



## **Health Insurance for Georgia's Children: Is it a Priority?**

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Georgia's PeachCare program, which insures children from low and moderate income working families, is facing an immediate short-term federal funds shortfall and a potential longer term funding problem. This is a dire problem for the program's 270,000 children; but, it is a fixable problem. Unfortunately, some of Georgia's leaders are not working towards a solution to the funding shortfall that would protect health insurance coverage for our children. Instead, they are using this crisis as an opportunity to weaken the program.

By any measure PeachCare is a successful and cost-effective program of which Georgia should be proud. PeachCare has dramatically reduced the number of uninsured children in this state. Studies overwhelmingly show the positive health and education benefits of children receiving health insurance coverage, especially coverage for dental and vision care. The program has provided such coverage for only \$115 per child per month (FY 2005), with participating families also contributing through premium payments.

Rather than protecting this vital program, some of Georgia's leaders are offering proposals to freeze enrollment, lower eligibility, eliminate covered services such as dental and vision, and increase barriers to coverage such as increased premiums. In particular, the proposals to cap PeachCare enrollment and lower eligibility thresholds from 235 percent of poverty to 200 percent of poverty will have significant long-term impacts. Only about 5 to 7 percent of PeachCare enrollees come from families with incomes over 200 percent of poverty. Working families at these income levels most likely do not have other realistic health insurance options for their children; therefore, children denied coverage would likely fall into the ranks of the uninsured.

Capping enrollment could have an even more profound and dramatic effect, as such an action would prevent children at near-poverty levels from enrolling in the program. Currently, 70 percent of PeachCare enrollees are under 150 percent of poverty (\$31,000 for a family of four). Thus, many if not most of those denied coverage due to an enrollment freeze would be from families with the lowest incomes. These proposals will do nothing to alleviate the funding shortfall, but instead will move Georgia further away from the goal of ensuring adequate access

to healthcare. Such proposals serve to punish the very children and families the program is designed to help.

While PeachCare is indeed facing financial hurdles, most expect that Congress will act in the coming months to both shore up funding for the current year and reauthorize the program for the next five years. No matter what actions Congress takes, the state has options and the responsibility to ensure that all of the roughly 270,000 current enrollees remain on the program and eligible children seeking enrollment are covered.

Georgia should make the PeachCare program a Medicaid expansion, guaranteeing that eligible children are always able to receive needed healthcare services. Since the state receives nearly a 2 to 1 return on its Medicaid investment in the form of federal funds, turning PeachCare into a Medicaid expansion program guarantees continued federal support while giving the state the flexibility to cover children no matter the PeachCare federal funding level.

Although a Medicaid expansion would cost additional state funds, those funds are available. If Georgia can afford \$19 million to build boat ramps for bass fishing and \$142 million more in tax cuts for only the wealthiest senior citizens, Georgia can afford to assure the health of its children. It is only a matter of priorities. State leadership on this issue should revolve around stabilizing and strengthening the health and welfare of Georgia's children, not weakening it.