



Georgia Watch Supports Medicaid Expansion

Georgia Watch believes that Medicaid expansion is critical for Georgia's most vulnerable healthcare consumers, and we call on Governor Nathan Deal to fully implement the Affordable Care Act (ACA) in Georgia. We think Medicaid expansion is important for the following reasons:

Without Medicaid expansion, many Georgians will remain without access to affordable healthcare.

Under the ACA, individuals and families with household incomes between 100% and 400% of the Federal Poverty Level are eligible for subsidies through the Health Insurance Marketplace that make private insurance plans more affordable. Medicaid expansion provides a no-cost health insurance option for people at or below 138% of the Federal Poverty Level. Not expanding Medicaid means that an estimated 534,000 Georgians will have to remain without health insurance coverage because they will not be eligible for subsidies and they will not be able to get expanded Medicaid.¹ Expansion would not only improve the health of the presently uninsured, but it would lessen their chances of devastating financial hardship leading to foreclosure or bankruptcy due to high medical debt.

Georgia is losing billions of federal dollars by not expanding Medicaid. Medicaid expansion will bring over \$33 billion in federal funds to our State over the next 10 years.² This would generate an estimated \$6.5 billion per year in economic activity and create an estimated 56,000 jobs in Georgia.³ The federal government will cover the cost of healthcare for the newly eligible Medicaid expansion population at 100% through 2016. The matching rate will gradually decline to 90% by 2020, but it will not fall below 90%. Under Georgia's current Medicaid program, the federal government only covers about 66% of the cost, and many low-income childless adults and parents are not Medicaid eligible under the current program, leaving a large number of working-class Georgians without access to affordable healthcare.

Georgia hospitals will suffer without Medicaid expansion, and this suffering will result in less care provided to the uninsured. Under the ACA, federal payments to hospitals that serve a large number of Medicaid and uninsured patients will decrease. Medicaid expansion and the newly insured were supposed to make up for this loss of funding. If our State does not expand Medicaid to account for this loss in federal funding to our safety net hospitals, some may have to drastically reduce services or close their doors. This is harmful, not only to low-income and uninsured consumers, but also to our State economy.

¹ Genevieve Kenney, et. al., *Opting Out of the Medicaid Expansion Under the ACA: How Many Uninsured Adults Would Not Be Eligible for Medicaid*, Urban Institute, July 2012.

² Adding Up the Net Cost of Medicaid Expansion, Sweeney, Tim, Georgia Budget & Policy Institute, February 2014, available at <http://gbpi.org/wp-content/uploads/2014/02/Adding-UP-the-Net-Cost-of-Medicaid-Expansion1.pdf>.

³ Estimates provided by the Georgia Budget and Policy Institute. The Economic Impact of Medicaid Expansion in Georgia, Appendix B Alternative Estimates, 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.