
**STATEMENT FOR THE RECORD BEFORE THE GEORGIA GENERAL ASSEMBLY
ON EXPANDING MEDICAID COVERAGE IN GEORGIA**

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Rachel Shanklin, Georgia Director and National Women's Entrepreneurship Director

Small Business Majority

Dear Members of the General Assembly:

My name is Rachel Shanklin and I'm the Georgia Director and National Women's Entrepreneurship Director for Small Business Majority, a small business organization with a mission to empower America's diverse entrepreneurs to build a thriving and equitable economy. I'm pleased to share comments on the benefits of expanding Medicaid coverage in Georgia to our state's small business community.

As a representative of Georgia's 1.2 million small businesses, I can tell you that access to affordable healthcare is a top priority for entrepreneurs, especially since it's the highest expense outside of payroll. For new businesses or solo entrepreneurs, the cost of healthcare can prevent them from becoming an employer firm and impede their business expansion.

Similarly, for small employer firms, the cost of healthcare can obstruct their ability to attract and retain top talent. Small employers want to offer essential benefits such as health coverage but often are not able to do so on their own, which prevents them from being able to compete with larger, well-established businesses for quality employees.

In fact, a local small business owner and member of Small Business Majority's Georgia Small Business Council is currently facing challenges in offering affordable healthcare. As the owner of a technical consultancy firm for higher education institutions, her business employs nine workers and is in the process of expansion. Her major concerns revolve around offering affordable healthcare amid a rise in premium rates, making it unsustainable for her and her employees to access and afford this benefit. She explains, "I'm working on thin margins, minimal support and wearing multiple hats to keep my business afloat. I know I'm not the only one feeling the pressure of being able to compete with larger businesses and offering benefits like healthcare, but we are just coming out of a pandemic and workforce shortages are still a challenge."

Across Georgia, small business owners have been calling for affordable health coverage for years. Expanding Medicaid in our state is one crucial way that we can address healthcare affordability, and support for this proposal has been widespread in the small business community—with 59% of Georgia entrepreneurs supporting this policy and 30% strongly supporting it, according to a Small Business Majority survey.¹ This shouldn't come as a surprise, given the myriad benefits of expanding Medicaid coverage in our state.

First, full Medicaid expansion as mandated by the Affordable Care Act, would cover an estimated 600,000 to 700,000 Georgians, the majority of whom are working adults who don't receive health benefits through work or can't afford to participate in their employer's plan.² Because so many working adults would qualify for Medicaid, small businesses that cannot afford to offer their employees health insurance would be better able to compete for workers with big businesses that can offer health insurance. This is especially critical in our rural communities where small businesses struggle greatly to compete with larger businesses for skilled workers.

Additionally, Medicaid expansion would benefit small business owners as it would reduce healthcare costs for businesses that are struggling to provide health coverage. Expanding Medicaid would help alleviate some of the burden as more employees can be covered under the program, which would reduce the need for employer-provided health insurance. Likewise, being able to access affordable coverage would mean that more workers can access preventative services. This, in turn, would help reduce the likelihood of them becoming seriously ill and reduce their time off from work to recover. What's more, healthy employees would mean increased workplace productivity and less financial stress for both employers, employees and their families.

Another benefit of expanding Medicaid in Georgia is the economic stimulation brought on by federal investments. Expanding Georgia's Medicaid program is estimated to create 56,000 jobs each year and boost the state's economy by \$6.5 billion annually.³ What's more, expansion could create 12,000 jobs and \$1.3 billion in new economic activity in Georgia's rural communities each year. , which nearly or fully offset the state's share of the cost.⁴ A few of the reasons why Medicaid expansion generates states fiscal savings and revenue increases are correlated with more people using healthcare services covered by Medicaid, offsetting savings from state-funded programs that serve uninsured populations, and reducing uncompensated care costs.

Medicaid expansion in Georgia could create a healthier workforce, stimulate local economies, and alleviate some financial pressures for small businesses, contributing to a more robust and dynamic small business community. Thank you for the opportunity to comment on this important public-policy proposal.

Sincerely,

Rachel Shanklin
Georgia Director | National Women's Entrepreneurship Director
Small Business Majority

¹ "Georgia small business owners continue to face setbacks from the pandemic, identify policy solutions to support their businesses." Small Business Majority. March 2, 2021. <https://smallbusinessmajority.org/our-research/georgia-small-business-owners-continue-face-setbacks-pandemic-identify-policy-solutions-support-their-businesses>

² "Medicaid eligibility and enrollment in Georgia." Healthinsurance.org. November 3, 2023. <https://www.healthinsurance.org/medicaid/georgia>

³ "Fast Facts on Medicaid Expansion." Georgia Budget and Policy Institute. April 20, 2020. <https://gbpi.org/fast-facts-on-medicaid-expansion/>

⁴ "Last 11 States Should Expand Medicaid to Maximize Coverage and Protect Against Funding Drop as Continuous Coverage Ends." Center on Budget and Policy Priorities. January 24, 2023. <https://www.cbpp.org/research/health/last-11-states-should-expand-medicaid-to-maximize-coverage-and-protect-against>