



Fact Brief

-PeachCare for Kids Funding-

ISSUE: PeachCare for Kids is the health insurance program for uninsured children in Georgia. In a December, 2006 memo, Department of Community Health Commissioner, Rhonda Medows, noted that the state needs \$131 million to continue PeachCare through October 2007 when the new fiscal year begins. Additionally, 300,000 children in Georgia remain uninsured.

The Facts:

PeachCare Program

- PeachCare serves 247,000 children (as of March, 2006).
- PeachCare covers families with incomes up to 235% of the federal poverty line, or about \$47,000 for a family of four. State employees are not eligible for PeachCare due to federal mandate. Medicaid insures children with family incomes up to 185% of the federal poverty line.
- PeachCare benefits include primary, preventive, specialist, dental, and vision care for children. PeachCare also covers hospitalization, emergency room services, prescription medications and mental health care.

PeachCare Costs and Financing

- PeachCare costs approximately \$330 million per year. The state of Georgia pays approximately \$67 million (28%); the remainder comes from federal funding (Title XXI funds). In contrast, the Federal Government pays less than a 60% match for Medicaid.
- The Federal Government does NOT match on premiums collected. Therefore, for every extra dollar out of parents' pockets on premiums, the state saves only 28 cents, as the Federal Government would have paid the remaining 72 cents.
- PeachCare requires a premium for children over the age of 6. The premium for one child ranges from \$10-\$35. A maximum monthly premium of \$70 exists for each household.



- If a premium is late or not received, the child may be terminated from PeachCare. After termination, a child must wait one month to reenroll in PeachCare.

Uninsured Children

- In 2004, approximately 12% of Georgia's children, some 300,000 were uninsured. Of these 300,000 nearly 230,000 are eligible for either Medicaid or PeachCare.
- Covering already eligible children in existing programs would cost the state approximately \$141-\$157 million and would bring in approximately \$253-\$269 million in federal funding.
- Of uninsured children in Georgia, 37% are Black, 20% are Hispanic, and 7% are children of other ethnic/racial minorities. 14% of Black children are uninsured; 26% of Hispanic children are uninsured; 19% of children from other racial/ethnic minorities are uninsured, compared to 9% of White children.
- Uninsured children are less likely to receive healthcare services and are far more likely to report unmet needs. 20.5% of uninsured children report unmet health needs, compared to 4.8% for privately insured children and 7.1% for publicly insured children.
- Uninsured children are ten times more likely not to receive needed medical care than insured children. Uninsured Black children are 20 times more likely not to receive needed medical care than insured Black children.
- As more serious health needs arise, uninsured children are increasingly likely to receive care in high-cost settings such as emergency rooms. Without insurance, these costs are uncompensated and passed on to private insurance premiums. One study estimated that approximately one-half of the costs of uncompensated care are passed on to private insurance, costing Georgia consumers over \$600 million annually.
- In the 2006 legislative session, three prominent pieces of legislation were proposed (not passed) that addressed uninsured children in Georgia. HB 1464 and SB 476 both proposed creating new insurance programs or expanding existing programs to include all children in Georgia. SR 1176 proposed a 1 cent sales tax increase for the purpose of funding healthcare for children in Georgia.

Additional Sources of Information:

PeachCare for Kids

<http://www.peachcare.org/>

Georgia Department of Community Health

<http://dch.georgia.gov>

Georgia Budget and Policy Institute

<http://www.gbpi.org/pubs/healthcare/20060619.pdf>

Georgia Health Policy Center (Georgia State University)

<http://www2.gsu.edu/~wwwghp/publications/children/Uninsured2.18.pdf>

Covering Kids and Families

<http://coveringkidsandfamilies.org/projects/index.php?StateID=GA>

Healthy Mothers Healthy Babies of Georgia

<http://www.hmhbga.org/>