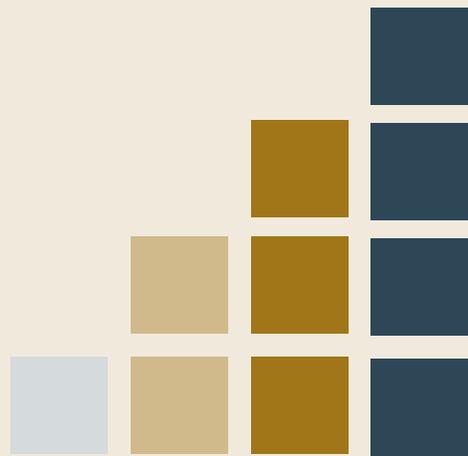


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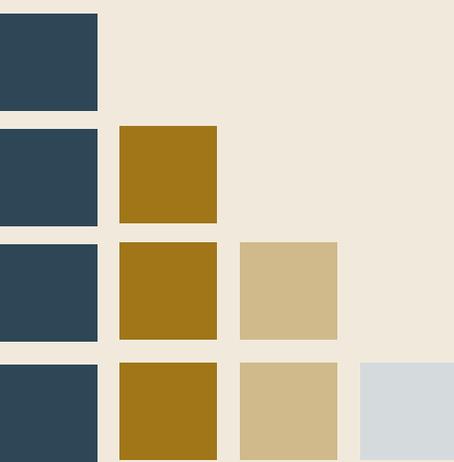


Health Care Expenditures and Insurance in Georgia

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Overview

Georgia's policymakers require timely health care cost and insurance data to help them make informed decisions about improving access and outcomes of health care for state residents. An estimated \$43.2 billion was spent on health care in Georgia in 2004, while insurance coverage data reveal that 1 in 6 Georgians had no form of health insurance. In this paper we present these and other critically important findings. We begin by describing historical and estimated trends in Georgia's health care spending and detailing spending per capita and by type of service (e.g. physicians, hospitals, and prescription drugs). We then trace spending to its various funding sources. From health funding we move to health care coverage and examine the 2003 distribution of health insurance in Georgia, the most recent calendar year for which these data are available. We examine insurance by several demographic variables and compare Georgia's distribution to that of the overall United States. We also provide information on three publicly financed health care plans: Medicaid; PeachCare for Kids; and Georgia's State Health Benefit Plan.

■ Historical Review

We begin our discussion of health care spending in Georgia with a historical review of data from the Centers for Medicare and Medicaid Services (CMS). 1980 is the earliest and 2000 the most recent year for which these data are publicly available. Georgia's average annual increase in health care spending between 1980 and 2000 was approximately 10.5 percent. In 2000, Georgia had the eleventh largest health care expenditures among all states, at \$30.8 billion, which equaled 10.7 percent of gross state product.¹ Per capita spending in 2000 was \$3,763

per resident, which was less than the national average of \$4,037.² Regional analysis of the 2000 data placed Georgia as the third highest for per capita spending among the twelve states that comprise the Southeast geographical region.

Of the \$30.8 billion spent in the state during 2000, hospital care accounted for 38.1 percent (\$11.7 billion), physicians' services for 31.3 percent (\$9.6 billion), and prescription drugs for 11.9 percent (\$3.7 billion). Together, these three spending categories accounted for over 80 percent of Georgia's total health expenditures.

In comparison, national health spending in 2000 was \$1.14 trillion, with hospital care comprising 36.3 percent (\$412.4 billion), physicians' services 30.0 percent (\$340.8 billion), and prescription drugs 10.7 percent (\$121.6 billion). That same year, the highest state or district spenders for these top three categories were the District of Columbia at 57.1 percent for hospital care, California at 39.0 percent for physicians' services, and Kentucky and Alabama both at 12.9 percent for prescription drugs.

Georgia's 2004 Health Care Expenditures

As we use it, the term “health care spending” includes payments to providers only. Health care administrative costs are not included. Unless otherwise noted, the data and discussion used throughout this report will focus on health care spending, relying largely on the data collected by the CMS actuaries as part of their national health account estimates.

Using both national and state health care spending trends, we estimate Georgia’s 2004 health care expenditures to be \$43.2 billion, which represents 12.9 percent of gross state product. In 2004, per capita health care spending in Georgia is estimated to be \$4,891 per resident, which is 93 percent of the national average of \$5,247.³ Between 2000 and 2004, Georgia’s total health care spending increased by 40.2 percent compared to a nationwide increase of 35.6 percent; however, both Georgia and U.S. per capita health care spending increased by 30 percent over the same period of time. Georgia’s 40.2 percent total spending increase is greater than its 30 percent per capita increase, indicating that the growth in Georgia’s population is a major contributor to the overall increase in its health spending.

Of the \$43.2 billion spent in the state during 2004, we estimate that hospital care accounted for 34.1 percent (\$14.7 billion), physicians’ services for 29.6 percent (\$12.8 billion), and prescription drugs for 14.7 percent (\$6.4 billion), as shown in Figure 3. In total, these three spending categories comprise approximately 80 percent of expenditures, as they did in 2000. However, compared to 2000 we estimate that the proportion of costs spent on hospital care experienced an absolute reduction of 4 percent, while the proportion spent on prescription drugs experienced an absolute increase of 2.8 percent. Our prediction that the proportion of total costs spent on hospital care declined between 2000 and 2004 is based on U.S. trend analysis that shows a reduction in inpatient hospital stays resulting from managed care actions that control hospital utilization, rising use of pharmacologic treatments, and medical procedure changes that shifted the market to more outpatient procedures or one-day/no-stay hospital treatments and surgeries.⁴ In contrast, increased spending on prescription drugs follows the 7.2 percent increase in the U.S. annual average growth rate in pharmaceutical spending between the years of 1992 and 2002.

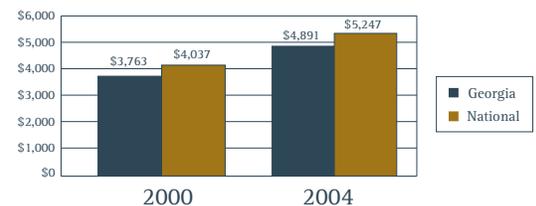
For comparison purposes, overall U.S. spending for health care in 2004 is expected to be \$1.5 trillion, of which nearly 80 percent is accounted for by three categories: hospital care, 35.8 percent (\$551.7 billion); physicians’ services, 28.4 percent (\$437.9 billion); and, prescription drugs at 13.5 percent (\$207.9 billion). Table 1 presents a comparison of 2000 and 2004 health care spending in Georgia, the Southeast Region, and the United States.

Figure 1: Total Georgia Spending



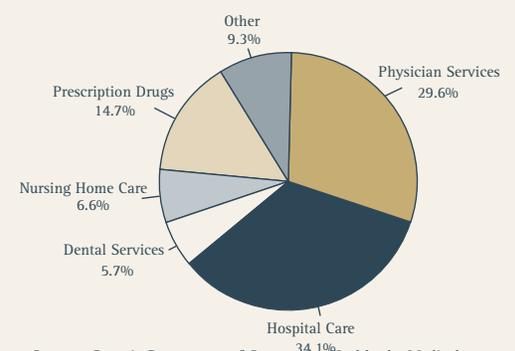
Source: Centers for Medicare and Medicaid Services (CMS)
NOTE: This chart is based on estimates

Figure 2: Per Capita Spending Georgia and National Comparison



SOURCE: Centers for Medicare and Medicaid Services (CMS), and the United States Census Bureau
NOTE: This chart is based on estimates

Figure 3: Georgia's 2004 Health Care Expenditures Distribution by Type of Service



Source: Georgia Department of Community Health, the Medical Expenditure Panel Survey (MEPS), and the Georgia Department of Insurance and the Federal Employees Health Benefits Program (FEHBP)
NOTE: This chart is based on estimates

Table 1: Health Care Spending in Georgia, the Southeast, and the United States, 2000 and 2004

Category	Georgia		Southeast Region		United States	
	2000	2004	2000	2004	2000	2004
Health Care Expenditures (\$M*)	\$30,806	\$43,185	\$274,414	\$376,724	\$1,136,115	\$1,540,700
Health Care Expenditures as percentage of Gross State Product (%)	10.7%	12.9%	12.8%	14.9%	11.7%	13.3%
Health Care Expenditures Per Person (\$)	\$3,763	\$4,891	\$3,743	\$4,868	\$4,037	\$5,247
Health Care Expenditures on Hospital Care (\$M)	\$11,727	\$14,715	\$100,564	\$136,770	\$412,410	\$551,700
Health Care Expenditures on Physicians' Services (\$M)	\$9,642	\$12,777	\$79,342	\$103,147	\$340,835	\$437,900
Health Care Expenditures on Prescription Drugs (\$M)	\$3,662	\$6,369	\$33,446	\$57,564	\$121,564	\$207,900

*"M" denotes figures in millions

SOURCE: Centers for Medicare and Medicaid Services (CMS), as presented in the National Health Accounts, Bureau of Economic Analysis, U.S. Census Bureau, the Georgia Department of Community Health, the Medical Expenditure Panel Survey (MEPS), the Georgia Department of Insurance and the Federal Employees Health Benefits Program (FEHBP).

NOTE: Table is based on estimates

Funding Sources For Georgia's 2004 Health Care Spending

The leading source of funds for Georgia's estimated \$43.2 billion in 2004 health care spending is private funding, which includes private insurance (\$17.4 billion), individual out-of-pocket spending (\$7.5 billion), and other private funds (\$1.9 billion). In total, private funding accounts for \$26.8 billion and 62 percent of all funding, followed by federal dollars (\$12.9 billion and 29.8 percent of the funding), and state and local dollars (\$3.5 billion and 8.2 percent of the funding). Figure 4 summarizes spending by source of funds. A

comprehensive picture of the diverse funding sources for Georgia's 2004 health care expenditures is presented later in Table 2.

Private Health Insurance and Out-of-Pocket Funding

We determined the level of private health insurance funding by using data from the Medicare Expenditure Panel Survey (MEPS), with a secondary check using data from the Georgia Department of Insurance. MEPS reports data for those with private

health insurance by type of service. We adjusted the MEPS tabulations for demographic and employment characteristics specific to Georgia. For out-of-pocket funding, we established both total and service-level dollars by trending the 2000 CMS state figures for Georgia at the same growth rate as 2000 to 2004 CMS national figures.

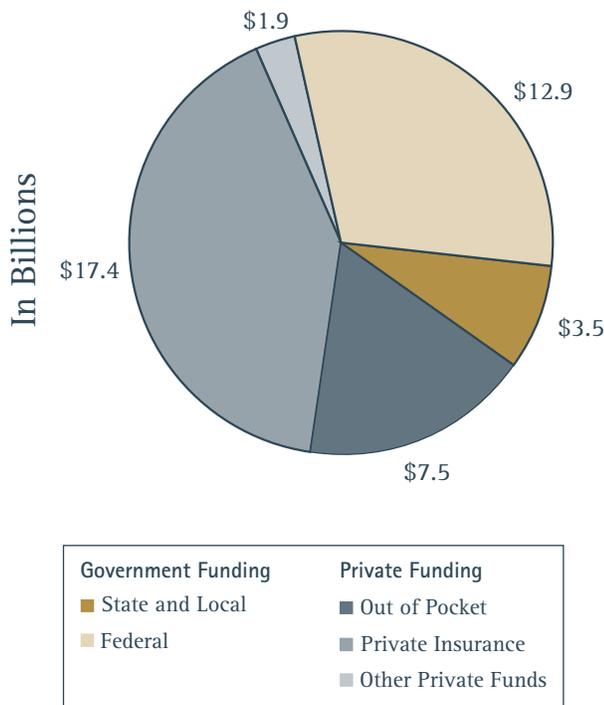
Other Private Funds

CMS defines other private funds as "those revenues received for which no direct patient care services are rendered" and states that "the most widely recognized source of other private funds is philanthropy."⁵ CMS acknowledges that philanthropic support comes from a multitude of donors, including individuals, philanthropic fund-raising organizations, foundations, and corporations. Moreover, hospitals, nursing homes and home health care agencies may also generate other private funds from the income of operating their gift shops, cafeterias, parking lots and educational programs, as well as investment income.

Federal Funding

Georgia's 2004 federal health care funding primarily came from Medicare (\$6.6 billion) and the federal share of Medicaid (\$3.8 billion), which includes

Figure 4:
Georgia's
Health Care
Funding
Sources



SOURCE: Centers for Medicare and Medicaid Services (CMS)
NOTE: This chart is based on estimates

PeachCare for Kids, the State Children's Insurance Program (SCHIP). CMS collects data on Medicare spending by type of service. It also collects and reports Medicare spending by state. To estimate Georgia's federal share of Medicare funding included in Table 2, we applied both national and state health care trends to the most recent CMS data to project 2004 levels.

Medicaid data were taken directly from the final 2004 Georgia state budget. These data report that the Medicaid and PeachCare appropriation for fiscal year 2004 was \$6.08 billion (total spending from all sources).⁶ The Federal Matching rate (FMAP) for Medicaid services is 63 percent and for PeachCare is 72 percent. PeachCare comprises a very small proportion of total Medicaid spending, however, so when combined we find that the federal government contributed approximately 63 percent of the \$6.08 billion (\$3.8 billion in 2004) for these two programs,⁷ and Georgia provided the additional 37 percent (\$2.3 billion in 2004). Another way to examine the \$6.08 billion figure is to split the total between Medicaid benefits, penalties, and disallowances, which equaled \$5.82 billion (96 percent of the total), and PeachCare benefits, penalties, and disallowances, which totaled \$254 million (4 percent of the total). The distribution of Medicaid spending across services was derived

from the latest available data reported by Georgia in the State Fiscal Year 2004 from the Department of Community Health.⁸

Federal funding also includes other federal programs that provide health care services for preventing and treating disease. In addition to federal support for Medicaid, these programs contributed approximately \$2.4 billion to Georgia in 2004. They include:

- Direct health care costs for the Department of Defense (Tricare);
- Health expenditures by the Department of Veterans Affairs;
- Funding associated with Indian Affairs;
- Ryan White AIDS grants;
- Federally Qualified Health Center allocations;
- Federal funding for public health and prevention services;
- Federal maternal and child health funding; and
- Federal alcohol, drug abuse, mental health administration, and vocational rehabilitation programs

State and Local Funding

Georgia's \$3.5 billion state and local funding includes the \$2.3 billion state share of Medicaid/PeachCare expenditures, plus the cost of temporary disability programs, workers compensation, public health and maternal and child health funding, school health, vocational rehabilitation, and state and local tax levy support for hospitals. Local expenditures include county funding from all 159 counties in the state.

Table 2: Sources of Funding for Georgia's 2004 Health Care Expenditures⁹ (Estimates in Millions)

Type of Service	Total	Federal *	State & Local	Out of Pocket	Private Insurance	Other Private Funds	* Details of Federal Funding		
							Medicare	Medicaid & SCHIP ^c	Other
Physician/Other Professional Services ^a	\$12,776.9	\$2,980.0	\$777.4	\$1,624.6	\$6,507.2	\$887.7	\$1,926.5	\$595.7	\$457.8
Hospital Care	\$14,715.2	\$6,109.4	\$1,341.0	\$521.2	\$6,068.5	\$675.1	\$3,807.8	\$1,183.8	\$1,117.8
Dental Services	\$2,447.6	\$150.6	\$64.5	\$1,061.1	\$1,168.9	\$2.4	\$2.2	\$113.8	\$34.6
Home Health Care	\$863.0	\$313.3	\$67.1	\$226.0	\$218.9	\$37.7	\$301.9	\$11.0	\$0.4
Non-durables	\$1,116.8	\$50.9	\$4.2	\$1,061.7	\$0.0	\$0.0	\$42.4	\$8.3	\$0.3
Prescription Drugs	\$6,369.4	\$920.5	\$467.8	\$1,869.6	\$3,111.5	\$0.0	\$65.2	\$689.1	\$166.3
Durables	\$638.2	\$230.4	\$26.4	\$273.9	\$107.5	\$0.0	\$165.3	\$39.5	\$25.6
Nursing Home Care	\$2,845.3	\$1,250.1	\$394.9	\$837.3	\$248.6	\$114.5	\$299.6	\$771.9	\$178.6
Other Personal Health Care ^b	\$1,412.1	\$847.2	\$406.0	\$0.0	\$0.0	\$158.9	\$0.0	\$554.9	\$292.4
Total Health Care Funding	\$43,184.5	\$12,852.5	\$3,549.2	\$7,475.4	\$17,431.2	\$1,876.2	\$6,610.9	\$3,829.6	\$2,412.0

^a Other Professional Services include clinical services and other professional services.

^b Other Personal Health Care includes industrial in-plant services and other government spending not otherwise classified. Thus, there are no consumer out-of-pocket expenditures in this category.

^c Medicaid is a voluntary, open-ended federal-state matching program. Georgia's 2004 Federal Matching Rate for Services (FMAP) is 63%. PeachCare for Kids is funded at a rate based on FMAP.

The federal/state match for PeachCare funds is approximately 72% federal to 28% state dollars, a larger federal share than allowed in the Medicaid program.

SOURCE: Centers for Medicare and Medicaid Services (CMS)

NOTE: Table is based on estimates

2004 Administrative Costs

Health care administrative costs are not included in our estimates of expenditures and funding shown in Tables 1 and 2. To calculate Georgia's 2004 health care administrative costs, we adjusted 2000 CMS figures to reflect national trends. The estimated

combined spending on all government (federal, state, and local) administration and the net cost of private health insurance administration for 2004 health care in Georgia produced the following additional expenditures:

- Private health insurance, \$2.41 billion
- Federal, \$562.7 million
- State and local, \$414.6 million

Distribution of Health Insurance in Georgia

Approximately 16 percent of the population for both Georgia and the U.S. were uninsured during 2003, the most recent year for which these data are available. Within the Southeast region, Georgia fared better on this health rating than five other states, including Louisiana (20 percent uninsured), Florida (18 percent), Arkansas (17 percent), Mississippi (17 percent), and North Carolina (17 percent). Approximately 1.4 million Georgia residents under 65 – or 17.9 percent – were uninsured during 2003. This is comparable to the 17.6 percent

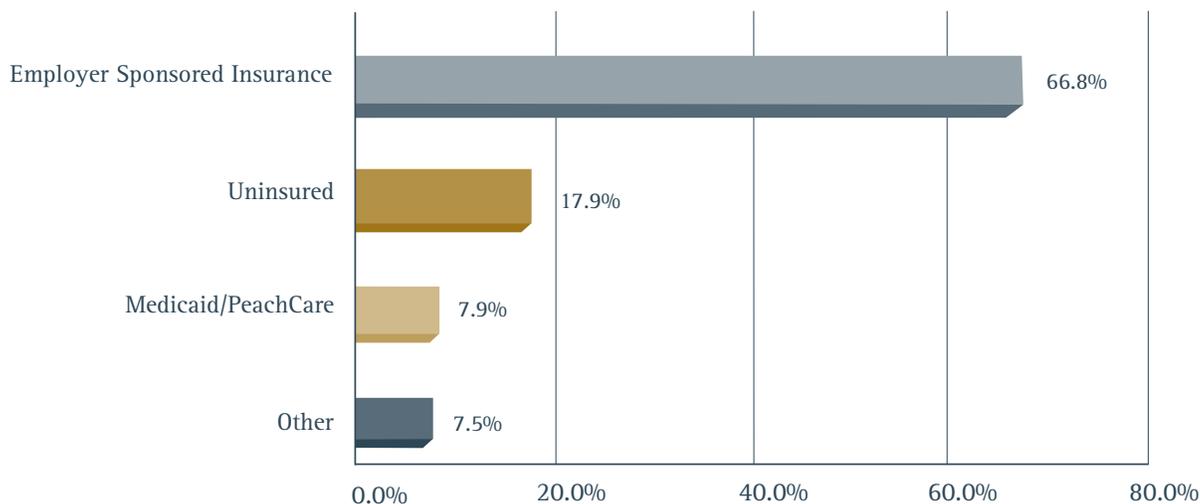
of the 2003 U.S. population under age 65 that were uninsured during the same year. However, Georgia's child population fared worse than the national population – 13.1 percent of Georgia's children ages 0 to 18 were without insurance, as compared to the national rate of 11.8 percent. Georgia's non-elderly low income populations also fared worse, with 41.2 percent uninsured compared to a national rate of 36.6 percent.

During 2003, Georgia had a higher proportion of its population covered

through employer-sponsored insurance (ESI) compared to the national average. Georgia had 66.8 percent of the under age 65 age group – nearly 5.2 million people – covered through ESI. Nationally, 63.8 percent of the non-elderly population was covered through an employer source during 2003.

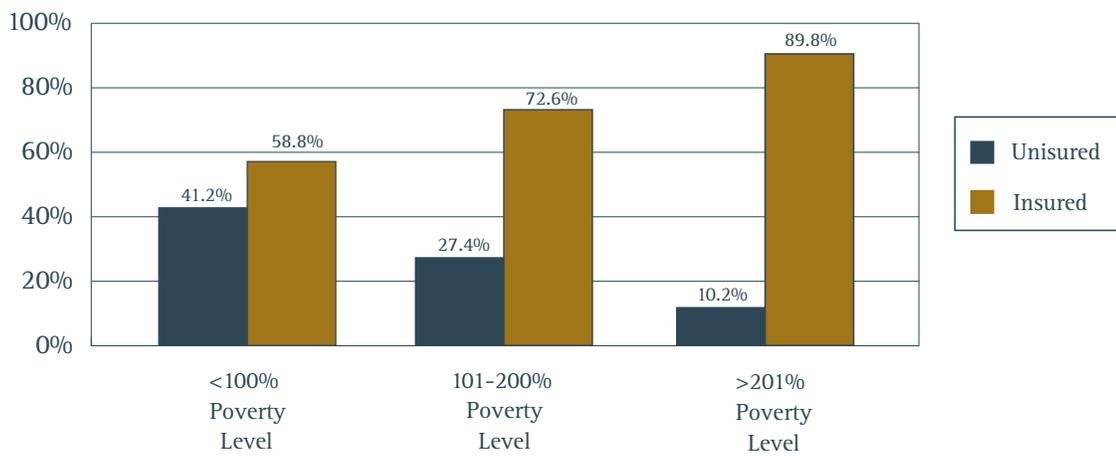
Detailed information on the distribution of health insurance coverage in Georgia for 2003 is included in Appendix II.

Figure 5: Health Insurance Coverage For Georgians Under Age 65



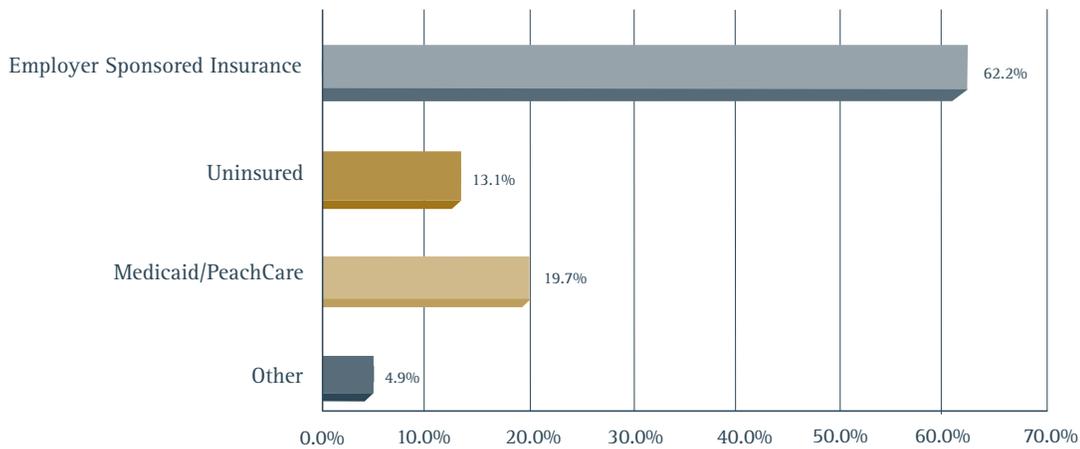
SOURCE: 2003 and 2004 Current Population Survey

Figure 6: 2003 Health Insurance Coverage For Georgians Under Age 65 Based on Income



SOURCE: 2003 and 2004 Current Population Survey

Figure 7: 2003 Health Insurance Coverage For Georgia's Children



SOURCE: 2003 and 2004 Current Population Survey

Health Care Plans and Programs in Georgia

The health insurance coverage data detailed in Appendix II presents several sources of coverage. Three of those sources – Medicaid, PeachCare for Kids, and Georgia’s State Health Benefit Plan – are described here:

Medicaid

To be eligible for Medicaid, a person must fit into one of the following coverage groups: the aged (over 65); the blind; the permanently and totally disabled; pregnant women; children; or parents/caretakers who meet income requirements and care for a Medicaid-eligible child.¹⁰ There are additional eligibility criteria for major coverage groups within Medicaid: pregnant women with family income at or below 200 percent of the federal poverty level; children under 1 whose family income is at or below 185 percent of the federal poverty level;

children between 1 and 6 whose family income is at or below 133 percent of the federal poverty level; and children between 6 and 19 whose family income is at or below 100 percent of the federal poverty level.¹¹

PeachCare for Kids

PeachCare for Kids, Georgia’s State Children’s Health Insurance Program, is a comprehensive health care program for uninsured children living in Georgia. The insurance program covers children whose parents’ income is too high to qualify for Medicaid but who do not have access to private health insurance. Uninsured children are eligible for PeachCare if their families’ incomes are up to 235 percent of the federal poverty limit but above Medicaid guidelines. Health benefits include primary, preventive, specialist, dental, and vision care. PeachCare also

covers hospitalization, emergency room services, prescription medications, and mental health care. Through the *Georgia Better Health Care* primary care provider program, each child has a care giver who is responsible for coordinating the child’s care.¹²

Georgia’s State Health Benefit Plan

Georgia’s State Health Benefit Plan (SHBP) provides health insurance coverage to state employees, school system employees, retirees and their dependents. The Department of Community Health’s Public Employee Health Benefits Division is responsible for the day-to-day operations. SHBP covered 640,584 Georgians as of October 1, 2004.¹³

■ Summary

Georgia's health care spending is growing at an exponential rate, and currently represents nearly 13 percent of the Gross State Product. The estimated \$43.2 billion spent on health care in 2004 is overwhelmingly attributable to hospital care, physicians' services, and prescription drugs. Although health care is funded primarily through private insurance and the federal

government, Georgia's state and local health care spending exceeded \$3.5 billion in 2004, and Georgia residents incurred almost \$7.5 billion in out-of-pocket expenses. Despite the large expenditure on health care in Georgia, 1 in 6 residents are still uninsured. In fact, the most recent data available show that 13.1 percent of Georgia's children ages 0 to 18 are without insurance, compared to the national

average of 11.8 percent. Non-elderly low-income adults in Georgia also fare worse in terms of insurance coverage than their national counterparts, with 41.2 percent uninsured compared to a national average of 36.6 percent.

■ Appendix I

Data Sources

The modeling methodology we employed to determine 2004 health care spending in Georgia uses data from the Centers for Medicare and Medicaid Services (CMS), as presented in the National Health Accounts, plus information on national and state health care spending trends. The National Health Accounts provide national estimates similar to those presented for Georgia in Table 2. They approximate figures for the sources of funds (e.g. Medicare), as well as type of service (e.g. hospital care). These CMS-based estimates utilize the North American Industrial Classification System to categorize spending by the major types of care providers, for example, hospitals, nursing homes, and physician offices. CMS creates further classification by allocating spending by source

of payment. CMS has used these methods to develop estimated state health care spending between the years of 1980 and 2000 by type of service and payer, as well as a national level of estimated spending for 2004.

State Medicaid and PeachCare for Kids (Georgia's State Children's Health Insurance Program) expenditures by type of service for fiscal year 2004 are available from the Georgia Department of Community Health. State-based data on private health insurance and out-of-pocket expenditures are generally not available. These data are available, however, nationally and on a regional basis through the Medical Expenditure Panel Survey (MEPS). MEPS data provide information on private health insurance premiums and consumer out-of-pocket spending by type of

service (e.g. hospital, physician) through the year 2000. The MEPS also provides information on the distribution of private spending by type of service. To corroborate these tabulations for Georgia specifically, we used data from the Georgia Department of Insurance. Finally, private insurance premiums offered through the Federal Employees Health Benefits Program (FEHBP) in the state of Georgia are linked to premiums offered in the commercial insurance market in Georgia. We have used all these sources of information in developing our estimates of state health care costs in Georgia, since no single repository for this information exists.

Appendix II: Distribution of Health Insurance, Georgia and U.S. Totals

Health Insurance Coverage Population Group, Sub-Group, and Category	Georgia				United States			
	2003 Program Enrollment	Adjusted Number ^b	% Population	% Insured	2003 Program Enrollment	Adjusted Number ^b	% Population	% Insured
Total Population		<u>8,498,327</u>	<u>100.0</u>			<u>288,280,465</u>	<u>100.0</u>	
Uninsured		1,381,386	16.3			44,960,948	15.6	
Insured (Private or Government)		7,116,942	83.7			243,319,517	84.4	
Employer-Sponsored ^c		5,433,988		63.9		174,020,450		60.4
Direct Purchase/Non-Group Policies		337,409		4.0		13,658,862		4.7
Medicare	973,794	654,340		7.7	40,172,605	26,878,272		9.3
Medicaid/PeachCare	1,448,645	607,520		7.1	42,740,719	25,359,525		8.8
CHAMPUS		83,686		1.0		3,402,406		1.2
Elderly Population: over 64 years		<u>794,246</u>	<u>100.0</u>			<u>34,659,258</u>	<u>100.0</u>	
Uninsured		5,458	0.7			286,408	0.8	
Insured (Private or Government)		788,788	99.3			34,372,850	99.2	
Employer-Sponsored ^c		284,273		35.8		12,203,616		35.2
Direct Purchase/Non-Group Policies		2,024		0.3		143,903		0.4
Medicare		501,750		63.2		21,966,523		63.4
Medicaid/PeachCare		741		0.1		18,308		0.1
CHAMPUS						40,499		0.1
Nonelderly Population: 0-64 years		<u>7,704,082</u>	<u>100.0</u>			<u>253,621,207</u>	<u>100.0</u>	
Uninsured		1,375,928	17.9			44,674,541	17.6	
Insured (Private or Government)		6,328,154	82.1			208,946,666	82.4	
Employer-Sponsored ^c		5,149,715		66.8		161,816,834		63.8
Direct Purchase/Non-Group Policies		335,386		4.4		13,514,959		5.3
Medicare		152,589		2.0		4,911,748		1.9
Medicaid/PeachCare		606,779		7.9		25,341,216		10.0
CHAMPUS		83,686		1.1		3,361,908		1.3
19-64 years Population		<u>5,329,266</u>	<u>100.0</u>			<u>176,014,213</u>	<u>100.0</u>	
Uninsured		1,063,760	20.0			35,540,176	20.2	
Insured (Private or Government)		4,265,506	80.0			140,474,037	79.8	
Employer-Sponsored ^c		3,671,437		68.9		114,479,303		65.0
Direct Purchase/Non-Group Policies		261,217		4.9		10,099,180		5.7
Medicare		137,182		2.6		4,501,478		2.6
Medicaid/PeachCare		138,756		2.6		8,863,929		5.0
CHAMPUS		56,913		1.1		2,530,147		1.4
0-18 years Population		<u>2,374,816</u>	<u>100.0</u>			<u>77,606,994</u>	<u>100.0</u>	
Uninsured		312,168	13.1			9,134,365	11.8	
Insured (Private or Government)		2,062,648	86.9			68,472,629	88.2	
Employer-Sponsored ^c		1,478,277		62.2		47,337,531		61.0
Direct Purchase/Non-Group Policies		74,168		3.1		3,415,780		4.4
Medicare		15,407		0.6		410,270		0.5
Medicaid/PeachCare		468,022		19.7		16,477,287		21.2
CHAMPUS		26,772		1.1		831,761		1.1
Nonelderly Population: 0-64 years		<u>1,207,360</u>	<u>100.0</u>			<u>42,861,766</u>	<u>100.0</u>	
≤ 100 Percent of Federal Poverty Level		497,513	41.2			15,705,686	36.6	
Uninsured		709,847	58.8			27,156,080	63.4	
Insured (Private or Government)		280,601		23.2		7,278,108		17.0
Employer-Sponsored ^c		59,052		4.9		2,533,856		5.9
Direct Purchase/Non-Group Policies		59,451		4.9		1,862,986		4.3
Medicare		297,857		24.7		14,956,437		34.9
Medicaid/PeachCare		12,886		1.1		524,693		1.2
101-200 Percent of Federal Poverty Level		1,254,564	100.0			42,852,924	100.0	
Uninsured		343,473	27.4			12,813,664	29.9	
Insured (Private or Government)		911,091	72.6			30,039,260	70.1	
Employer-Sponsored ^c		607,870		48.5		17,915,955		41.8
Direct Purchase/Non-Group Policies		44,831		3.6		2,525,555		5.9
Medicare		52,059		4.1		1,803,234		4.2
Medicaid/PeachCare		195,022		15.5		7,131,866		16.6
CHAMPUS		11,308		0.9		662,648		1.5
201 or more Percent of Federal Poverty Level		5,242,158	100.0			167,906,517	100.0	
Uninsured		534,491	10.2			16,155,190	9.6	
Insured (Private or Government)		4,707,667	89.8			151,751,327	90.4	
Employer-Sponsored ^c		4,261,693		81.3		136,622,771		81.4
Direct Purchase/Non-Group Policies		231,503		4.4		8,455,549		5.0
Medicare		41,079		0.8		1,245,527		0.7
Medicaid/PeachCare		113,900		2.2		3,252,914		1.9
CHAMPUS		59,492		1.1		2,174,566		1.3

^a Distribution of Health Insurance, Georgia and U.S. Totals, based on pooled March 2003 and 2004 Current Population Surveys. The Current Population Survey is the best source for the distribution of the population's health insurance coverage, however CMS is a more accurate source for the number of individuals enrolled in Medicaid and/or Medicare. The Current Population Survey is self-reported and reflects point-in-time data, resulting in estimates that are generally lower than the program enrollment data provided by CMS for Medicaid and/or Medicare.

^b Adjusted Number represents the exact number (unduplicated count) of insured per only one category for those with more than one coverage. It is the revised value after adjusting for (backing out) those people who have more than one category type of coverage and counting those people only by their primary coverage type.

^c Employer-Sponsored is for Workers, Dependents, and Retirees

Endnotes

- ¹ Percentage based upon the Georgia total state gross product as cited by the Bureau of Economic Analysis, last revised on December 15, 2004, for the year of 2003 (<http://www.bea.doc/bea/regional/gsp/action.cfm>). Based on the average year-over-year growth rates from 2000 through 2003 of approximately 4.5%, the 2004 total gross state product was estimated by increasing the 2003 value of \$320,007,000,000 by the 4.5% for a calculated value of \$334,407,000,000.
- ² Per capita figures were determined by using estimates of health care spending for 2000 and 2004 as the numerators and Georgia and U.S. population data as denominators. Population data were obtained at <http://www.census.gov>.
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- ⁴ See, for example, S. Heffler, et. al., “U.S. Health Spending Projections for 2004–2014” Health Affairs, web exclusive, February 23, 2005.
- ⁵ Definition of “Other Public Funds” accessed at <http://www.cms.hhs.gov/statistics/nhe/definitions-sources-methods/default-04.asp> on May 12, 2005.
- ⁶ Jason Beardon, Department of Community Health, e-mail message to authors, August 10, 2005
- ⁷ Georgia’s 2004 FMAP is 63% for Medicaid, per the Kaiser Family Foundation State Health Facts data. The federal/state match for PeachCare funds is approximately 72% federal to 28% state dollars, per the Georgia Department of Community Health, a larger federal share than allowed in the Medicaid program.
- ⁸ Ibid. 6
- ⁹ The data used to develop the bulk of the estimates for Table 2 were derived from two data sets provided by the Centers for Medicare and Medicaid Services (CMS). The first data set is the tabulated state health accounts located at <http://www.cms.hhs.gov/statistics/nhe/state-estimates-provider/>. These data are the most recent actual Georgia health care spending data and are from 2000. A second data set, the 2004 national spending projections, was then used to project forward Georgia’s state estimates from 2000 to 2004 levels. Specifically this second data set was used as a tool for determining the percentages per payer and category spending type. These data can be located at <http://www.cms.hhs.gov/statistics/nhe/nhe65-13.zip>. The Medicaid and SCHIP (PeachCare) federal spend allocation is explained in item two of these endnotes.
- ¹⁰ Georgia Division of Medical Assistance; “Georgia Department of Community Health: State Fiscal Year 2002 annual report”; http://www.communityhealth.state.ga.us/departments/dch/v4/top/audiences/home/issues/annual_report/dch_annual_02.pdf; pg.10
- ¹¹ Georgia Department of Community Health; <http://www.communityhealth.state.ga.us/>; (proceed to Recipients, Medicaid Programs, Eligibility Criteria)
- ¹² Georgia Division of Medical Assistance; “Georgia Department of Community Health: State Fiscal Year 2002 annual report”; http://www.communityhealth.state.ga.us/departments/dch/v4/top/audiences/home/issues/annual_report/dch_annual_02.pdf; pg.26
- ¹³ Georgia Department of Community Health; <http://www.communityhealth.state.ga.us/>; (proceed to Public Employees)