospital (GA-02, closed in 2013)*
- *Stewart-Webster Hospital (GA-02, closed in 2013)*
- *Hart County Hospital (GA-09, closed in 2012)*

Medicaid Expansion Reduces Uncompensated Care Costs. While the ACA reduced uncompensated care costs across the board, states that expanded Medicaid saw bigger gains. In Louisiana, uncompensated care costs dropped 33 percent in the first three years after the state adopted Medicaid expansion. The Georgia Hospital Association estimates that Georgia hospitals absorbed more than $1.74 billion in uncompensated care costs in 2015.

Medicaid Expansion Helps Reduce Racial Disparities In Health Care. Medicaid expansion played a key role in increasing coverage rates for communities of color across the country. After the implementation of the ACA, gaps in insurance coverage narrowed the most in states that adopted Medicaid expansion. Today, a Black person living in an expansion state is more likely to be insured than a white person residing in a state that rejected Medicaid expansion. 58 percent of people who stand to gain coverage under Medicaid expansion in Georgia are people of color.

Medicaid Expansion Plays A Central Role In Fighting The Opioid Crisis. In 2014, Medicaid paid for 25 percent of all addiction treatment nationwide. Among those with opioid addiction, people covered through Medicaid are more than twice as likely as those with private insurance or no insurance to receive treatment. Medicaid expansion covers an estimated four in ten people with an opioid use disorder. Recent research finds that Medicaid expansion reduced the unmet need for substance use treatment by 18.3 percent.

Medicaid Expansion Saves Lives. Between 2014 and 2017, Georgia's rejection of Medicaid expansion cost an estimated 1,336 lives among older adults aged 55 to 64. Medicaid expansion has been proven to reduce mortality, decrease racial disparities in health coverage, and increase overall health outcomes. A 2019 study found that over 15,000 Americans died prematurely between 2014 and 2017 in states that refused Medicaid expansion. At the same time, states that expanded Medicaid saved 19,000 lives.

Closing The Coverage Gap Would Help Address The Maternal Health Crisis. Research shows that health coverage is essential before, during, and after pregnancy to ensure the health of mothers and infants. Lack of coverage disproportionately impacts women, particularly women of color.