Georgia Pathways—Partial Medicaid Expansion With Work Requirements and Premiums

On July 1, 2023, Georgia became the first state to partially expand Medicaid eligibility to low-income adults with work requirements through a new program called Georgia Pathways to Coverage. Georgia Pathways is a partial expansion of Medicaid eligibility that covers persons with incomes up to 100% of the federal poverty level (≤$14,600 annually for an individual). In contrast, traditional Medicaid expansion under the Affordable Care Act (ACA), which has been adopted by 40 states and the District of Columbia as of July 2023, covers individuals earning up to 138% of the federal poverty level (≤$20,130 annually for an individual).

Georgia Pathways deviates from other states that have expanded Medicaid eligibility to low-income adults under the ACA because of its less generous eligibility limits and the inclusion of work requirements and monthly premiums. Georgia Pathways was initially approved at the end of the Trump administration; approval was subsequently revoked by the Centers for Medicare & Medicaid Services (CMS) under the Biden administration due to the inclusion of work requirements and premiums. Georgia then sued the federal government and a federal district court sided with Georgia, arguing that revoking approval was an invalid exercise of the CMS’s administrative authority.

Georgia Pathways is likely to be a program with limited reach that provides unstable coverage with no effect on employment.

As of 2021, 15.3% of nonelderly Georgians were uninsured, which is the fourth highest rate in the US. Parents of dependents were eligible for Medicaid only if their incomes fell below 31% of the federal poverty level (<$4,520 per year for an individual). Parents with incomes above that limit and all other low-income adults without dependents, regardless of income level, were not eligible for Medicaid. This created a coverage gap in which persons earning less than 100% of the federal poverty level were ineligible for Medicaid yet had incomes too low to qualify for federally subsidized private health insurance through the ACA Marketplace, which is available to people with incomes 100% to 400% of the federal poverty level. Even though Georgia Pathways helps to close Georgia’s coverage gap, key features of the program impede its ability to effectively deliver coverage to low-income Georgians (Table).

First, Georgia Pathways requires beneficiaries to complete a minimum of 80 hours of community engagement per month in qualifying activities such as work, job training, education, or community service to obtain and maintain eligibility for Medicaid. Applicants must demonstrate compliance during the month prior to application to gain coverage, and proof of ongoing participation in these activities must be submitted monthly. If beneficiaries submit such paperwork for 6 consecutive months, they are granted a reprieve from disqualification until their next annual renewal.

Evidence shows tying work to public benefit eligibility has not resulted in increases in employment. Until now, Arkansas was the only state to implement work requirements as a condition of Medicaid eligibility. The 3-month trial of the Arkansas Works program in 2018 demonstrated no increases in employment, but resulted in significant Medicaid coverage losses. Those who lost coverage were more likely to report delayed receipt of health care services, poor medication adherence, and increased medical debt. Data from Arkansas also indicates that work requirements resulted in administrative disenrollment—meaning people who met eligibility requirements were disenrolled for being unable to provide the required documentation.

Although Georgia’s stated goal is to support employment, education, and professional development, it may be difficult to meaningfully increase employment rates because national data indicate that 61% of Medicaid enrollees work full-time or part-time, and an additional 30% are not working due to being the primary caregiver, illness, disability, or enrollment in school. Arkansas Works provided several exemptions for meeting the work requirements, including for those who were medically frail or with an acute medical condition, pregnant or postpartum, full-time students, in treatment for alcohol or drug abuse, or caregivers of a dependent younger than 17 years of age or an incapacitated person, among others. Unlike Arkansas, Georgia Pathways includes no exemptions for work requirements, only “reasonable accommodations” for those with disabilities that modify qualifying activities, but do not exempt individuals from the requirements. Due to the lack of exemptions for those with dependents, many families with caregiving responsibilities will be unable to meet the minimum threshold of hours to satisfy the requirements to maintain coverage. Meeting both work and administrative reporting requirements is particularly challenging for Medicaid beneficiaries with low literacy, housing instability, or limited access to a computer or transportation.

Work requirements also create additional administrative burdens for hospitals, physicians, and other clinicians who serve as key players in enrolling eligible patients in Medicaid, yet will face increased administrative barriers in...
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navigating the Georgia Pathways program. Furthermore, hospitals and clinicians will not be able to use presumptive or retroactive eligibility to obtain reimbursement for care of uninsured patients who have applied to Georgia Pathways but have not yet been enrolled.

Second, enrollment in Georgia Pathways requires initial and ongoing monthly premium payments of up to 1.5% of household income for those with incomes between 50% and 100% of the federal poverty level. Failure to make an initial payment will result in lack of enrollment, and missing 2 months of payments will result in a suspension of Medicaid coverage and disenrollment if payments are not made within 90 days. Numerous studies have shown that premiums in Medicaid deter enrollment. For example, an evaluation of a premium program in Indiana for Medicaid expansion found that 55% of eligible individuals did not make an initial payment or missed a payment. A recent analysis also found that uninsured low-wage workers in Georgia are likely to work in sectors with high variable hours, which may make it more difficult both to comply with work reporting on a monthly basis and make ongoing premium payments.

Third, because Georgia Pathways is not a traditional expansion of Medicaid under the ACA, Georgia will receive a lower federal matching rate to fund coverage for the newly eligible population (65.9%) compared with traditional expansion (90% plus an additional 5% for the first 2 years under the American Rescue Plan Act). Thus, Georgia Pathways will bring in less federal funding than Medicaid expansion under the ACA while covering fewer people. In 2020, Georgia and the CMS estimated that Georgia would cover approximately 640,000 people compared with covering at least 447,000 people under traditional Medicaid expansion, a 7-fold difference. Georgia Pathways will also impose Medicaid administrative costs associated with tracking work requirement compliance and collecting premiums. In short, Georgia Pathways will cost more per person to cover fewer people.

The coverage effects of Georgia's partial Medicaid expansion depend largely on ease of meeting program requirements and an effective information campaign are essential, both of which require sufficient administrative resources. For instance, in Arkansas, almost half of the target population expressed uncertainty as to whether the work requirements were applicable to them, proving that communication can be an overlooked and critical aspect of planning. Without well-resourced and effective communication, outreach, and enrollment assistance strategies, Georgia Pathways is likely to be a program with limited reach that provides unstable coverage with no effect on employment.

Georgia Pathways comes on the heels of the end of the COVID-19 pandemic Public Health Emergency that temporarily prevented Medicaid disenrollments. Disenrollments reinitiated in April 2023 and already have resulted in coverage losses in Georgia. In May 2023, 95.3% of the 1659 people disenrolled were due to administrative reasons, such as being unable to contact beneficiaries or failure to submit required paperwork, as opposed to lack of eligibility.

Georgia Pathways has implications for national policy. As of April 2023, congressional Republicans favored a federal budget that would make work requirements a prerequisite for Medicaid coverage nationally, which the congressional Budget Office has estimated would result in 2.2 million adults losing Medicaid coverage. Georgia's first in the nation partial Medicaid expansion with work requirements and premiums will serve as a closely watched laboratory for state and federal policy, but lessons from other states already suggest that the program will come at the expense of low-income Georgians and the health care clinicians who serve them.

Table. Characteristics of the Georgia Pathways to Coverage Program vs Traditional Medicaid Expansion Under the Affordable Care Act (ACA)

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<tr>
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<th>Traditional Medicaid expansion under the ACA</th>
<th>Georgia Pathways to Coverage</th>
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<tr>
<td>Income eligibility limit</td>
<td>≤138% of the federal poverty level</td>
<td>≤100% of the federal poverty level</td>
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<tr>
<td>Work requirements</td>
<td>None</td>
<td>Minimum of 80 h of community engagement per month with no exemptions</td>
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<td>Premium payments</td>
<td>36 of 41 states do not require monthly premiums</td>
<td>≤1.5% of household income for those with incomes 50%-100% of the federal poverty level</td>
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<td>Federal medical assistance</td>
<td>95 for first 2 y, 90 thereafter</td>
<td>65.9</td>
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<tr>
<td>Estimated No. of Georgians covered</td>
<td>447,000</td>
<td>64,000</td>
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REFERENCES


