

# Economic Impacts of Medicaid Expansion in Georgia

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# Background



- The Affordable Care Act allowed states to expand their Medicaid programs to serve adults up to 138% of the federal poverty line
  - As of 2020, the federal government pays 90% of expanded population costs, and the state covers the rest
  - The American Rescue Plan further stipulated that the federal government pays an additional 5% towards the costs of current enrollees for the first 2 years of a new expansion
- Georgia is one of ten remaining states that had not expanded as of March 2024
  - On behalf of Georgia Health Initiative, REMI performed a state and regional economic impact analysis of expanding Medicaid in Georgia

# The Model



We used an 18-region, 70-industry PI+ v3.1 model of Georgia that was divided into Public Health Districts as defined by the Georgia Department of Public Health.

- We estimated the direct impacts over the first 3 years of an expansion based on forecasts of 2 key metrics from a legislative fiscal note issued by the Georgia Department of Audits and Accounts on February 22, 2024
  - Increase in Medicaid premiums
    - Using the Standard Regional Control, this was distributed into new health related Consumer Spending by district, year, and category
      - Pharmaceutical and other medical products
      - Physician services
      - Dental services
      - Hospitals
      - Nursing homes
  - Net cost to the state government budget
    - Corresponding changes in government spending to balance budget

# Methodology



**Table 1: Medicaid Capitated Payments (Premiums) and Net State Cost**

Category	Year 1		Year 2		Year 3	
	Method 1	Method 2	Method 1	Method 2	Method 1	Method 2
Medicaid - Premiums (Total)	2,543.4	3,567.4	5,251.7	7,370.4	5,433.5	7,625.4
Net State Cost	-469.8	-458.8	-194.3	-157.6	512.7	556.9
Medicaid - Premiums/Admin (State)	260.1	364.4	534.1	759.6	552.2	775.1
Georgia Access/Reinsurance	0.0	0.0	22.1	26.4	22.1	26.4
Reduced State Expenditures	-721.6	-751.4	-735.6	-791.7	-48.6	-104.7
Department of Community Health (DCH)	-687.0	-687.0	-687.0	-687.0	0.0	0.0
Other Departments	-34.6	-64.4	-48.6	-104.7	-48.6	-104.7
Additional State Revenue	-8.3	-71.8	-14.9	-141.9	-13.0	-139.9

*\*Units: Millions of Nominal Dollars. Totals may not correspond to components due to rounding. Estimates from Tables 1 and 3 of the DOAA fiscal note. To maximize the generality of the economic impact analysis, the Workforce Development Program studied in the fiscal note was omitted. Additional table notes and information regarding the estimates are available in the fiscal note.*

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# Methodology



fiscal method 1

Save Forecast Import Export Print Tools

Select Inputs **Inputs List** Forecast Options Results

**Policy Variable Inputs**

Active	Edit	Group	Active	View	Category	Detail	Region	Units	2022	2023	2024	2025	2026	2027	2028	2029
<input checked="" type="checkbox"/>		New State and Local Government Spending	<input checked="" type="checkbox"/>		State and Local Government Spending	State Government	Regions (18)	Nominal \$ (M)	0	0	469.8	194.3	-512.7	0	0	0
<input checked="" type="checkbox"/>		New Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Hospitals	Northwest District	Nominal \$ (Units)	0	0	49672872.1	103221545	106884714	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Nursing homes	Northwest District	Nominal \$ (Units)	0	0	6343360.0	13098834.1	13455467.1	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Pharmaceutical and other medical products	North Georgia District	Nominal \$ (Units)	0	0	26917326.1	55328931.1	56719971.1	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Physician services	North Georgia District	Nominal \$ (Units)	0	0	35274451.1	73817391.1	77075678.1	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Dental services	North Georgia District	Nominal \$ (Units)	0	0	5470728.4	11325034.1	11730407.1	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Hospitals	North Georgia District	Nominal \$ (Units)	0	0	45913843.1	95307666.1	98673429.1	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Nursing homes	North Georgia District	Nominal \$ (Units)	0	0	5873481.4	12075488.1	12420431.1	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Pharmaceutical and other medical products	North District	Nominal \$ (Units)	0	0	42020564.1	86302217.1	88668081.1	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Physician services	North District	Nominal \$ (Units)	0	0	55714167.1	116661496	122134244	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Dental services	North District	Nominal \$ (Units)	0	0	8759878.1	18215566.1	18906657.1	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Hospitals	North District	Nominal \$ (Units)	0	0	73334611.1	153092629	159602546	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Nursing homes	North District	Nominal \$ (Units)	0	0	9364007.6	19443582.1	20148700.1	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Pharmaceutical and other medical products	Cobb-Douglas District	Nominal \$ (Units)	0	0	56217608.1	115501703	118684124	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Physician services	Cobb-Douglas District	Nominal \$ (Units)	0	0	75415502.1	157049569	163811693	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Dental services	Cobb-Douglas District	Nominal \$ (Units)	0	0	11478460.1	23741637.1	24564853.1	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Hospitals	Cobb-Douglas District	Nominal \$ (Units)	0	0	96257971.1	199961897	207490211	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Nursing homes	Cobb-Douglas District	Nominal \$ (Units)	0	0	12317529.1	25447215.1	26151908.1	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Pharmaceutical and other medical products	Fulton District	Nominal \$ (Units)	0	0	102097889	208626230	214390451	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Physician services	Fulton District	Nominal \$ (Units)	0	0	140661491	291585517	304231573	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Dental services	Fulton District	Nominal \$ (Units)	0	0	21144533.1	43731005.1	45265573.1	0	0	0
<input checked="" type="checkbox"/>		Consumer Spending	<input checked="" type="checkbox"/>		Consumer Spending	Hospitals	Fulton District	Nominal \$ (Units)	0	0	176775011	367381377	381928273	0	0	0

91 policy variables active. Saved C:\Users\lamp\Desktop\GAPHwin21.70 - Georgia Public Health Districts - v3.1.0\ Georgia Public Health Districts (GAPH) - 18 Region 70 Sector Model

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## State-Level Economic Impacts

Category	Year 1	Year 2	Year 3	Average
Total Employment	38,932	63,525	51,333	51,264
<i>Selected Key Industries</i>				
Ambulatory health care services	8,063	15,321	14,528	12,637
Hospitals	4,097	8,009	7,831	6,646
Retail trade	4,289	7,555	6,730	6,192
Construction	3,626	6,316	5,615	5,186
Administrative and support services	2,119	3,597	3,043	2,919
Food services and drinking places	1,445	2,534	2,324	2,101
State and local government	4,769	2,746	-3,132	1,461
Nursing and residential care facilities	842	1,640	1,592	1,358
Wholesale trade	798	1,351	1,146	1,098
Chemical manufacturing	87	159	145	131
Economic Output	7,008.2	11,504.2	9,604.1	9,372.1
Gross Domestic Product (GDP)	4,103.9	6,775.7	5,664.7	5,514.7
Personal Income	2,719.2	4,418.2	3,748.1	3,628.5
Population	12,206	28,753	37,377	26,112
*Units: Total Employment - Jobs; Economic Output, GDP, Personal Income - Millions of 2024 Dollars; Population - Individuals. Averages may not correspond to impacts due to rounding. State and local government impacts exclude public hospitals, which are included in the Hospitals impacts.				

- Approximately 43 percent of the new jobs would be health care related
  - 12,637 focused on outpatient care
  - 8,004 focused on inpatient care in hospitals, nursing homes, and residential care facilities
  - More than 1,000 focused on the production, distribution, and purchase of prescription drugs and other medical products
- The majority of the new jobs created (57 percent) would not be health care related, but would be spread widely across the state economy
  - (Non-health care) consumer spending
  - Supply chain demand
  - Residential and nonresidential investment
  - State and local government spending (direct and non-direct changes)



## Average Annual Impacts in Rural Georgia



5,611 Jobs



\$862.4 million in  
Economic Output



\$502.5 million in  
GDP



\$477.3 million  
in Personal  
Income



4,208 in  
Population

Thank you for joining!

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