Expanding Medicaid in Georgia Would Help Uninsured People Gain Coverage

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INTRODUCTION

Under the Affordable Care Act (ACA), states have the option to expand Medicaid eligibility to nonelderly people with incomes up to 138 percent of the federal poverty level (FPL). In 2024, that income limit would equal $20,783 for a single person or $43,056 for a family of four. In Georgia, one of the 10 states that have yet to expand Medicaid eligibility, some key stakeholders are considering adopting this policy. In an earlier report, 2.3 Million People Would Gain Health Coverage in 2024 if 10 States Were to Expand Medicaid Eligibility (Buettgens and Ramchandani 2023), Urban Institute researchers estimated that full Medicaid expansion in Georgia would decrease uninsurance by 293,000 people in 2024.

In this brief, we expand the earlier results from the 2023 report to show detailed health insurance coverage changes in Georgia under Medicaid expansion overall and by people's income level, age, race and ethnicity, sex, and area of residence—Athens, Atlanta, Augusta, Savannah, and four rural regions (central, southern, western, and northern Georgia).

Our results add detail to those of Buettgens and Ramchandani (2023), and we present our results for 2024. These results also complement a previously published detailed analysis of the effects of Medicaid expansion on the composition of the uninsured in Georgia in 2023 (Simpson and Brett-Turner 2022).

METHODS

We produced our estimates for expanding Medicaid in Georgia using the Urban Institute's Health Insurance Policy Simulation Model (HIPSM), a detailed microsimulation model of the health care system designed to estimate the cost and coverage effects of proposed health care policy options (Buettgens and Banthin 2020, 2022). The model simulates household and employer decisions and models the way changes in one insurance market interact with changes in other markets.

We regularly update the model to reflect published Medicaid and Marketplace enrollment and costs in each state and incorporate additional state details when available. HIPSM is designed for quick-turnaround analyses of policy proposals. It can be rapidly adapted to analyze various new scenarios—from novel health insurance offerings and strategies for increasing affordability to state-specific proposals—and can describe the effects of a policy option over several years. Results from HIPSM simulations have been favorably compared with actual policy outcomes and other respected microsimulation models (Glied, Arora, and Solís-Román 2015).

RESULTS

We present our results in tables, available in an accompanying appendix. The tables show the health insurance coverage distribution of Georgia's nonelderly population in 2024 by:

- income group,
- age group,

- race/ethnicity,
- sex, and
- geography.

We also show the projected state and federal health care spending for the nonelderly population in Georgia from 2024 to 2033.

Table 1 shows Medicaid expansion would decrease uninsurance in Georgia by almost 28 percent. Nearly 300,00 people would gain coverage, and the uninsurance rate would drop from 10.9 percent to 7.8 percent.

- Medicaid enrollment in Georgia would increase by 671,000 people.
- Over 300,000 people with subsidized Marketplace coverage would switch to Medicaid.
- Crowding out of employer-sponsored insurance (ESI) would be relatively small; only about 69,000 people would drop ESI to take up Medicaid. This is around 10 percent of the Medicaid increase and only 1.4 percent of people with ESI.

Table 2 shows that people with incomes below 138 percent of FPL are the most affected by a Medicaid expansion in Georgia.

- Uninsurance among people with incomes below 138 percent of FPL falls by more than half, with the uninsurance rate falling from 19.2 percent to 9.6 percent for this group.
- Medicaid enrollment for people with incomes below 138 percent of FPL increases from 1.5 million to 2.2 million, a 45 percent increase.
- Very small numbers of people with incomes above 138 percent of FPL drop private nongroup coverage because the shifting of people with incomes below 138 percent of FPL from nongroup to Medicaid increases risk in the remaining nongroup pool, increasing premiums slightly.

Table 3 shows that increases in health insurance under Medicaid expansion are greatest for young adults (ages 19–34). Uninsurance for this group falls by over 35 percent.

- Increases in health insurance are smaller among older groups but significant, with about one-quarter of the uninsured ages 35 and above gaining coverage.
- Young adults are the group most likely to lack health insurance both before and after expansion.
- There is little change in insurance coverage for children age 18 and younger. Existing Medicaid and CHIP programs largely cover poor and near-poor children.

Table 4 shows that about the same number of Black non-Hispanic and white non-Hispanic people—just over 120,000 in each group—gain health insurance coverage under Medicaid expansion.

- The relative reduction in uninsurance (44.5 percent) is highest for Black non-Hispanic people, followed by American Indian and Alaskan Natives (38.0 percent reduction) and white non-Hispanic (31.5 percent reduction).
- Relative reductions in uninsurance are smaller for Hispanic people (10.9 percent reduction) and Asian and Pacific Islanders (13.6 percent reduction).

Table 5 shows that slightly more men gain coverage under expansion (152,000) than women (141,000). Men in Georgia are more likely to be uninsured with or without Medicaid expansion.

Table 6 shows all regions of Georgia have significant decreases in uninsurance under Medicaid expansion.

- In five of eight regions (Athens, Augusta, Central, Western, and Northern Georgia), uninsurance decreases by about one-third.
- The Atlanta region has the smallest relative reduction in uninsurance (23.3 percent decline), while Southern Georgia has the largest reduction (39.1 percent).

Table 7 shows federal and state health spending for nonelderly people in Georgia for the next decade under current policy, which assumes the enhanced Marketplace tax credits available through 2025 under the Inflation Reduction Act are extended permanently and under Medicaid expansion (including extended enhanced Marketplace tax credits).

- State spending on health decreases for the first two years of expansion because the American Rescue Plan Act of 2021 contains a financial incentive for states that expand Medicaid. If Georgia were to expand Medicaid in 2024, this incentive would shift about $0.6 billion in Medicaid spending from Georgia to the federal government in 2024 and 2025, more than offsetting any increase in state Medicaid spending.
- Federal spending over 10 years increases by almost $37 billion on net (a 19 percent increase), while net state spending increases by $1.5 billion (a 2 percent increase) over the same period.
- Federal spending on Medicaid in Georgia increases by over $60 billion in the decade, but this increase is offset significantly by lower spending for Marketplace subsidies (-$22.5 billion).
- Both federal and state governments see less demand for uncompensated care because fewer people are uninsured.

CONCLUSION

Increasing coverage through Medicaid expansion would have significant benefits for Georgia residents. Health coverage saves lives; at least two studies have found that health coverage under the ACA decreased mortality, and one found a statistically significant reduction in mortality in expansion states compared with nonexpansion states (Goldin, Lurie, and McCubbin 2019; Miller, Johnson, and Wherry 2019). In addition, Medicaid expansion:

- Increases the financial security of those gaining health coverage; two studies found that Medicaid expansion improved financial security measures, such as credit scores, while reducing financial insecurity measures, such as medical debt collection balances (Caswell and Waidmann 2019; Hu et al. 2016).
- Improves hospital finances; studies have shown this is achieved through lowered uncompensated care costs (Blavin 2017; Dranove, Garthwaite, and Ody 2017).
- Improves the state economies; a study in Montana found Medicaid expansion led to an additional $600 million circulating in the state's economy each year, supporting 5,900 to 7,500 jobs and $350 to $385 million in personal income (Ward and Bridge 2019).

If Georgia were to fully expand Medicaid under the ACA, uninsurance would fall by 3.0 percentage points—equal to 293,000, or 28 percent, fewer people without coverage. Georgia would go from having the 8th-highest uninsurance rate of all states to the 24th-highest. The southern area would have a reduction in uninsurance of 4.5 percentage points, meaning almost 40 percent fewer people would be without health insurance. In addition, with the exception of Hispanic people, who have high rates of uninsurance and benefit less than average from expansion, gains in coverage from expansion disproportionately go to groups with higher rates of uninsurance. People with low incomes, young adults, American Indian and Alaska Natives, and Black non-Hispanic people all have high current rates of uninsurance, and all see gains in coverage above the state average.

Finally, the state of Georgia would pay only a small share of the cost of increasing coverage. Over the next decade, Georgia's health care spending would increase by about $1.5 billion, or slightly more than 2 percent of current spending for the nonelderly. The federal government's spending for health care for the nonelderly in Georgia would increase by nearly $37 billion, almost 19 percent, and around 25 times the increase in net state spending.

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