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THE VOICE FOR HEALTH CARE CONSUMERS

November 8, 2026

The Honorable Mehmet Oz, M.D.
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Submitted electronically via Medicaid.gov

RE: Georgia Section 1115 Demonstration Waiver Amendment Request

Dear Administrator Oz,

On behalf of Families USA, thank you for the opportunity to comment on the Georgia Section 1115 Demonstration Waiver Amendment Request to increase the federal medical assistance percentage (FMAP) funding for the Georgia Pathways to Coverage (Georgia Pathways) program.

Families USA is the longtime national, non-partisan voice for health care consumers, dedicated to achieving high-quality, affordable health care and improved health for all. Working closely with organizations on the ground in Georgia and across the nation, Families USA strongly opposes Georgia's waiver amendment request. Currently, Georgia has the second highest uninsured rate in the country, with nearly 30% of adults ages 19-64 with incomes at or below 138% of the federal poverty level (FPL) without health insurance,[1] and nearly 300,000 uninsured Georgia residents who could gain access to affordable health care if the state were to fully expand Medicaid under the Affordable Care Act (ACA) Medicaid expansion.[2] The Centers for Medicare & Medicaid Services' (CMS's) review of Georgia's waiver amendment request must keep health care access for these Georgians at the forefront.

Families USA urges CMS to reject the Georgia Pathways amendment request. CMS should continue with the well-established law and policy of only providing the enhanced federal match rate to states that fully expand Medicaid. In these comments, we argue that because it only provides coverage to adults up to 100% FPL, the Georgia Pathways program is not eligible for the 90% FMAP under Social Security Act requirements. Approving this waiver would not support health care access for uninsured Georgians nor support care for the approximately 21,000 individuals currently enrolled in Georgia Pathways, and could set a problematic precedent for other states, jeopardizing coverage for the 20 million Americans nationwide who currently access health care coverage through the Medicaid expansion. This proposal leaves the federal government paying a higher bill for less coverage. Instead of approving Georgia's request, we urge CMS to work with Georgia to continue to increase affordable coverage opportunities for low-income residents, including by fully expanding Medicaid, and ensure that any outcome on this request does not lead to reducing coverage options or terminating health insurance for Georgians.

I. Georgia Pathways is not eligible for a 90% FMAP because it has not fully expanded Medicaid consistent with the requirements of the Social Security Act

Under federal law, every state can receive an enhanced Medicaid match rate (currently, 90%) to cover adults on Medicaid, but *only* in connection to state spending for the Medicaid expansion population—adults in the "Group VIII" category under Social Security Act § 1902(a)(10)(A)(i)(VIII).[3] Group VIII is the *full* group of adults aged 19-64 with income up to 133% of the federal poverty level (effectively 138% with the five percentage point disregard[4]), who are not pregnant, not entitled to or enrolled in Medicare Part A or B, and not otherwise Medicaid-eligible under a mandatory eligibility group.[5] Since the Supreme Court's ruling in *NFIB v. Sebelius*, expanding Medicaid to the Group VIII population is effectively optional,[6] and ten states, including Georgia, have not adopted it.[7]

The enhanced FMAP is tied to spending on Group VIII Medicaid expansion. In contrast, coverage that a state provides to a portion of Group VIII adults outside the expansion is matched at the state's regular FMAP rate. Since its launch in July 2023, Georgia Pathways has offered Medicaid coverage to adults aged 19-64 up to 100% FPL who meet work reporting requirements—falling well short of the full Medicaid expansion required for an enhanced match. Accordingly, Georgia has received the state's usual FMAP (66.4% in fiscal year 2026) for this population, consistent with federal law and CMS guidance.[8]

CMS has repeatedly stated that the law does not provide for a partial expansion at the enhanced match and has declined state requests to cover only part of the group:

- CMS previously denied Georgia's request to receive the enhanced FMAP for Georgia Pathways in 2020, asserting the agency "will continue the existing policy of providing the enhanced federal match rate when the state covers the entire adult expansion group, those adults with income up to 133 percent of the FPL."[9]
- Wisconsin has also partially expanded Medicaid, covering adults up to 100% of the FPL under BadgerCare Reform. When it elected to do so, CMS confirmed in 2013, "The demonstration will receive federal financial participation at the state's regular federal medical assistance percentage (FMAP)."[10]
- Utah requested an 1115 demonstration in 2019 in which it also requested the enhanced FMAP for covering "only a portion of the adult expansion group," to which CMS responded, "While we have carefully considered these requests, CMS will continue the existing policy of only approving section 1115 demonstrations under which the section 1905(y)(I) match rate is provided if the demonstration covers the entire adult expansion group."[11] As part of this response, CMS cited to its 2019 policy statement which reiterates this same position.[12]

CMS should deny Georgia's request for higher matching funds and should not allow Georgia or any state to improperly extract federal dollars for Medicaid programs that do not support coverage for all adults as required under the Social Security Act. Georgia offers no new legal rationale for a reversal of this long-standing interpretation of the law. Rather, the state argues that the policy changes resulting from Public Law 119-21 are effectively a federal coverage mandate, and it needs the additional federal financial support to implement and sustainably administer Georgia Pathways under this new framework. However, even with the changes essentially requiring the state to cover people who meet the exclusions from the "community engagement" (work reporting) requirements, Georgia will still fall woefully short of covering the full expansion population required under the Social Security Act to receive the enhanced FMAP. Georgia estimates that Pathways will cover 100,000 new individuals by June 30, 2028.[13] However, Georgia failed to include the data or methodology underlying this estimate, which is especially concerning as Georgia Pathways has fallen short of its previous enrollment estimates throughout this demonstration.[14] Either way, this clearly does not cover the nearly 300,000 uninsured individuals who

would be eligible for Medicaid if Georgia extended the program to the full Group VIII population.[15] As no legal basis exists for authorizing the enhanced federal match, CMS should deny this request.

II. Approving an Enhanced FMAP for Georgia's Partial Expansion Would Set a Problematic Precedent

CMS should also reject this amendment request because providing an enhanced match for a smaller segment of the expansion population would set a problematic precedent for other states. If CMS approves Georgia's proposed amendment, it will open the door for other states to seek additional federal funding for partial Medicaid expansion. For example, Wisconsin has already partially expanded Medicaid to adults up to 100% of the FPL, so it is likely at least this state would seek the enhanced federal match since its threshold mirrors Georgia's. Other states might try to roll back their prior expansion while requesting a 90% FMAP, leaving even more people without comprehensive, affordable health care—and leaving the federal government paying a higher bill for less coverage.

Most concerningly, all of this could occur without a clear cutoff. If not the statutorily required 133% of the FPL (plus 5% disregard) for all adults in Group VIII, then states could presumably seek to make other choices that could further reduce coverage—such as limiting coverage to a point below 100% FPL or adding other restrictions to eligibility or enrollment that are not permissible under federal statute (e.g., enrollment caps or lifetime limits). Approval of Georgia's request could lead to an even deeper unraveling of our country's health care safety net, at a time when states are already forced to make difficult budgetary choices about the future of their Medicaid programs because of the significant federal cuts from Public Law 119-21.[16]

Compared to other options, full Medicaid expansion covers millions more individuals who otherwise lack access to affordable health care and strengthens states' health care systems as a whole.[17] **States should not receive extra federal funding for failing to comply with the requirements under the Social Security Act, and certainly not for providing sub-standard health coverage and care systems for their residents. Approving this request for Georgia would set a dangerous and confusing precedent for other states, and we urge CMS to reject this amendment request.**

III. CMS Should Work with Georgia to Expand Access to Coverage and Care, and Thereby Support the Health and Financial Stability of Georgia Residents

Rather than approve this request – for which there is no legal basis, and which creates the potential for a problematic precedent – CMS should work with Georgia to identify other opportunities to expand access to coverage and care, such as through full Medicaid expansion. The federal and state government have spent over $165 million to date on Georgia Pathways that currently covers a mere 21,292 residents, with the federal government already paying for approximately 77.5% of program costs.[18] Despite the sizeable costs, Georgia Pathways has not meaningfully increased employment,[19] nor helped low-income Georgians with the high cost of medical bills (the percent of Georgia residents with medical debt in collections is more than twice the national average[20]), nor supported the Georgia health care system (more than 50 counties in Georgia do not have *any* hospital beds and recent hospital closures have greatly reduced access to behavioral health and cancer treatment in the state[21]). More than a decade of research shows Medicaid expansion is a significant solution to these many challenges:

- Medicaid expansion supports the workforce. Having access to Medicaid is in and of itself a job enhancer. When uninsured people obtain Medicaid, they report that the positive impact

Medicaid has on their health helps them to do a better job at work and enables them to look for better-paying positions; in turn, better employment leads to health improvement.[22]

- Medicaid expansion helps keep low-income families out of medical debt. With Medicaid, families have reduced exposure to medical debt, are better able to put food on the table and are less likely to be evicted from their homes.[23] This is especially true as premiums rise dramatically in Georgia for those with commercial insurance, making marketplace plans even less of an affordable option for many Georgians.[24]
- Medicaid expansion supports safety-net providers so they can remain open and serving the wider community. Medicaid provides health coverage for low-income patients and, thus, reduces uncompensated care, lowering the need or demand for hospital charity care and debt expenses for uninsured people.[25] Further, when people gain access to Medicaid, they have better access to primary care, reducing their reliance on emergency rooms or other high-cost care settings, thereby reducing strain on overburdened hospitals and reducing system costs.[26]

The Georgia Pathways demonstration has not solved Georgia's uninsured crisis or health care affordability problem because it has not covered the full Medicaid expansion group.[27] Georgians deserve better. All Georgians deserve to have access to high quality, affordable coverage and care. And the federal government should demand better: CMS should not reward states with an enhanced federal match if they do not expand Medicaid to the full Group VIII population. Instead of granting Georgia's waiver request, **we urge CMS to work with Georgia policymakers and consumers to identify the best solutions for keeping current Georgia Pathways recipients enrolled in Medicaid, while working toward a full Medicaid expansion for low-income, uninsured Georgians.**

Families USA strongly urges CMS to consider the law, the potential for bad precedent, and the human and economic toll of Georgia's proposed Section 1115 Demonstration Waiver Amendment. Georgia Pathways already carries a hefty price tag for state and federal taxpayers, hospitals, and low-income health care consumers. We respectfully ask CMS to reject Georgia's request for the enhanced FMAP for Georgia Pathways.

For questions or comments regarding the recommendations made in this letter, please reach out to Mary-Beth Malcarney, Senior Advisor on Medicaid Policy, Families USA at: mmalcarney@familiesusa.org.

Sincerely,



Anthony Wright
Executive Director

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[3] Social Security Act § 1905(y)(1), 42 U.S.C. 1396d(y)(1), https://www.ssa.gov/OP_Home/ssact/title19/1905.htm.

[4] Social Security Act § 1902(e)(14)(I).
[5] 42 U.S.C. 1396a(a)(10)(A)(i)(VIII).
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[13] "Georgia Section 1115 Demonstration Waiver Amendment Request," page 4.
[14] "Georgia 'Pathways to Coverage' Section 1115 Demonstration Waiver Application," Georgia Department of Community Health, December 23, 2019, https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ga-pathways-to-coverage-pa1.pdf#page=15; "Georgia Section 1115 Demonstration Waiver Extension Request," Georgia Department of Community Health, April 28, 2025, page 10, https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ga-pathway-pa-04282025.pdf; Leah Chan, "Pathways to Coverage: Looking Back Two Years and Into the Future," Georgia Budget & Policy Institute, October 13, 2025, https://gbpi.org/pathways-to-coverage-looking-back-two-years-and-into-the-future/.
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