

**The American Recovery and Reinvestment Act in Georgia:  
Opportunities for Relief for Low and Moderate  
Income Families – *A Georgia Legal Services Program® Community  
Briefing***

May 20, 2009  
The Atlanta Community Food Bank

# HEALTH CARE

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The mission of the **Georgia Legal Services Program®** is to provide access to justice and opportunities out of poverty for Georgians with low-incomes.

Our lawyers and paralegals provide the help that reflects your community's values of fairness, equality, and responsibility to assist others in need.

Visit [www.GLSP.org](http://www.GLSP.org) as well as [www.LegalAid-GA.org](http://www.LegalAid-GA.org) and [www.GeorgiaAdvocates.org/GOJC](http://www.GeorgiaAdvocates.org/GOJC).

**American Recovery & Reinvestment Act in Georgia:**

**Opportunities for Relief  
for Low and Moderate Income Families**

**Health Care**

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The American Recovery and Reinvestment Act is providing funding to the State of Georgia to help meet high health care costs during the recession.

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**Georgia's Economy  
Is Not a Pretty Sight**

- March unemployment rate 9.2%  
(some areas of the state are higher)
- 185,900 jobs lost in 1 year (4.5%)
- State tax collections down 8% for  
fiscal year-to-date (\$1 billion)

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**No Place Left to Cut the Budget**

- Budget for FY 2010 (beginning 7/1/2009)
  - \$3.1 billion lower than budget originally enacted for current year (15%)
    - \$1.3 billion in actual cuts
    - \$1.4 billion in stimulus funds used to fill gap
- 90% goes for education, health care, public safety, health & social services, transportation (55% for education)

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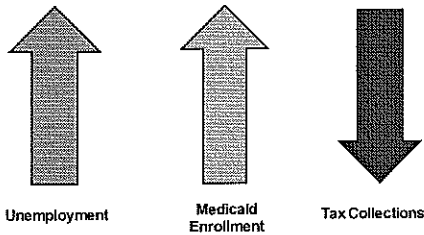
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**Recession**




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**Medicaid & PeachCare Enrollment on the Rise**

DCH FY 2010 Budget Impact Overview For Medicaid (LJM & ABD) and PeachCare				FY2010
Programs	Low Income Medicaid	Asset Blended and Disabled*	PeachCare for Kids	TOTAL
<b>Enrollment:</b>				
December 2008 Enrollment (as of 2009)				
Projected Enrollment June 2009	955,350	364,213	212,566	1,532,151
Projected Enrollment June 2010	1,058,310	384,197	222,330	1,664,836
	1,153,015	390,045	271,544	1,814,604
<b>Weekly New Applicant Volume (Average for Feb/09-Mar/09 MTD)</b>				
	26,555	4,686	1,950	33,191
Projected % Enrollment Growth June 2009 vs. June 2008	10.8%	0.7%	0.5%	11.5%
Projected % Enrollment Growth June 2010 vs. June 2008	8.9%	1.5%	22.1%	9.0%

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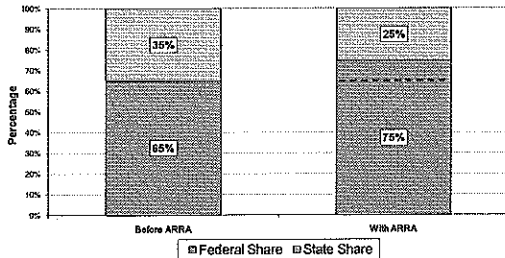
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**State & Federal Medicaid Funding Shares Before & After ARRA**




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**Result of Additional ARRA Medicaid Funding**

- Averted cut of 10% to hospital fees & 6% to doctor fees
- Stimulus law prohibited cutting Medicaid eligibility
- Enrollment growth has been funded
- Over \$400 M of the Medicaid funds for FY 2009 went for tax relief

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**Other ARRA Health Funding:  
Rural Community Health Centers  
(Increased Demand for Services Grant)**

Health Center	Counties Served	Amount
Migrant Farmworker Clinic	Lowndes, Echols	\$93,989
Colquitt Co. Board of Health	Colquitt, Tift, Cook, Brooks	79,571
Decatur Co. Board of Health	Decatur, Seminole, Grady, Thomas, Mitchell	\$147,879
East Ga. Health Care, Inc.	Tattnall, Toombs, Candler	\$30,707
Sumter Regional Hospital, Ellaville Primary Care	Schley, Crisp, Sumter, Macon, Taylor	\$52,841
South Central Primary Care	Atkinson, Coffee	\$30,970

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**Other ARRA Health Funding:  
Disproportionate Share Hospitals**

- Many Georgia serving a disproportionate number of Medicaid and uninsured patients receive enhanced payments under ARRA.
- Since the beginning of ARRA, the extra funds have totaled \$6.5 million.

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**ARRA Assistance to States  
Is Time-Limited**

October 2008  
Through  
December 2010

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**State Budget Outlook**

- After federal stimulus expires, Georgia faces another massive deficit.
- The General Assembly passed major tax cuts this year, but Governor Perdue vetoed the bill that would have had the biggest impact.
- How Georgia compares to other states:
  - 41<sup>st</sup> lowest state taxes as % of personal income
  - 44<sup>th</sup> lowest state & local taxes on business as % of GSP
  - 49<sup>th</sup> in spending on public services per capita

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Besides helping the state, ARRA also offers direct subsidies to laid off workers and their dependents who need to keep the health insurance they had from the employer.

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**ARRA Help with Health Insurance Premiums for Workers Who Lose Jobs**

- Federal government pays 65% of the health insurance premium & individual pays 35%
- Subsidy lasts for 9 months or until the person becomes eligible for other group insurance, Medicare, etc. (whichever is earlier)
- Income must be less than \$125,000 for an individual or \$250,000 for a couple
- Termination must be involuntary, not voluntary or for cause

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**ARRA Help with Health Insurance Premiums for Workers Who Lose Jobs**

- Layoff must occur between September 1, 2008 and December 31, 2009
- People who were laid off between September 1, 2008 and February 17, 2009 have a second chance to enroll
- Some differences in how it operates for employees of large and small firms

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**COBRA Premium Assistance:  
Firms of 20 or More Employees**

- Continuation coverage governed by federal law
- Workers generally entitled to 18 months of coverage
- ARRA subsidy covers 9 months after secondary election
  - Coverage begins March 1, 2009
- Employer advances 65% of premium to insurer & receives credit against payroll taxes
- Notices from employer

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**COBRA Premium Assistance:  
Firms of Fewer than 20**

- Continuation coverage governed by state law
- Ga. workers usually entitled to 3 months of coverage
- SB 94 changes temporarily to 9 months
- ARRA subsidy covers 9 months after termination or secondary election
- Insurer receives credit against payroll taxes for 65% of premium
- Notice from insurer
- Department of Insurance responsible for implementation

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**Appealing Denials of Premium  
Subsidies**

- If you are told you do not qualify, you may appeal.
- Firms of 20 or more:
  - The U.S. Department of Labor handles appeals
- Firms of fewer than 20:
  - The U.S. Department of Health and Human Services, Center for Medicare and Medicaid Services handles appeals

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**What to Do If You Think You Qualify  
for ARRA Help with COBRA Premiums**

- When you receive a notice about the premium subsidy, act immediately so that you and your family can continue your insurance
- If you do not receive a notice, contact your former employer or the employer's health insurer and ask

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