GEORGIANS FOR A HEALTHY FUTURE

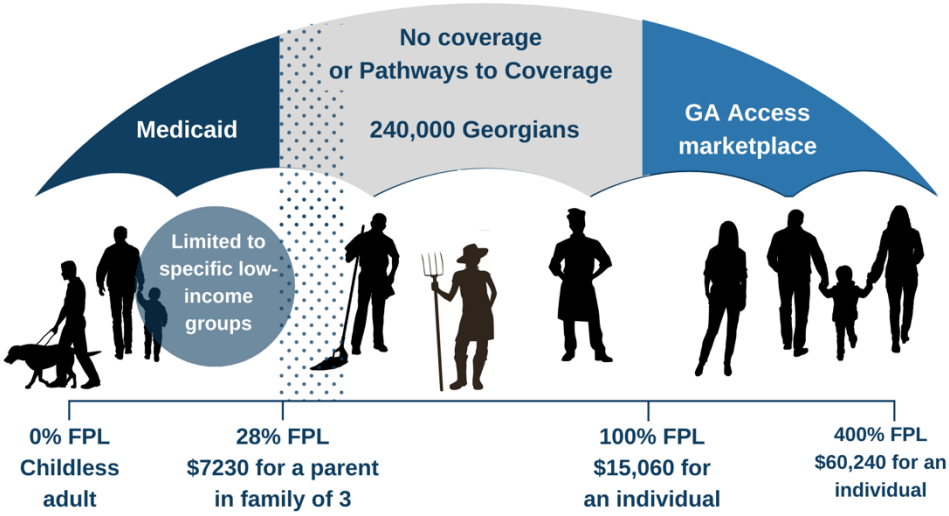
Georgia's health care waivers: What each waiver does and their impacts on health insurance eligibility in Georgia

Policy memo

Updated January 2025

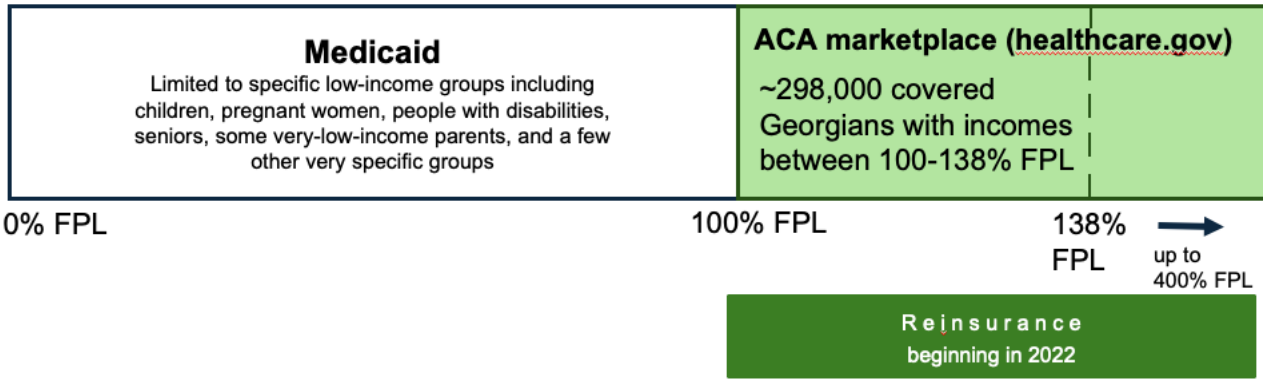
What is the coverage gap?

Georgians in the **coverage gap** do not qualify for traditional Medicaid coverage and do not earn enough to qualify for tax credits that make private health insurance plans affordable through the Affordable Care Act (ACA). They are 19-64 years old and earn at or below 100% of the federal poverty level (about $31,000 or less per year for a family of four). Most are in a family with at least one worker. Many work in critical but low-paying jobs, such as food service or construction, that often do not offer employer-sponsored health coverage.



There are **240,000 Georgians** who are uninsured because they fall in the coverage gap.[i] To fully close Georgia's coverage gap, the state would need to extend coverage to all uninsured adults with incomes up to 138% FPL.

Health coverage programs available to Georgia adults, before 2023



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Georgia's health care waivers and programs

Pathways to Coverage: An 1115 Medicaid waiver

The Georgia Pathways to Coverage Program ("Pathways") is a new Medicaid program that covers adults up to 100% FPL if they can demonstrate they are meeting certain "engagement requirements." Applicants must work, go to school, volunteer, or participate in another approved activity for at least 80 hours each month. The eligibility criteria for Pathways are narrower than for Medicaid expansion or similar programs that close the coverage gap in other states.

Because the program was structured with narrow eligibility criteria, the federal government only covers about 66% of program costs rather than 90% of costs (as they do for coverage gap programs in other states). The narrow criteria also preclude Georgia from qualifying for additional federal dollars through the financial incentive included in the American Rescue Plan Act (ARPA).[ii] The Pathways program is authorized by an 1115 Medicaid waiver, which received approval from the federal government in September 2020 and will expire in September 2025.

The program launched in July 2023. As of February 2025, Georgia is the only state in the country that is implementing a Medicaid "work requirement," in part because these requirements have been struck down by federal courts. Two-thirds of low-income, uninsured Georgians are working or live in working households.[iii] They are largely working in low-wage jobs that do not come with benefits such as childcare, hospitality, retail, and food service.

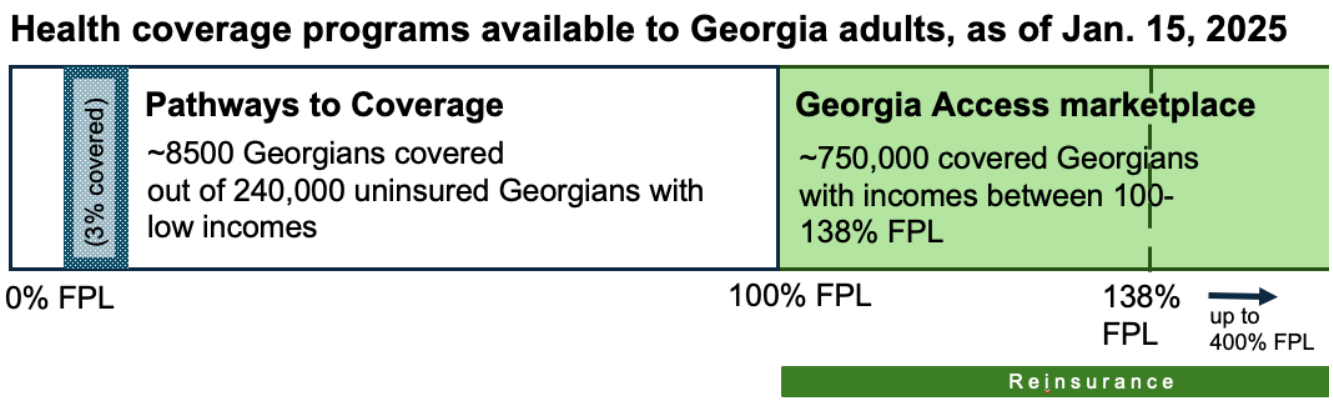
GeorgiaPathways.org, managed by the Georgia Budget & Policy Institute, has very helpful data, stories, and information about how this program is and isn't working for low-income Georgia adults.

Current status

During the first 18 months of Pathways, only 8500 Georgians enrolled in the program, reflecting about 3% of the potentially eligible population.[iv]

Gov. Kemp's administration and the Department of Community Health are applying for a renewal of the 1115 waiver that authorizes the Pathways program. They have added new "qualifying activities" to expand the number of Georgians who may enroll in the program. These new qualifying activities include caregivers to children 0-6 and adults meeting the SNAP Able-Bodied Adults without Disabilities (ABAWD) activities. Even with this modest expansion of qualifying activities, DCH estimates only 30,000 Georgians will enroll in Pathways coverage by 2030 (13% of the population in the coverage gap).

Pathways does not close Georgia's coverage gap. It covers some Georgians who were in the gap but because of its stringent eligibility requirements, the state estimates that it will cover up to 30,000 Georgians (out of 240,000+) by 2030.[v]



Reinsurance: A 1332 State Innovation waiver for private insurance

What is reinsurance? *Reinsurance programs provide payments to health insurers to help offset the costs of enrollees with large medical claims. In a competitive market, insurers will pass this subsidy on to consumers, so a reinsurance program will reduce premiums (in aggregate) by roughly the amount of the subsidy. For example, in a state where total annual premiums in the ACA market amount to $1 billion, a $100 million reinsurance program will reduce premiums by about 10 percent. In some cases, a reinsurance program can also make insurers more willing to remain in or enter a state's individual market.*[vi]

Beginning in 2022, the Kemp administration's **reinsurance program** rolled out to help stabilize and lower premiums for health insurance plans sold through the ACA marketplace. The reinsurance program is authorized by a 1332 State Innovation waiver. As of 2025, Georgia is one of 17 states using reinsurance.[vii]

Georgia has structured its reinsurance program so that it disproportionately lowers premiums in regions of the state with the highest insurance premiums (largely rural areas).[1]

Reinsurance simply stabilizes health insurance premiums by providing health insurers with more predictable costs.

Reinsurance does NOT expand which types/categories of adults can purchase subsidized private health insurance through the health insurance marketplace. The same pool of adults is eligible for coverage as would be eligible without reinsurance.

Because reinsurance does not expand coverage to any new groups of adults, it does not close Georgia's coverage gap.

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[1] Note: A recent study found that Georgia's reinsurance program had reduced premiums for certain health plans by 20%; however, the premium reductions also reduced subsidies that consumers receive to lower their costs. With lower subsidy amounts, the net effect of reinsurance was to increase the minimum cost of coverage for moderate-income consumers. This likely resulted in an enrollment decrease of 21,000 consumers with incomes of 251-400% FPL ($37,650 - $60,240 for an individual). Reference: Anderson, D., Golberstein, E., Drake, C. (March 2024). *Georgia's Reinsurance Waiver Associated with Decreased Premium Affordability and Enrollment.* Health Affairs, vol. 43, no. 3.

Georgia Access: a state-based health insurance marketplace

Under the ACA, every state has the option to create its own health insurance marketplace, called a state-based marketplace (SBM), or use the federal marketplace at healthcare.gov. From 2013-2024, Georgians visited healthcare.gov to view plans, qualify for financial help to lower their insurance costs, and enroll in the health plan of their choosing.

After the Biden administration in 2021 rejected the Kemp administration's original proposal to separate Georgia from healthcare.gov with no replacement, the Governor changed course to establish an SBM as authorized by the ACA. From 2022-2024, the Georgia Department of Insurance worked to create and launch Georgia Access (GeorgiaAccess.gov).

From the fall 2023 to late summer 2024, the federal and state governments worked in partnership to manage and run Georgia's health insurance marketplace (a hybrid or transition year).

In fall 2024, Georgia took on sole management of GeorgiaAccess.gov, with basic oversight from the federal government.

Because Georgia Access does not expand coverage to any new groups of adults, it does not close Georgia's coverage gap.

Timeline of health insurance marketplace changes

What is the context around the Governor's remarks when referencing that 700,000-800,000 Georgians have become newly insured through waivers?

"We have done a Medicaid expansion through the waivers and reinsurance program we have on the private sector side, which is Access and Pathways. … When you add up what we have done through Pathways, plus our Access program, we have signed up 713,000 people, the majority of which have private coverage." –Gov. Kemp, Politically Georgia podcast, April 19, 2024.

The Georgia Department of Community Health has confirmed that over 700,000 Georgians with incomes of 100-138% FPL are enrolled in health insurance plans through the Georgia Access marketplace for 2025.

Georgians with incomes in this range have been eligible to purchase health insurance and qualify for advanced premium tax credits (APTCs) to lower their premium costs since the Affordable Care Act (ACA) was implemented (2012). Prior to 2022, they had to pay a small premium and other reduced cost-sharing fees (e.g. co-pays). These relatively small costs were often enough to dissuade them from enrolling.

In 2022, the ACA's APTCs were made more generous by the Inflation Reduction Act (IRA), effectively providing many of these Georgians with $0 premiums.[viii] This has incentivized many more Georgians with incomes of 100-138% FPL to enroll in health insurance through the marketplace for 2023-2025.[ix]

The Georgia Department of Insurance invested in meaningful marketing of Georgia Access during the 2024 open enrollment period which may have contributed to enrollment gains as well. Because large enrollment gains were seen nationwide, it is more reasonable to assume the enrollment increases are due to the IRA subsidies.[x]

The IRA tax credits expire in 2025, putting these coverage gains at risk. Even a small increase in monthly premiums can be too much for someone living near poverty to afford.

Have the Kemp administration's waivers closed the coverage gap?

"…Since I took office, the combined work of Georgia Access and Georgia Pathways is covering over 1.5 million people across our state. And I'm going to keep repeating this until I'm blue in the face, even though many on the other side or in the media don't want to hear it: we're covering well over 200,000 more Georgians than traditional Medicaid expansion would cover. And those Georgians are on better plans, that deliver better coverage, and lead to better healthcare outcomes for them and their families."—Gov. Kemp, State of the State address, Jan. 16, 2025

While enrollment gains among moderate and middle-income Georgians through the Georgia Access marketplace are positive and should be celebrated, these gains have not closed the coverage gap. Georgians with incomes below 100% FPL do not have a meaningful way to enroll in health insurance (private or Medicaid). **Georgia's coverage gap has not been closed.**

The Georgia Department of Community Health estimates that 240,000 Georgians fall in the gap because they meet the following criteria: 1) Ages 19-64; 2) Incomes of less than 100% FPL; and 3) uninsured (i.e. ineligible for other categories of Medicaid and ineligible for subsidized marketplace coverage.

What are the implications for private health coverage if lawmakers enacted policies to close the coverage gap?

It depends on how these policy changes are structured. Georgia can close the coverage gap through a traditional Medicaid expansion or by building a custom policy solution.

Under a traditional Medicaid expansion, those Georgians with incomes between 100-138% FPL would move from private insurance (if they have enrolled in coverage) to a Medicaid managed care plan. In 2025, that represents 700,000-800,000 Georgians. Georgia lawmakers are not seriously considering this option at this time.

During the 2024 legislative session, the Senate Regulated Industries Committee heard HB 1077, which proposed closing the coverage gap by using federal funding for Medicaid expansion to purchase private health insurance plans for uninsured adults with incomes of 0-138% FPL. This model resembles the method that Arkansas used to close its coverage gap and is sometimes referred to as the "private model" or a "premium assistance model."[xi]

The Comprehensive Health Coverage Commission established by HB 1339 is specifically charged with examining opportunities related to premium assistance.

Under a private model or premium assistance model, Georgians with incomes between 100-138% FPL who already have private insurance would retain that coverage. The state would pay the premiums and (likely) cost-sharing.

A private or premium assistance program would very likely close Georgia's coverage gap (depending on a few policy choices the state could make). This model would provide health coverage to the same categories and numbers of Georgians as a traditional Medicaid expansion. It would additionally earn the enhanced federal matching rate, in which the federal government pays for 90% of program costs and the state pays only 10%, as well as the additional $1.2 billion incentive created by the American Rescue Plan Act.[xii]

So Medicaid expansion or a "private model" would cover adults with incomes between 100-138% FPL? And the health insurance marketplace also covers people with incomes above 100% FPL?

Yes, the Affordable Care Act was written so that there is some overlap for this group of adults. In part, the authors of the ACA were accounting for the fact that the incomes of low- income adults change quite a lot throughout the year (much more than for individuals with salaried jobs), because of seasonal work, changes in scheduled hours/shifts at work, and other factors. While confusing, this overlap was meant to ensure that an individual or family could keep their source of coverage if their income changed for a short period of time (e.g. from 98% FPL to 120% FPL, or from 160% FPL to 120% FPL).

When Georgia closes its coverage gap, adults with incomes of 100-138% FPL would primarily be covered through the same program that covers adults making 0-100% FPL.

What is the context around Senator Ben Watson's earlier statements when he compares the Pathways to Coverage program with Arkansas' "private model" of Medicaid expansion?

Senate Regulated Industries and Utilities committee hearing, March 21, 2024. Sen. Watson's comments begin at 1:57.

Senator Watson stated that, even at full enrollment, the Pathways to Coverage program will leave about 200,000 Georgians without coverage. He states that the Arkansas model left about 200,000 folks uninsured as well, which he describes as significant since Arkansas has a much smaller overall population size. Sen. Watson's remarks seemed to suggest that if Georgia were to adopt a "private option" to close the coverage gap, many Georgians would remain uninsured.

According to the Arkansas Center for Health Improvement, there are approximately 200,000 uninsured Arkansans at or below 400% of the federal poverty level. About 60% of these uninsured Arkansans do not qualify for Medicaid expansion coverage due to income (i.e., they would qualify for subsidies in the marketplace).

Additionally, there are higher concentrations of uninsured populations where there are higher concentrations of undocumented populations. Arkansas has higher rates of undocumented immigrants than Georgia does.

Finally, the Arkansas legislature placed restrictions on state agencies' ability to do any outreach and education about Medicaid expansion and the marketplace. As a result, there is no advertising and no community-based navigators to assist with enrollment.

Senator Watson seems to be comparing unlike categories in his comments: Georgia's uninsured rate only among those with incomes below 100% FPL and who are legally present in Georgia compared to Arkansas' uninsured rate across all income ranges and immigration statuses.

240,000 low-income Georgians left uninsured by Pathways to Coverage

(only those making less than 100% of the federal poverty and legally present in Georgia)

VS.

200,000 uninsured Arkansans across income ranges and immigration statuses

Summary

While more Georgians have gained health coverage in recent months, these gains are largely the result of changes implemented by federal decisionmakers as opposed to stemming from actions taken by state decisionmakers. Around 240,000 Georgians remain uninsured because they do not qualify for Medicaid or affordable health coverage through the health insurance marketplace. Without health insurance, these Georgians go without meaningful access to health care, even when they are sick. These Georgians are likely to remain uninsured and Georgia is likely to retain its ranking for 3rd highest uninsurance rates until state leaders close the coverage gap by expanding public or no-cost private coverage to adults with incomes from 0-138% FPL (without burdensome reporting requirements).

For reference

Family size	100% FPL (Pathways income limit)	138% FPL (income limit for Medicaid expansion)
1	$15,650	$21,597
2	$21,150	$29,187
3	$26,650	$36,777
4	$32,150	$44,367
5	$37,650	$51,957

*Based on 2025 federal poverty limits

[i] Georgia Dept. of Community Health. (Sept. 5, 2024.) *Georgia Uninsured and Marketplace Data, August 2024*.
[ii] Musumeci, MaryBeth. (March 18, 2021). *Medicaid Provisions in the American Rescue Plan Act.* Kaiser Family Foundation.
[iii] Kaiser Family Foundation. (April 24, 2023). *Understanding the Intersection of Medicaid & Work: A Look at What the Data Says*.
[iv] Open Records Request published on GeorgiaPathways.org
[v] Georgia Department of Community Health. (Jan. 21, 2025.) *Georgia Pathways Full Public Notice*.
[vi] Lueck, S. (April 2019). *Reinsurance Basics: Considerations as States Look to Reduce Private Market Premiums.* Center on Budget & Policy Priorities.
[vii] Center for Medicare & Medicaid Services. (April 2024.) *Data Brief on State Innovation Waivers: Section 1332 Waivers*
[viii] Gustafsson, L. and Collins, S. (August 11, 2022). *The Inflation Reduction Act is a Milestone Achievement in Lowering Americans' Health Care Costs.* Commonwealth Fund.
[ix] Georgia's marketplace enrollment has grown from 701,000 in 2022 (before the enactment of IRA subsidies) to 879,000 in 2023 and 1.5 million in 2025. (Data from Kaiser Family Foundation.)
[x] Ortaliza, J., Cox, C., and Amin, K. (Jan. 24, 2024). *Another Year of Record ACA Marketplace Sign-ups, Driven in part by Medicaid Unwinding and Enhanced Subsidies.* Kaiser Family Foundation.
[xi] Georgia Health Initiative. (February 2024). *Closing the Coverage Gap: Policy Considerations for Public- Private Solutions to Expand Health insurance in Georgia.*
[xii] Guerra-Cardus, L., & Lukens, G. (2023, January 24). *Last 11 states should expand Medicaid to maximize coverage and protect against funding drop as continuous coverage ends.* Center on Budget and Policy Priorities.