



# Georgia Medicaid Overview:

## Background and Briefing Information for Georgia Lawmakers, Public Officials, and Candidates for Public Office

By Tim Sweeney

### Introduction and Background

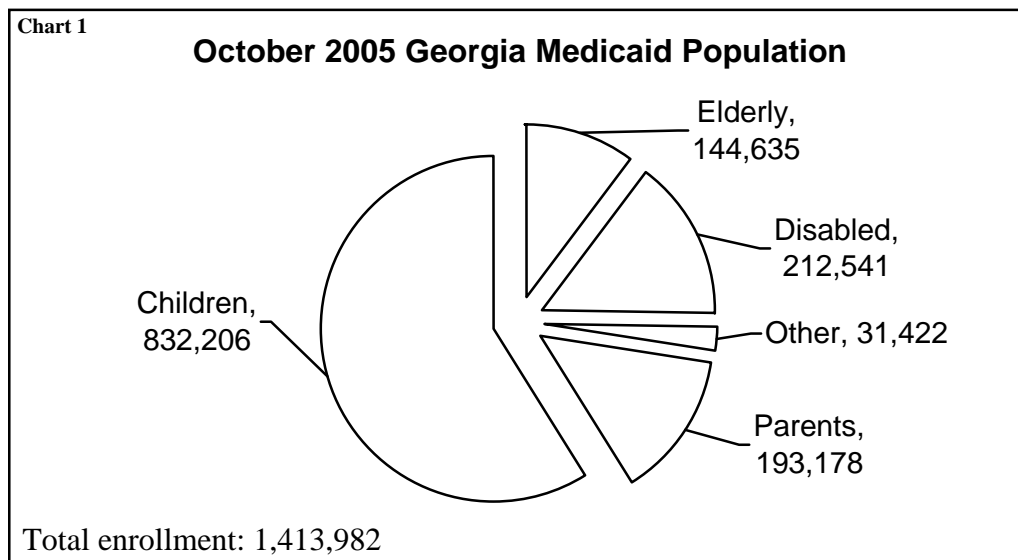
Medicaid is one of the most wide-reaching programs operated by the state, both in terms of the number of people it serves and the variety of ways in which it serves eligible individuals. Consequently, it is one of the most important programs for Georgia lawmakers, public officials, and candidates for public office to understand. Medicaid is a very complicated program, however, serving individuals with a variety of needs in a variety of settings. Because of this complexity, changes to the Medicaid program will affect aspects of healthcare throughout the state, making it especially important for policy makers to comprehend not only the diversity and number of individuals who receive services and the services they receive, but also to understand how the program fits in with the overall healthcare delivery system of the state. This report seeks to provide current and prospective Georgia policy makers with the background to be able to examine the state's Medicaid program, including who the program serves, how the services are administered and provided, and the role the program plays in the state's healthcare system.

In Georgia, Medicaid serves more than 1.4 million enrollees, including over 800,000 children from low-income families and over 350,000 elderly and disabled individuals, through 3 state agencies, Georgia school districts, and thousands of statewide healthcare providers. The scope of services provided to recipients varies greatly: from doctors' visits to prescription medications; outpatient/inpatient hospital services to outpatient mental health and substance abuse services; school-based services for special needs children to long term care services for persons with developmental and/or physical disabilities. As a result, Medicaid spending permeates the healthcare delivery system and reaches all parts of the state.

In general, Medicaid is much more than the insurance card covering doctors' visits for low-income children. Medicaid is a resource for federal funding for schools; it assists the state in protecting abused and neglected children and adults; it helps the state provide care to children and adults with debilitating physical and developmental disabilities; and it is even a resource for Georgia's juvenile justice system. Furthermore, Medicaid's importance is magnified by the fact that, approaching \$7 billion per year in state and federal dollars, it is a major funding source for the state's healthcare delivery system, including Georgia's public hospital safety net. Georgia's Medicaid program is also the largest source of federal funds to the state budget, currently bringing in over \$4.5 billion annually (approximately 60% of the programmatic costs), funding that reaches providers and consumers throughout Georgia. These funds have a significant economic impact on Georgia, as one study on this impact estimated that Medicaid spending in Georgia creates over 86,000 jobs.<sup>1</sup>

## Eligibility: Medicaid Serves Georgia's Most Vulnerable Citizens

Georgia's Medicaid program serves a very diverse population with a wide variety of healthcare needs. In total, over 1.4 million individuals receive at least some services through Georgia's Medicaid program, ranging from assistance with Medicare monthly premiums to general healthcare coverage, mental health services, and even long-term care. As a wide range of services are available to Medicaid enrollees, there are also several ways in which individuals may become eligible for Medicaid. *Chart 1* shows the broad Medicaid eligibility categories and the number of enrollees qualifying under those categories, and the following section includes additional detail on who is eligible for Medicaid and how they qualify.<sup>2</sup>

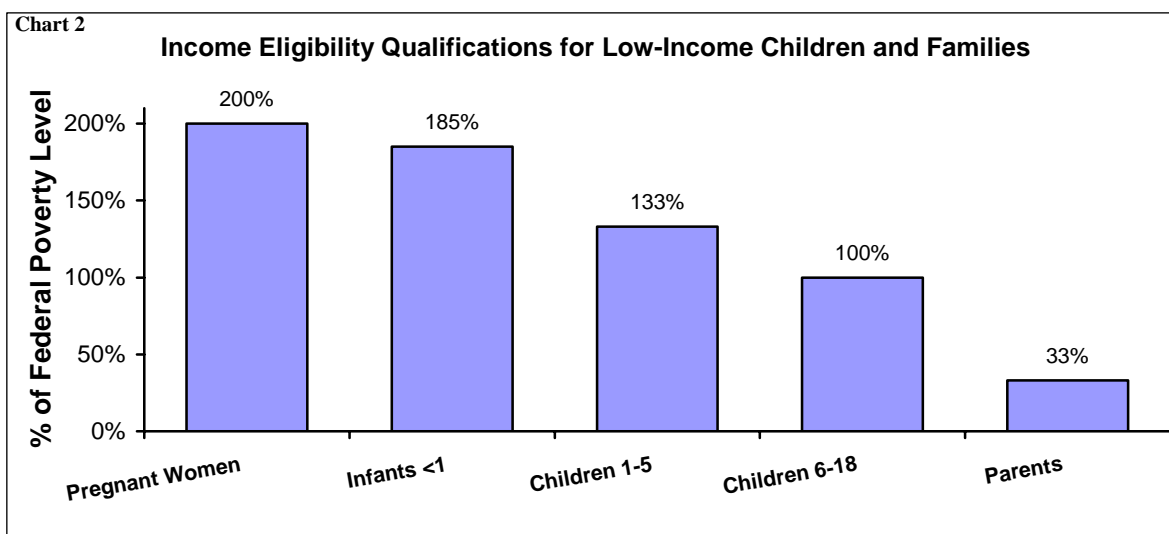


### Low-Income Children and Families

As the chart shows, children make up the largest share of current Medicaid enrollees, approximately 59%, while parents (including pregnant women) make up another 14% of the population. Per-enrollee costs for these populations are relatively low, however, as expenditures for children and their parents represent less than 23% and 14% of overall Medicaid expenditures, respectively.<sup>3</sup> This is primarily because services provided to, on the whole, relatively healthy children are less expensive than services provided to elderly and disabled individuals. While cost differences exist in the services consumed by different populations, the services Medicaid provides are vitally important to all recipients.

Medicaid income-eligibility standards vary between, and sometimes within, the different Medicaid eligibility groups, with the income limits for pregnant women and children being the most generous and those for parents of low-income children the least generous (there is no coverage for low-income childless adults). As shown in *Chart 2*, pregnant women and their infants are eligible with incomes up to 200% of the Federal Poverty Level (FPL). Children under 1 are covered up to 185% FPL; ages 1-5 up to 133%; and children aged 6-18 are covered up to 100%. In comparison, low-income parents are only eligible up to 33% FPL. (See Appendix 1 for more detail on 2006 Federal Poverty Guidelines)

Though per-child spending is not particularly high, Medicaid eligible children benefit from a more generous service package than do adults, primarily due to federal requirements. Through the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) requirement, and the HealthCheck program in Georgia, Medicaid is required to cover "all medically necessary" services for children under 19. As a result, Georgia's Medicaid program must offer a comprehensive medical service package to children, even if some services are not available to adults in Medicaid. For example, children are eligible to receive dental and some vision services, which are not available to adults (except under emergency circumstances).<sup>4</sup>



### Elderly and Disabled Individuals

As previously shown in *Chart 1*, elderly and disabled Georgians make up a much smaller portion of the overall Medicaid population than do non-disabled children. Spending on the elderly and disabled population, however, is significantly higher than spending on non-disabled children. This is primarily because this population generally has greater healthcare needs than do non-disabled children, and because long-term care services provided to these individuals are some of the most costly services Medicaid provides. The high costs for this population help to illustrate the importance of Medicaid for these individuals, as most, if not all, of these recipients would have great difficulty obtaining needed care without the assistance of Medicaid.

Elderly and disabled persons in Georgia can qualify for Medicaid in various ways. Individuals with a physical, mental, and/or developmental disability who meet a nursing home “level of care” requirement are eligible to receive nursing home coverage, and at times may be eligible for long-term care services in other settings. Individuals may qualify with incomes up to 300% of the Supplemental Security Income (SSI) standard, which is about 221% FPL, however, these individuals contribute most of their income (with the exception of a \$50/mo personal needs allowance) to the cost of their care.<sup>5</sup> These individuals, as well as elderly or disabled individuals ineligible for long-term care with incomes not exceeding the SSI standard (about 74% FPL), are eligible for acute medical coverage through Medicaid. Additionally, individuals enrolled in Medicare with incomes at or below 135% FPL can be eligible for assistance with monthly Medicare premium payments and Medicare enrollees with incomes below 100% FPL (and above the SSI threshold) may also receive additional assistance with Medicare cost-sharing requirements. Lastly, Medicare enrollees below the SSI threshold (who therefore qualify for Medicaid) receive services through Medicaid that are not covered by Medicare. (See Appendix 1 for more detail on FPL income thresholds)

As is the case with Medicaid eligible children, elderly and disabled individuals qualifying for Medicaid are eligible for a wide variety of services, including hospitalization, pharmacy coverage, mental health care, and long-term care services. While eligibility qualifications for low-income children are based solely on family income, eligibility for many services for physically and developmentally disabled persons are also based on their qualifying disability. For example, in order to be eligible for long-term care services, individuals must meet a nursing home “level of care” requirement.

The “level of care” requirement can be met by having a chronic illness, physical disability, and/or a developmental disability that causes the person to lack certain “adult daily living skills.” Long-term care must then be provided to these individuals, and nursing facility care is a service that must be paid for by Medicaid. This requirement is generally met by serving chronically ill and physically disabled individuals in Skilled Nursing Facilities and by serving those with developmental disabilities in Independent Care Facilities

for the Mentally Retarded (IFC/MR). States may obtain federal waivers to serve clients in home and community based settings instead of institutional settings, however, and Georgia has obtained several such waivers. While most Georgia Medicaid long-term care recipients (nearly 53,000) received care in skilled nursing or intermediate care facilities in FY 2005, the state also used waiver programs to provide services in home and community settings to over 31,000 individuals, many of whom would otherwise receive services in institutional settings.<sup>6</sup>

While individuals qualifying for long-term care are “entitled” to receive care through Medicaid, the entitlement only applies to Skilled Nursing Facility or ICF/MR care; community based services are not guaranteed to enrollees. Instead, Georgia’s community based care waivers contain a limited number of “slots,” each of which translate to a service (not necessarily to the number of individuals who are served by the waivers). As a result of the limited number of slots available, individuals who apply for the waiver programs may be placed on a waiting list until slots become available. The individual waiver programs and waiting lists will be discussed in more detail in the next section.

Low-income Medicare recipients may also qualify to receive some services not covered by Medicare or to receive assistance in paying their Medicare monthly premiums. In FY 2005, for example, approximately 135,000 dually-eligible persons received services through Medicaid that Medicare does not cover, such as long-term care and pharmacy services, and Georgia Medicaid paid at least a share of Medicare premiums for approximately 85,000 individuals.<sup>7</sup> Medicaid payments for Medicare premiums totaled approximately \$190 million in FY 2005 (including federal funds) and this spending generally saves the state money by allowing individuals to receive some healthcare services through Medicare.<sup>8</sup> Long-term care services are not generally covered by Medicare, however, and prior to the creation of Medicare Part D (effective in 2006), neither were prescription drugs. As a result, the state has paid for pharmacy services for Medicare members and continues to provide long-term care services to many Medicare eligible individuals. Overall Medicaid claims for dually-eligible individuals (not including premium payments) totaled approximately \$1.8 billion in FY 2005.<sup>9</sup>

## **Services: Recipients Rely on Multiple Agencies for a Variety of Services**

As discussed above, Medicaid is a resource for a variety of recipients who are in need of a variety of services. These services are provided in many different settings, and as a result, individuals are served by several state agencies. The Department of Community Health (DCH) administers the bulk of the Medicaid program; however, services are also provided through the Department of Human Resources (DHR), the Department of Juvenile Justice (DJJ), and through public schools throughout the state. This section briefly examines the services provided through these 3 state agencies and in Georgia public schools, including the number of recipients served and the costs for these services (when available).

### Department of Community Health

The vast majority of Medicaid services are paid for through the Division of Medical Assistance in DCH. Funding for acute medical care such as physician visits, inpatient and outpatient hospital stays, and pharmacy services, are funded through DCH, as are a variety of other services. In total, nearly 90% of the funding for Medicaid services is contained in the DCH budget.<sup>10</sup>

In addition to acute medical care services, the bulk of funding for long-term care coverage is provided through DCH. In general, individuals with chronic health conditions and physical disabilities, but without developmental disabilities, receive long-term care services in Skilled Nursing Facilities. In total, DCH payments to nursing homes represent the largest share of long-term care payments, though DCH also administers programs that provide services through community based programs. Medicaid funding for skilled nursing facilities totaled approximately \$956 million in 2004 (including federal funds), while funding for SOURCE and other home and community based long-term care programs for physically disabled and fragile individuals in DCH totaled approximately \$62 million (including federal funds).<sup>11</sup> In FY 2005, for

example, the Service Options Utilizing Resources in Community Environments (SOURCE) program served over 7,200 individuals in community settings and the Independent Care Waiver Program (ICWP) served 653 patients with major physical disabilities.<sup>12</sup> The Georgia General Assembly added 10 ICWP slots in FY 2006, however, and an additional 142 slots in FY 2007. As of February 2006, the ICWP waiting list has approximately 164 individuals, so while these additional slots may not completely eliminate the waiting list, they should have a significant impact on the number of people waiting for services through this program.

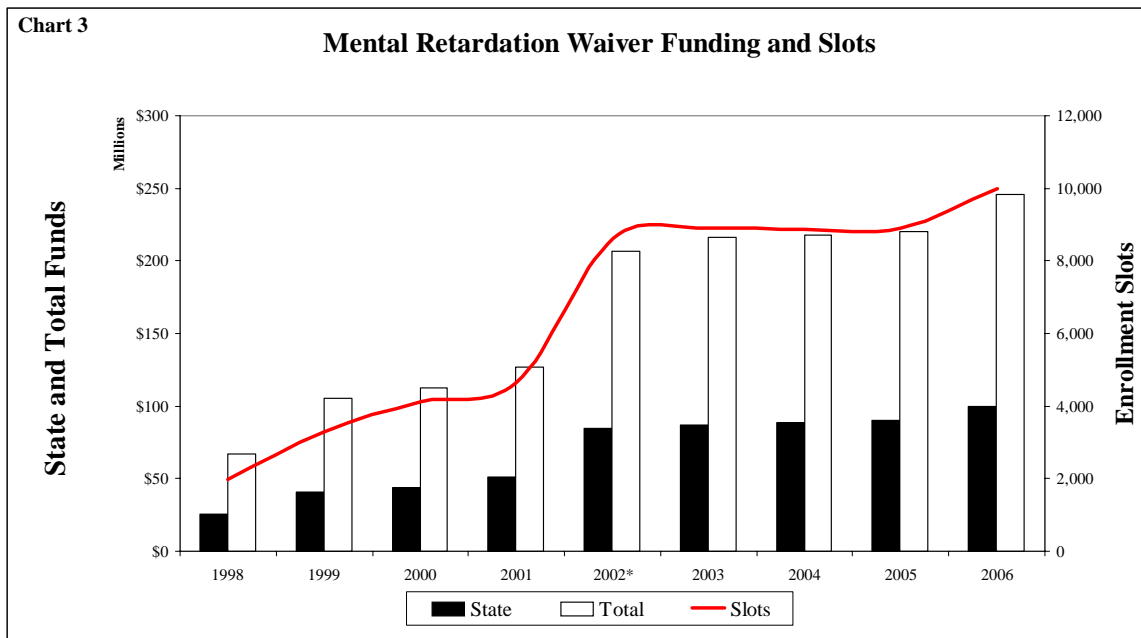
Department of Human Resources:

While general medical services and most long-term care are paid for through DCH, DHR administers a variety of other programs that provide services to Medicaid recipients, including children’s protective services, mental health services, and long-term care services for elderly individuals and persons with developmental disabilities and/or mental retardation. (With the implementation of Medicaid Managed Care slated to begin in June 2006, however, some mental health services will instead be provided through Care Management Organizations contracting with DCH.)

Though most nursing home care is funded through DCH, the DHR Division of Aging Services also administers a long-term care waiver program for elderly individuals, called the Community Care Services Program (CCSP). In FY 2005, CCSP served over 14,000 recipients who would have otherwise received care in an institutional setting, such as a nursing home.<sup>13</sup>

In addition to long-term care services for chronically ill and physically disabled individuals, DHR also serves developmentally disabled and mentally retarded individuals in a variety of settings. Instead of receiving care in traditional nursing homes, individuals needing long-term care for developmental disabilities often receive care in Independent Care Facilities for the Mentally Retarded (ICF/MR). While significant funding is directed to these facilities, DHR also currently administers several waiver programs, such as the Mental Retardation Waiver Program (MRWP) and the Community Habilitation and Support Services (CHSS) program, which provided long-term care treatment to approximately 9,000 individuals with developmental disabilities in FY 2005.

The Georgia General Assembly added funding for 925 additional waiver slots in FY 2006 and an additional 1,500 slots in FY 2007. These additions should allow DHR to serve nearly 10,000 developmentally disabled individuals in community settings in FY 2006 and possibly over 11,000 individuals in FY 2007. As shown in



the *Chart 3*, funding for these waiver programs has increased in recent years, as approximately 8,000 slots have been added since 1998.<sup>14</sup> As of February 2006, however, there are still over 6,600 individuals on the waiting list for community based services, and the list grows by roughly 1,100 individuals every year.<sup>15</sup> While the Legislature has added approximately 2,400 slots from FY 2005 to FY 2007, these additional slots barely keep pace with the growth in demand for these services.

In addition to providing long-term care services to individuals with developmental disabilities, mental health, and substance abuse needs, DHR also administers the Medicaid Rehabilitation Option (MRO) that provides outpatient mental health services to Medicaid clients. Through this program in the Division of Mental Health, Developmental Disabilities and Addictive Diseases (MH/DD/AD), DHR provided approximately \$103 million worth of mental health and addictive disease treatment to over 66,000 recipients in FY 2004.<sup>16</sup> This amount includes approximately \$46 million in services to children and adolescents and \$57 million in services for adults.<sup>17</sup> These services include, but are not limited to: physical, occupational, and speech therapies; day treatment and support services; group, family, and individual counseling; medication administration; ambulatory detoxification; and physician assessment and care. (Additional mental health services are provided through the general Medicaid program, such as psychological services and services provided through physicians. Such services provided through DCH will not be included in the above figures. Furthermore, as Georgia's Medicaid program moves to managed care, an increased amount of mental health services will be provided by Care Management Organizations contracting with, and funded through, DCH)

DHR's Division of Family and Children Services (DFCS) also uses Medicaid funds to pay for portions of the Adult Protective Services (APS) and Child Protective Services (CPS) functions. In FY 2005, DHR provided approximately \$3.3 million (of which \$2 million was federal funds) in case management services to Medicaid eligible adults who are experiencing, or at imminent risk of, abuse neglect, or exploitation and to persons in need of a guardian. Additionally, CPS provides similar services to over 25,000 children who have been placed in foster care or who are receiving child protective services. CPS Medicaid services exceed \$46 million in FY 2005, nearly \$31 million of which represents federal funds.<sup>18</sup>

Medicaid funds are also used within DHR to assist other activities, such as regulatory and public health activities. For example, in FY 2005 DHR used about \$300,000 in federal Medicaid funds for public health spending related to family planning services and nearly \$600,000 to help fund regulatory activities related to surveying hospitals, nursing homes and therapeutic residential facilities for compliance with state and federal Medicaid requirements.<sup>19</sup>

#### Department of Juvenile Justice:

As part of federal revenue maximization efforts in recent years, Georgia's Department of Juvenile Justice is utilizing federal Medicaid funds to provide services to eligible individuals. In FY 2005, DJJ received approximately \$10.8 million in federal Medicaid funds to serve eligible children.<sup>20</sup> These funds are primarily used for Case Management activities as well as providing support services for severely emotionally disturbed children. In general, these services would need to be provided for these children regardless of the availability of Medicaid funds, therefore, the federal funds used for these populations help to offset costs that would otherwise be borne by state funds.

#### Funding for Education:

Federal Medicaid funds are also available to schools that provide some education related services to special needs children eligible for Medicaid. In many cases, schools are required to provide services such as speech therapy, physical therapy, transportation, nursing services, health aide services, occupational therapy and behavioral health services to children in need. As they often provide these services to Medicaid eligible children, schools are able to receive federal reimbursement for services they provide and for some of the administrative costs associated with providing these services.

In FY 2004, Georgia schools providing qualifying services received approximately \$22.7 million in federal Medicaid reimbursement, supporting services provided to over 20,000 Georgia children as well as offsetting the administrative costs to schools and districts to provide these services.<sup>21</sup> These federal funds are received at the same federal match rate as the regular program (approximately \$1.50 for every \$1 in state funds), While the federal funding is included in the DCH budget, schools themselves pay the state match portion of the costs.

### **Medicaid Funding is Vital to Georgia's Healthcare Delivery System:**

In addition to being an important source of health insurance for recipients and source of federal funding for several state agencies, Medicaid plays a very important role in financing the state's healthcare delivery system. Providers of all many types rely on Medicaid for significant reimbursements, including hospitals, physicians, pharmacies, nursing facilities, and dentists. In FY 2006, Medicaid is expected to bring in nearly \$4.5 billion in federal funds to the state's healthcare providers. Combined with the state's roughly \$2.2 billion contribution, Georgia's Medicaid program will likely contribute approximately \$6.5 to \$7 billion to the state's healthcare delivery system. The following section discusses Medicaid's importance to some of the largest providers of healthcare services in Georgia.

#### Hospitals:

One of the largest areas of Medicaid spending is hospital inpatient and outpatient services. In FY 2002, Medicaid reimbursement to hospitals for inpatient and outpatient services provided to Medicaid clients totaled approximately \$1.3 billion. Additional programmatic growth in recent years could push this figure to over \$2 billion in the current year. In FY 2002, these payments were made to 380 statewide providers of inpatient services and 770 providers of outpatient services statewide. These numbers have increased significantly, and Georgia's Medicaid program now has over 1,000 providers for both inpatient and outpatient services.<sup>22</sup>

In addition to payments for services provided, hospitals also receive federal Medicaid funds through the Indigent Care Trust Fund (ICTF) in order to offset costs incurred by hospitals due to uncompensated care. Preliminary FY 2006 data indicated that Georgia hospitals would receive an approximately \$267 million in federal DSH funds to offset uncompensated care costs. While these funds do not offset all uncompensated care costs (the preliminary FY 2006 aggregate DSH limit in Georgia is approximately \$880 million), this funding can be especially beneficial to individual hospital bottom lines.<sup>23</sup>

Together, Medicaid payments made to hospitals for services provided and the reimbursements made through the ICTF are vital sources of revenue for Georgia hospitals. Because many uninsured persons also rely on hospitals for care, and as hospitals may not deny "emergency care" to any persons in need, the state and federal monies paid to hospitals through Medicaid are extremely important. Furthermore, general Medicaid and ICTF reimbursement can help defray costs that could otherwise be passed on to private insurance payers and lead to higher private health insurance rates.

One specific example showing the importance of Medicaid in financing Georgia hospitals is that of Grady Health Systems. In 2004, approximately 46% of Grady's revenue came in the form of Medicaid reimbursement (for services provided to Medicaid enrollees) or ICTF distributions to offset uncompensated care. This amount is more than twice the next largest revenue source. In total, Medicaid reimbursements totaled approximately \$192 million, while ICTF distribution was approximately \$77 million. While these two forms of Medicaid payments represent a sizable portion of Grady's total revenue, Medicaid's portion of total patient revenue is even larger. In 2004, Medicaid accounted for 56% of patient revenue, while private insurance accounted for only 14%.<sup>24</sup>

As this example shows, Medicaid can be a very important revenue source for hospitals, both in terms of reimbursements for services provided to Medicaid enrollees and with regards to ICTF distributions that help

hospitals offset the costs of uncompensated care. Regardless of whether Medicaid represents 40% of a hospital's revenue or 10% of revenue, Medicaid is an important payer of healthcare services in Georgia. These Medicaid payments help ensure that hospitals exist in communities throughout the state, and help to enable even persons without private health insurance to be able to access needed healthcare services.

#### Physicians:

In FY 2002, Georgia Medicaid made medical claims payments to over 16,000 physicians throughout Georgia for services provided to nearly 1 million individual recipients. Based on estimates of the total number of physicians in Georgia compiled by the Kaiser Family Foundation, this amount represents over 80% of physicians statewide. Though Medicaid expenditures for physician services are not as high as the payments made to hospitals, Medicaid reimbursed physicians over \$500 million in FY 2002 and over \$600 million in FY 2004.<sup>25</sup>

#### Pharmacies:

Pharmacy coverage is one of the largest and fastest growing categories of service in Georgia's Medicaid program. Not including pharmaceutical services that are provided to individuals in Long-Term Care settings such as nursing homes, Georgia Medicaid reimbursements to pharmacies increased from approximately \$750 million in FY 2002 to over \$1 billion in FY 2004.<sup>26</sup> Pharmacy expenditures are likely to continue to increase as utilization of prescriptions and the costs of these drugs continue to rise.

While these funds are used to purchase prescription drugs for Medicaid clients, it is also important to remember that these reimbursements are made to Georgia pharmacies, and that they can be an important source of revenue for these pharmacies. In FY 2003, total retail pharmacy sales in Georgia amounted to approximately \$4.9 billion; based on 2003 expenditure estimates from DCH, Georgia Medicaid spending on prescription drugs would represent nearly 18% of all retail pharmacy spending in Georgia. If pharmacy costs incurred by Georgia Medicaid members in long-term settings were included, this figure would likely be even higher.

#### Nursing Homes:

As discussed above, Medicaid funds long-term care costs for approximately 85,000 Georgians. Private nursing homes are the most prominent setting for care for these individuals, and in 2005 private nursing homes served approximately 52,000 Medicaid clients.<sup>27</sup> While expenditure data is not available for FY 2005, in Calendar Year 2004 Georgia spent approximately \$956 million for nursing home care for Medicaid Clients.<sup>28</sup> Nationwide, Medicaid is the most prominent payer of nursing home care, and this is true in Georgia as well. In 2003, approximately 77% of all nursing home residents in Georgia had Medicaid as the primary payer, which was one of the higher percentages in the nation.<sup>29</sup> More recent estimates place this figure at 83%.<sup>30</sup>

#### Mental Health System:

As shown discussed in the DHR section, Georgia's Medicaid program is an important funding source for the state's mental health system. While many private health insurance plans do not cover mental health services, Medicaid does. Also, as states generally use 100% state funds to provide some mental health services for select populations, utilizing the federal Medicaid funds for eligible populations can generate state savings relative to covering the services through state-only programs. Funding these services through Medicaid also adds stability to recipients' coverage, as Medicaid coverage is "entitled" to eligible persons, while state-funded programs often face more financial constraints. In general, without the federal funding obtained through Medicaid the state's share of the burden for caring for individuals with significant mental health needs would likely be higher than it currently is.

## Summary / Final Thoughts

Medicaid is one of the largest, most important programs in the state of Georgia. It is the 2<sup>nd</sup> largest General Fund spending category in the state budget (accounting for approximately 12% of General Fund spending), but it is also an essential program serving low-income families, elderly and disabled Georgians, and other individuals otherwise in need.<sup>31</sup> Medicaid is the predominant payer of long-term care services in Georgia, it provides important pre/post natal care for low-income mothers and children, and it acts as an especially important resource in assisting low-income seniors with Medicare premiums – often providing care that Medicare does not. In addition to the importance of this program to recipients, Medicaid is a vital resource for the entire healthcare infrastructure in Georgia, as the program puts close to \$7 billion into the healthcare provider network across the state. These funds create healthcare jobs around the state and are crucial to safety-net providers who could otherwise be faced with additional uncompensated care costs. Finally, while the program may be thought of as simply a healthcare program, Medicaid is also an important resource for Georgians with mental health and other special needs. Medicaid funds assist school districts in providing school-based therapies to special-needs children and also help the Department of Juvenile Justice provide case management and therapeutic care to children in need.

While Medicaid spending has increased fairly significantly in recent years, the increases must be put in proper context. Though overall Medicaid spending growth has averaged 14% percent from FY 2000 to FY 2005, actual per-enrollee increases have averaged less than 4% annually.<sup>32</sup> Private insurance premium increases, on the other hand, have ranged from 8.2% to 13.9% in the last 6 years, with only 2 years of less than double digit increases.<sup>33</sup> Furthermore, while the increases in Medicaid may often be difficult for state budgets to finance, much of the spending growth is due to enrollment increases that in part depend on outside economic situations in the state. For example, the percent of Americans receiving insurance through an employer-sponsored insurance plan has dropped from 66% in 2001 to 61% in 2005.<sup>34</sup> While Medicaid has helped pick up the slack, especially in providing health insurance to low-income children, the number of Georgians without health insurance has increased to nearly 1.5 million in 2004.<sup>35</sup> This trend has an effect on health insurance throughout the state, as one study estimates that Georgia families spend \$746 per year in higher health insurance premiums (approximately 7.3% of their annual premiums) to offset the healthcare costs of individuals without insurance.<sup>36</sup>

In many ways, Medicaid is not simply one program, but rather a collection of several programs serving unique constituencies with unique needs. As policymakers pursue changes to Medicaid in the coming years, they need to consider the complexity and the diversity in the current program and must take steps to ensure that Georgians who rely on Medicaid's assistance are not left behind. Georgia's Medicaid program is an integral part of Georgia's vast healthcare system, however, and changes to the program will affect the entire system. As a result, great care must be taken to understand the role Medicaid plays for each of its different populations as well as the effect the program has on Georgia's healthcare delivery system as a whole.

*The Georgia Budget and Policy Institute (GBPI) is an independent, nonprofit, non-partisan organization engaged in research and education on the fiscal and economic health of the state of Georgia. The GBPI provides reliable, accessible and timely analyses to promote greater state government fiscal accountability as a way to improve services to Georgians in need and to promote quality of life for all Georgians.*

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- <sup>1</sup> “Medicaid: Good Medicine for State Economies 2004 Update.” Families USA, May 2004. [www.familiesusa.org](http://www.familiesusa.org)
- <sup>2</sup> Enrollment data from Georgia Department of Community Health, received March 2006.
- <sup>3</sup> HealthVoices, Georgia’s Medicaid Program: A briefing for Community Leaders. Healthcare Georgia Foundation, Winter 2005. [http://www.healthcaregeorgia.org/HealthVoices\\_MedicaidGA.pdf](http://www.healthcaregeorgia.org/HealthVoices_MedicaidGA.pdf)
- <sup>4</sup> Beginning FY 2007, limited preventive dental benefits have been added for pregnant women receiving Medicaid.
- <sup>5</sup> Currently Medicaid long-term care recipients are allowed to retain a \$30 / month personal needs allowance, all other income is directed to cover the costs of their care. Effective FY 2007, the Georgia General Assembly has added funds to increase the needs allowance to \$50 / month.
- <sup>6</sup> Long-term care recipient information received from GA Department of Community Health, March 2006 (excludes approximately 6,400 children receiving care through Georgia’s Katie Beckett waiver)
- <sup>7</sup> Data from DCH, received April 2006.
- <sup>8</sup> Data from DCH, received April 2006.
- <sup>9</sup> Data from DCH, received April 2006.
- <sup>10</sup> Based on Calendar Year 2004 Expenditure data, approximately \$5.45 B of \$6.09 B Medicaid spending administered by DCH.
- <sup>11</sup> Represents Calendar Year Data received from DCH.
- <sup>12</sup> FY 2005 Nursing Home and Waiver Program recipient data from DCH, March 2006.
- <sup>13</sup> Long-Term care Recipients data from DCH, received March 2006.
- <sup>14</sup> Chart courtesy of the Georgia Department of Human Resources, data as of October 2005.
- <sup>15</sup> <http://www.unlockthewaitinglists.com/>
- <sup>16</sup> Data from DHR, received June 2005.
- <sup>17</sup> Data from DHR, received June 2005.
- <sup>18</sup> Data from DHR, received November 2005.
- <sup>19</sup> Data from DHR, received November 2005.
- <sup>20</sup> Data from DJJ, received June 2005.
- <sup>21</sup> Data from DCH, received October 2005.
- <sup>22</sup> FY 2002 data on hospital payments and number of providers from DCH FY 2002 Annual Report data provided by the agency. More recent data, from calendar year 2004, estimates that inpatient/outpatient hospital reimbursements have increased to approximately \$1.86 billion. Current provider data obtained from DCH in October 2005.
- <sup>23</sup> Preliminary FY 2006 DSH Summary from DCH
- <sup>24</sup> Data from Grady Health Systems, received November & December 2005.
- <sup>25</sup> FY 2002 expenditure and provider count data from FY 2002 DCH Annual Report Data. FY 2004 data from DCH FY 2004 Cost Driver Report
- <sup>26</sup> Ibid.
- <sup>27</sup> Based on Data from DCH received March 2005.
- <sup>28</sup> Data from DCH
- <sup>29</sup> Data from Kaiser Family Foundation’s Statehealthfacts.org. <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=profile&area=Georgia&category=Providers+%26+Service+Use&subcategory=Nursing+Homes&topic=Residents+by+Primary+Payer+Source>
- <sup>30</sup> Data from Georgia Health Care Association Budget presentation to Georgia House of Representatives Appropriations Subcommittee, October 24, 2005.
- <sup>31</sup> Georgia Budget and Policy Institute Summary of FY 2007 Budget as adopted by the Georgia General Assembly. Summary document states that 12.5% of General Fund budget is Medicaid and SCHIP (PeachCare), the 12% figure cited above excludes GF spending on PeachCare. <http://gbpi.org/pubs/gabudget/20060407.pdf>
- <sup>32</sup> From the Governor’s Medicaid Modernization Concept Paper, May 2005.
- <sup>33</sup> Employer Health Benefit 2005 Annual Survey. Kaiser Family Foundation and the Health Research and Educational Trust. <http://www.kff.org/insurance/7315/index.cfm>
- <sup>34</sup> “The Uninsured: A Primer.” Kaiser Commission on Medicaid and the Uninsured, January 2006. <http://www.kff.org/uninsured/upload/7451.pdf>
- <sup>35</sup> Data from the Census Bureau’s March 2004 and 2005 Current Population Survey, compiled by Statehealthfacts.org. <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=profile&area=Georgia&category=Health+Coverage+%26+Uninsured&subcategory=Health+Insurance+Status>
- <sup>36</sup> “Paying a Premium: The added cost of care for the uninsured.” Families USA, June 2005. [www.familiesusa.org](http://www.familiesusa.org)

## **Appendix 1:**

The U.S. Department of Health and Human Services (HHS), which is the federal agency that oversees Medicaid, publishes poverty guidelines every year. These guidelines are used to determine eligibility for a variety of federal programs, including Medicaid. The table below summarizes the several of the income standards discussed in the report, based on for the 2006 federal poverty guidelines (also often referred to as the federal poverty level (FPL)). (More information is also available on the HHS website:

<http://aspe.hhs.gov/poverty/06poverty.shtml>)

<b>2006 HHS Poverty Guidelines (\$ per year)</b>					
Important Medicaid Eligibility Levels:					
Size of Family or Household	<b>100% FPL</b>	74% FPL (SSI Std.)	133% FPL	185% FPL	221% FPL (300% SSI)
1	<b>9,800</b>	7,252	13,034	18,130	21,658
2	<b>13,200</b>	9,768	17,556	24,420	29,172
3	<b>16,600</b>	12,284	22,078	30,710	36,686
4	<b>20,000</b>	14,800	26,600	37,000	44,200
Additional Person:	<b>3,400</b>	2,516	4,522	6,290	7,514