



Overview of Medicaid in Delaware

This document provides a broad overview of the Medicaid Program in Delaware, and compares it to programs in surrounding states and the nation. Delaware’s program is managed by the Division of Medicaid and Medical Assistance (DMMA) within the Delaware Department of Health and Social Services.

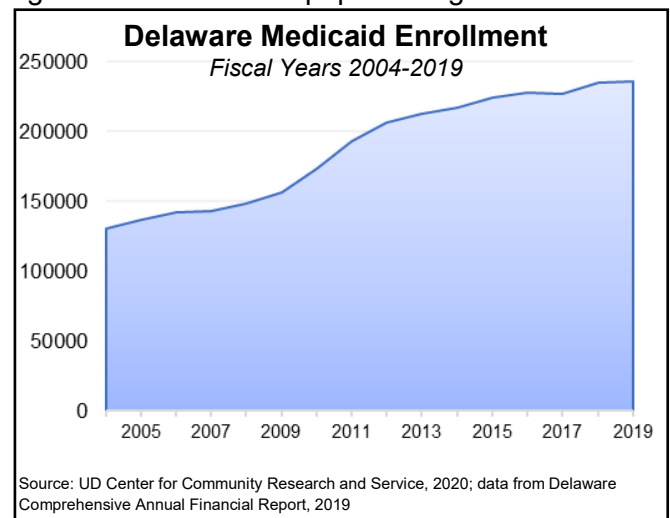
Established in 1965 by Title XIX of the Social Security Act, Medicaid has grown from an insurance program to pay for medical care for low income families with children, to one that covers five broad categories of people: low income families with children; children under 6 with family income at or below 138% of the federal poverty level (FPL); pregnant women with family income at or below 212% of the FPL; individuals with disabilities; and individuals over 65 with low income. Medicaid is jointly funded by the state and federal governments with administration carried out at the state level.

With the passage of the Affordable Care Act in 2010, states receive federal matching funds to expand their Medicaid coverage to childless adults up to 138% of the federal poverty line. Coverage expansions went into effect in 2014 (the year Delaware, New Jersey, and Maryland expanded) and continue to manifest (Pennsylvania expanded in 2015). The coverage matching rate started at 100% in 2014 then decreased to hold steady at 90%. As of May 2020, Washington D.C. and 36 states, including Delaware, have undertaken this expansion.

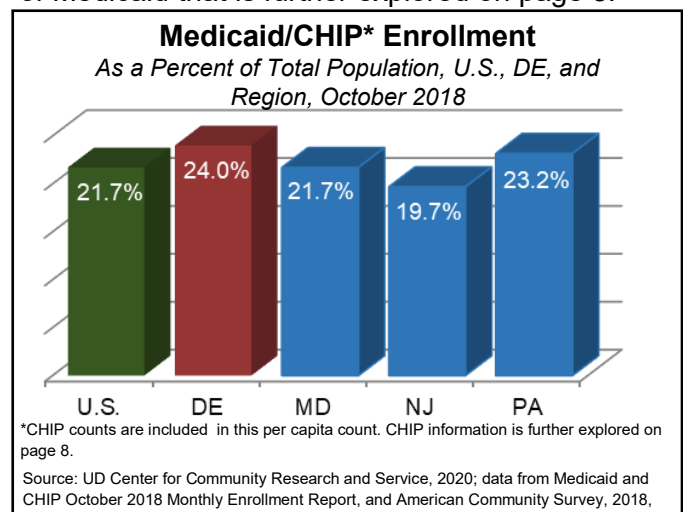
Although there are national guidelines and mandated minimum coverage, each state designs and manages its own program. The federal Centers for Medicare and Medicaid Services (CMS) offers eligibility waivers that allow states to configure their own Medicaid coverage rules, benefit levels, and cost sharing policies. Since 1996, Delaware’s Medicaid program, under a CMS waiver, has covered childless adults living at or below 100% of the official poverty level. In the same year, Delaware adopted a mandatory managed care health program under a Section 1115 waiver.

MEDICAID ENROLLMENT

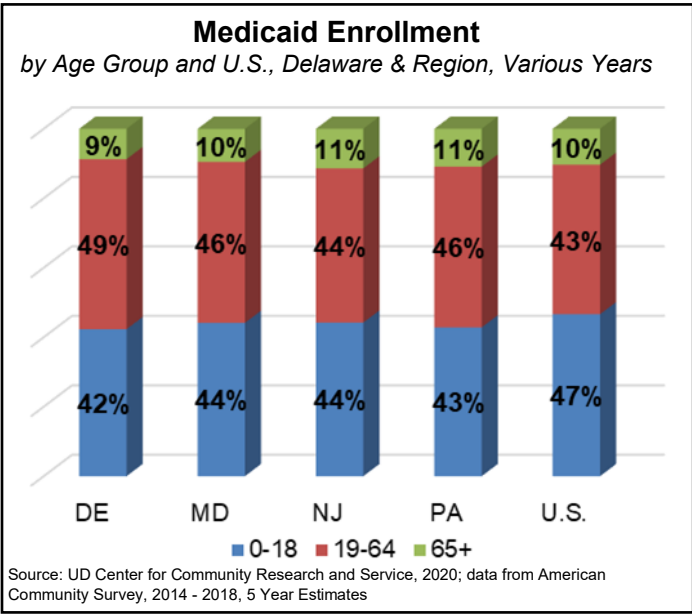
Enrollment in Delaware’s Medicaid program has been increasing steadily, averaging a 4.1% increase per year since 2004—about 3.1% higher than the annual population growth.



Approximately one-fourth of all Delawareans were enrolled in the Medicaid program in October 2018. Delaware has a slightly higher percentage of enrollment compared to the United States, as well as the rest of the region. The following graph shows enrollment in Medicaid and CHIP, a subset of Medicaid that is further explored on page 8.



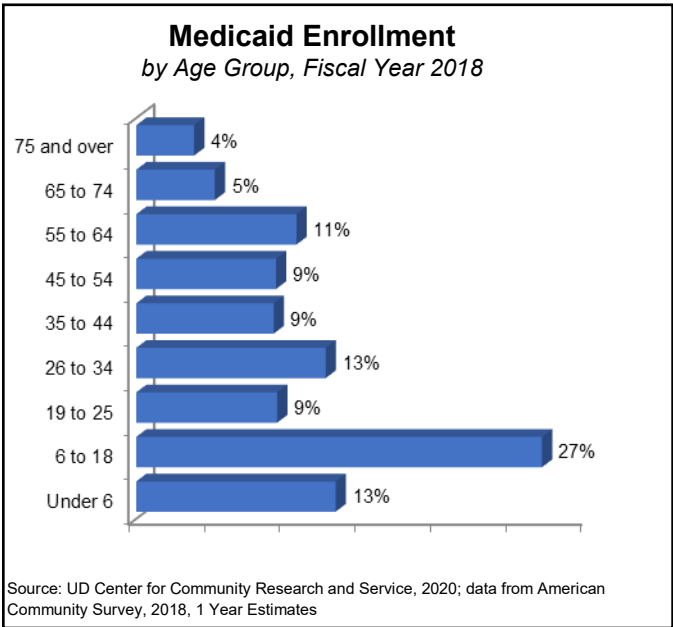
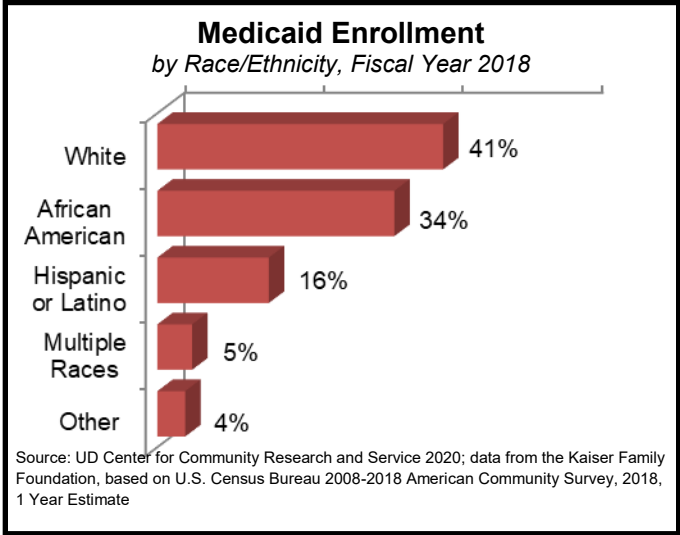
Children and non-elderly adults are Delaware's largest enrollment groups, with each making up 42% and 49% of the total, respectively. In each of the surrounding states, adults ages 19-64 and children represent the highest proportion of enrollees, and non-elderly adults the lowest proportion in all surrounding states. Enrollment patterns across age groups are reflected in national data as well.



The majority of Delaware Medicaid participants are enrolled in managed health care programs. These programs receive a monthly capitation rate payment for each participant. Each participant chooses a Health Maintenance Organization (HMO) that has contracted with the state, and a primary care physician within the HMO network to coordinate the participant's health care services. As of March, 2019, Delaware contracts with two managed care organizations: Highmark Health Options and AmeriHealth Caritas.

Race and ethnicity breakdowns reveal that, as of 2018, the majority of Delaware Medicaid participants are either white (41%) or African American (34%). These can be compared to Census Bureau estimates of racial population breakdown for whites (70%) and African Americans (23%), showing over representation of African Americans participating in Medicaid.

Looking at participants in Delaware by more refined age group cohorts shows that, as of 2018, the largest age cohort is the 6-18 age group, which accounts for 27% of all participants. The second largest age cohort is also made up of minors, as children under 6 make up 13% of participants.



Medicaid is a complex program and varies state-to-state. For more information about Medicaid: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Research-Statistics-Data-and-Systems>

For more information about the federal Medicaid program:

- ◆ www.medicaid.gov

For Delaware Medicaid information:

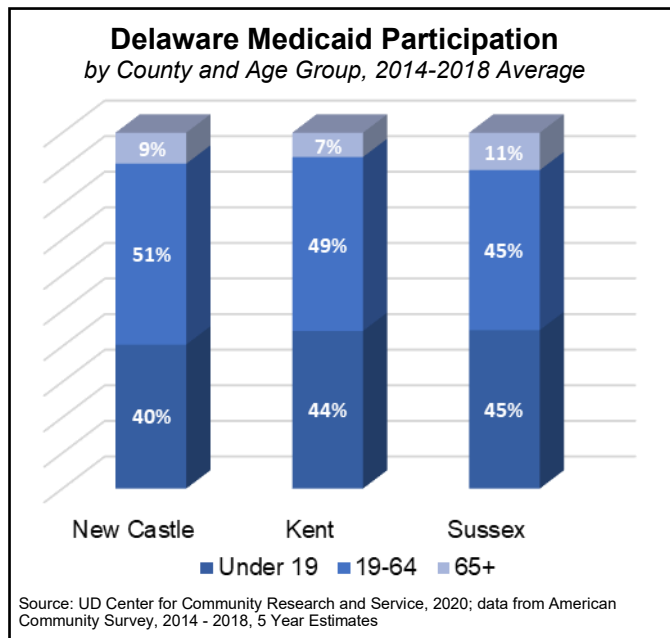
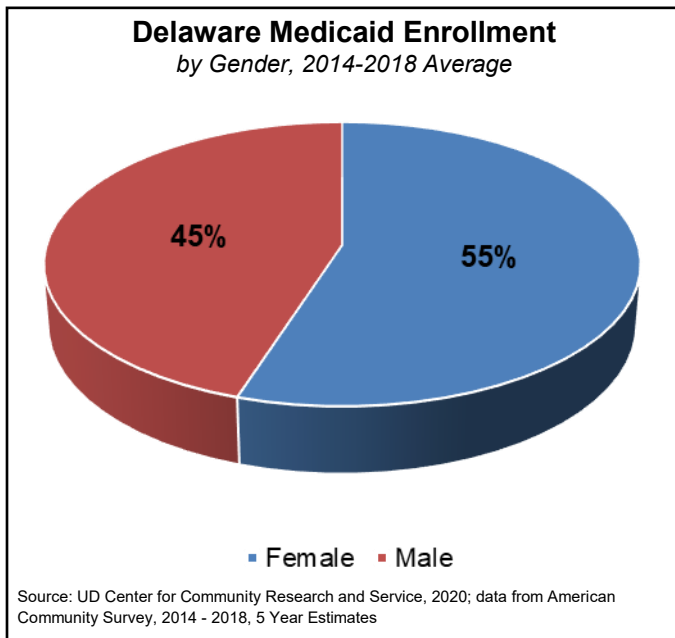
- ◆ www.dhss.delaware.gov/dhss/dmma/faqs.html

For state level Medicaid information:

- ◆ kff.org/Medicaid

Gender differences in Delaware Medicaid enrollment reflect a higher female proportion (55%) than male (45%), likely attributable to eligibility among pregnant women and single mothers. Delaware's enrollment trends by gender mirror the nation's 5-year average, with 53% females and 47% males.

Each of Delaware's three counties has similar proportions of each age group enrolled in Medicaid. New Castle County has about 5% less clients under 19 enrolled in Medicaid, compared to both Kent or Sussex County, while Sussex County has the highest population enrolled that is over 65 years of age.

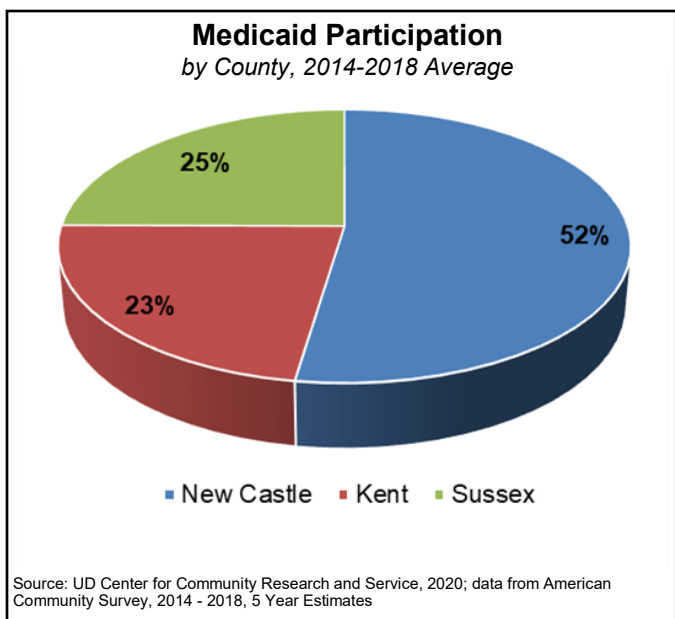


According to the US Census American Community Survey 5-Year Estimates exploring Medicaid Coverage by state and county, **Delaware's** overall percentage of Medicaid participation is about 24% of the state's total population. Of all Medicaid clients enrolled in the state, 52% reside in New Castle County, with the remaining 48% approximately divided equally between Kent and Sussex counties. This distribution reflects the population distribution of the state of Delaware.

Geographic examination by census tract reveals pockets of high Medicaid coverage (see map on Page 4). Areas with high levels of poverty in Wilmington correspond with high levels of Medicaid coverage. Most of the New Castle County suburbs show lower percentages of Medicaid enrollees.

Kent and Sussex counties have high levels of Medicaid coverage in both urban and rural areas. In Sussex county, communities bordering the beach have fewer enrollees — reflecting communities of older, wealthier residents.

Maps on Page 5 show the distribution of Medicaid coverage for children (less than 18 years old) and adults (18-64 years old). Similar patterns in these two maps reflect the distribution of all individuals covered by Medicaid.

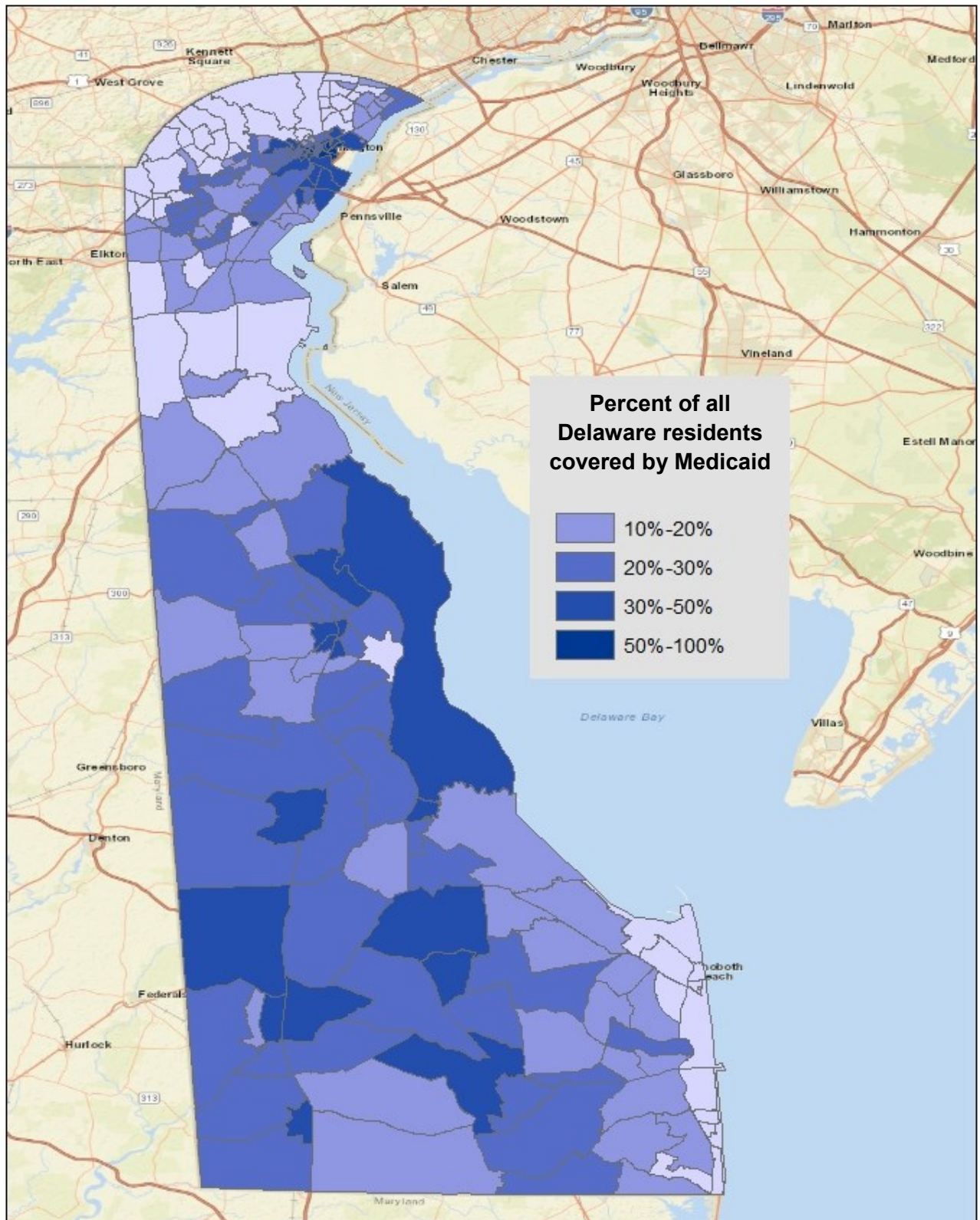


TECHNICAL NOTE:

The American Community Survey (www.census.gov/acs/www/) is an excellent source of small geographic data. However, in small states like Delaware the five year pooled data can have a large margin of error. These data are helpful in presenting patterns and trends but should not be interpreted as exact measurements of Medicaid coverage.

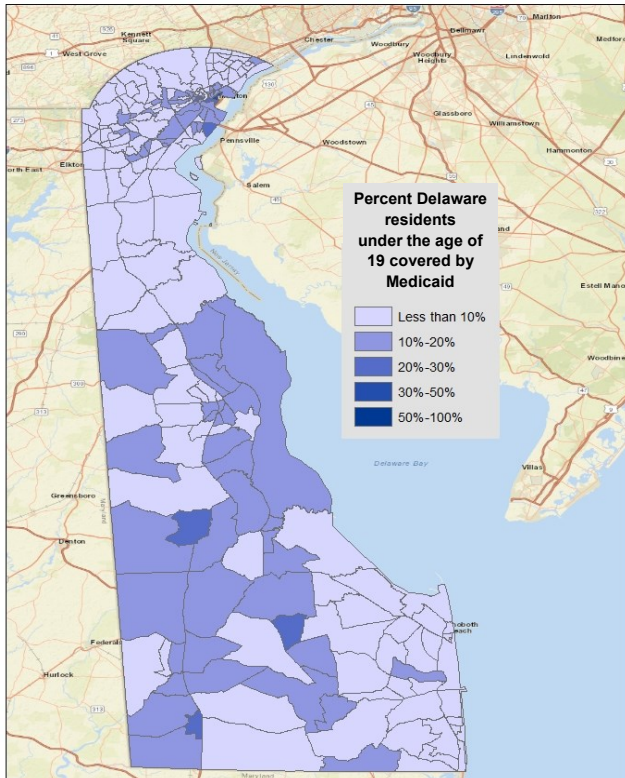
Percent of All Covered by Medicaid

2014-2018 Average



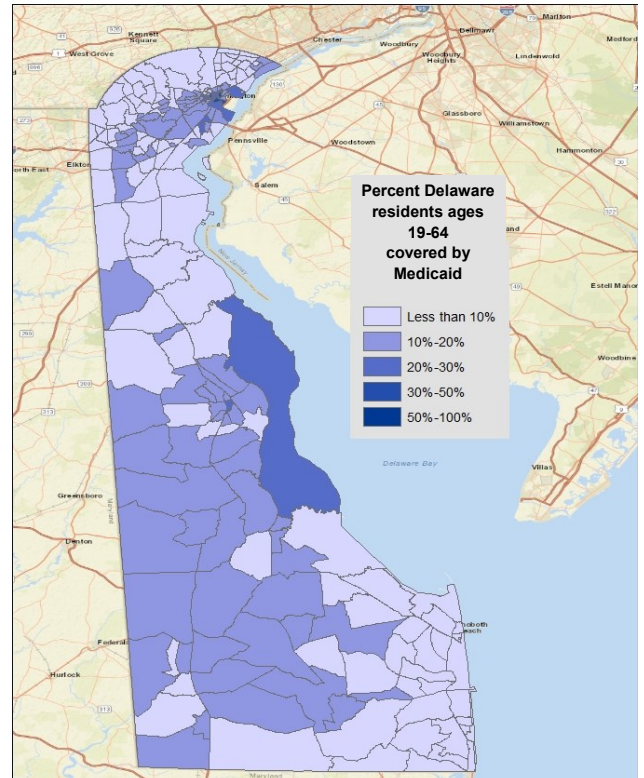
Source: UD Center for Community Research and Service, 2020; data from U.S. Census Bureau, 2014-2018 American Community Survey

Percent Covered by Medicaid <19 2014-2018 Average



Source: UD Center for Community Research and Service, 2020; data from U.S. Census Bureau, 2014-2018 American Community Survey

Percent Covered by Medicaid 19-64 2014-2018 Average



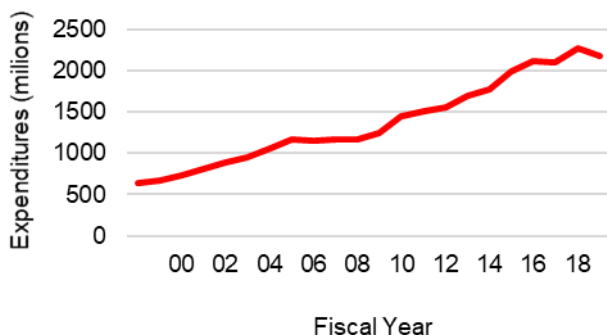
Source: UD Center for Community Research and Service, 2020; data from U.S. Census Bureau, 2014-2018 American Community Survey

MEDICAID EXPENDITURES

Medicaid expenditures are funded by both the federal and state governments. The Federal Medical Assistance Percentage (FMAP) is the amount that the federal government pays a state for medical services. The FMAP is dependent on the average per capita income of the state and the national average, and cannot, by law, be less than 50%. For Delaware, the 2019 FMAP was 57.55%.

Delaware's Medicaid Expenditures have increased steadily from 1998 to 2018, with a slight decrease in 2019, as shown in the adjacent visual. Real dollars are adjusted for 2019. Concurrently, the number of persons who are eligible for Medicaid has risen in Delaware. From 2018 to 2019, state and federal expenditures have decreased by 6.7% and 2.7%, respectively.

Delaware Medicaid Expenditures in Millions Fiscal Years 1998-2019*



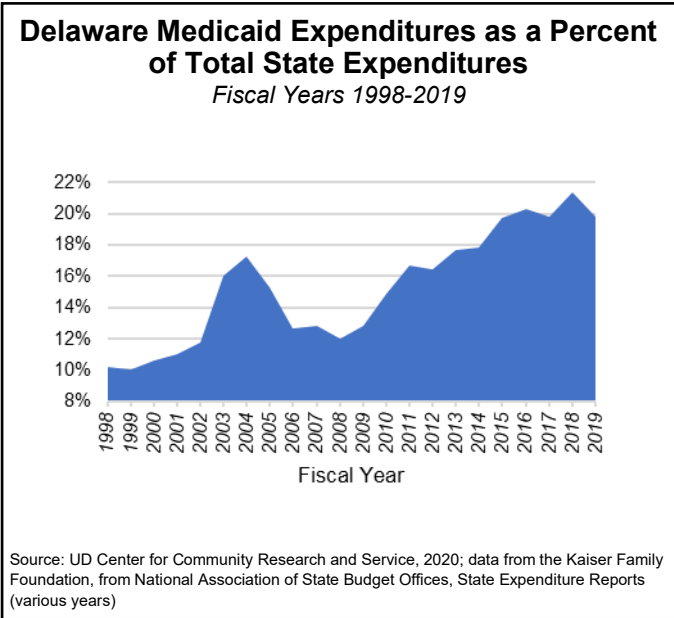
*Dollars have been adjusted to 2019 real dollar values

Source: UD Center for Community Research and Service, 2020; data from National Association of State Budget Offices, State Expenditure Reports, various years

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◆ <https://www.udel.edu/students/career-center/recruitmentpolicy/>

Medicaid expenditures as a proportion of total state expenditures have varied considerably since 1998. Delaware spent (\$2.24) billion on Medicaid in fiscal year 2018, of which the Federal government contributed \$1.46 billion. Currently, Medicaid expenditures are proportionately higher than in recent history, constituting 19.3% of the state’s total expenditures in fiscal year 2019. However, Delaware’s average is below that found in bordering states and for the U.S. as a whole.



Medicaid Expenditures as a Percent of Total State Expenditures
U.S., DE and Region, Fiscal Year 2019

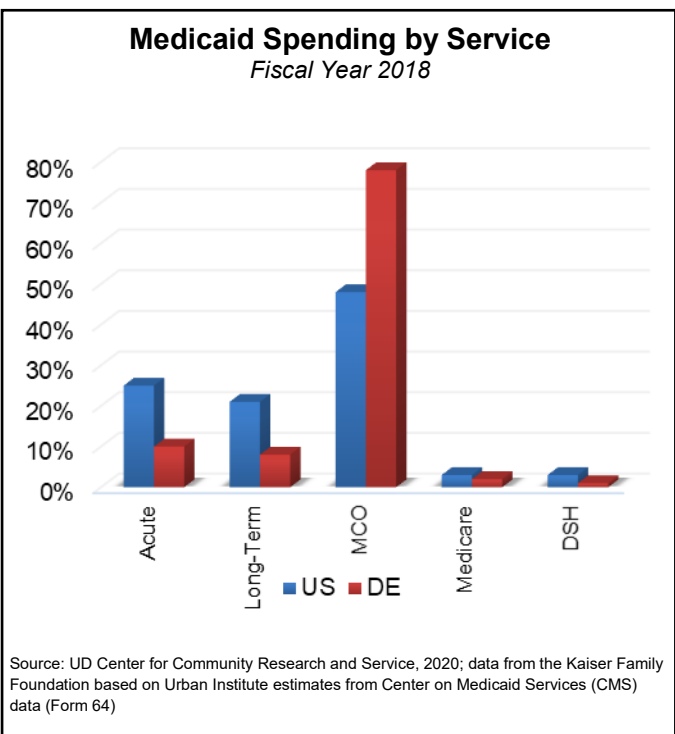
U.S. Average	28.9%
Delaware	19.3%
Maryland	25.6%
New Jersey	23.7%
Pennsylvania	36.1%

Source: UD Center for Community Research and Service, data from National Association of State Budget Offices, State Expenditure Report, 2019

Medicaid spending by service is depicted in the following chart. “MCO”, or managed care organization, received the largest percentage of spending. These expenditures include payments to health maintenance organizations, prepaid health plans, and other health plans in addition to primary care case management. Managed Care involves contracted arrangements between managed care organizations and state Medicaid offices through a capitation system. The goal is to reduce the cost of health services while increasing the quality. The large majority of Delaware clients participate in Managed Care (97%) with only 3% in fee-for-service (FFS) or other programs, as the state has a managed care mandate. The percentage of managed care among the states in

the region is similar although the proportion in Delaware is higher (Maryland, 86%; New Jersey, 95%; Pennsylvania, 89%) (Source: Kaiser Family Foundation Survey of Medical Officials in 50 states and DC, 2019).

“Acute care” includes payments to inpatient, physician, lab, X-ray, outpatient, clinic, prescription drugs, family planning, dental, vision, and other practitioners’ care services. “Long-term care” includes long term nursing facilities, intermediate care facilities for individuals with mental disabilities, and home and personal care. “Payments to Medicare” are premiums paid by Medicaid for Medicare enrollees. “DSH” are disproportionate share hospital payments to hospitals that serve a larger population of low income clients to help cover their loss of revenue.



For more information on expenditures, see the State Expenditure Reports produced by The National Association of State Budget Officers:

- ◆ www.nasbo.org/publications-data/state-expenditure-report

Expenditure and eligible participant data can be found through the Medicaid Statistical Information System State Summary Datamarts:

- ◆ <https://www.medicaid.gov/medicaid/data-and-systems/macbis/tmsis/index.html>

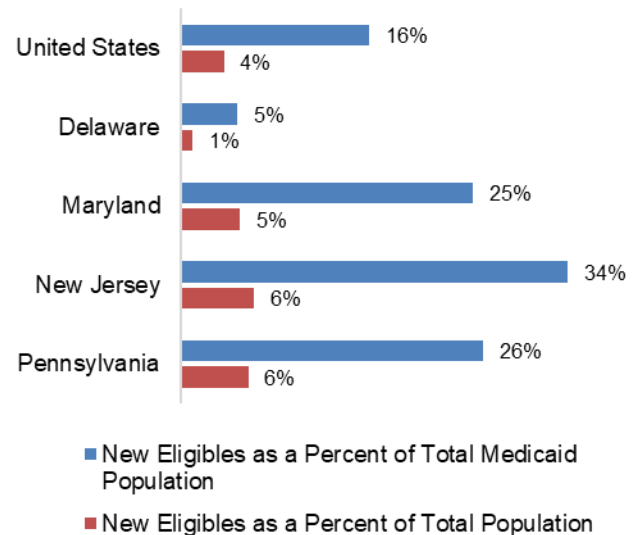
The Henry J. Kaiser Family Foundation also provides more information regarding Medicaid:

- ◆ <http://kff.org/medicaid>

AFFORDABLE CARE ACT

The year 2020 marks ten years since the passage of the Affordable Care Act (ACA). Coverage expansions went into effect in 2014 (the year Delaware, New Jersey, and Maryland expanded) and continue to manifest (Pennsylvania expanded in 2015). The chart below shows those who were eligible who wouldn't have been before the expansion. Delaware percentages are smaller than the US and surrounding regions due to its early expansion in 1996. Data are presented as compared to the total Medicaid population and the total state population.

Estimated New Eligible Clients Due to ACA



Source: UD Center for Community Research and Service; data from the Kaiser Family Foundation, from the Centers for Medicare and Medicaid Services (CMS) Medicaid Budget and Expenditure System (MBES)

For more information on the Affordable Care Act, see the Kaiser Family Foundation's (KFF) report: *The Effects of Medicaid Expansion Under the ACA*:

- ◆ <https://www.kff.org/medicaid/report/the-effects-of-medicare-expansion-under-the-aca-updated-findings-from-a-literature-review/>

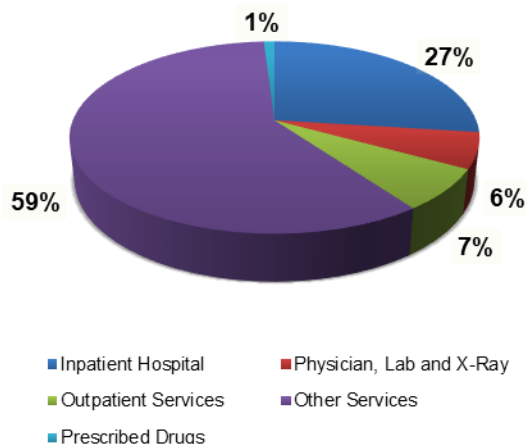
Medicaid Expansion Spending data can be found through the KFF as well, compiled from the Centers for Medicare and Medicaid Services (CMS) Medicaid Budget and Expenditure System (MBES)

- ◆ <https://www.kff.org/medicaid/state-indicator/medicaid-expansion-spending/>

Acute Care Spending, although only comprising 10.4% of Medicaid spending in Delaware in FY 2018, still totaled over 230 million dollars, and can be broken down into inpatient hospital, physician, Lab, and X-ray, outpatient services, prescribed medication, and other services. The "other services" category includes a wide variety of services such as dental, physical and occupational therapy, and various other services. This is the largest category of spending within the acute care category.

Delaware Spending on Acute Care

Fiscal Year 2018



Source: UD Center for Community Research and Service, 2020; data from the Kaiser Family Foundation, based on Urban Institute estimates from Center for Medicaid Services (CMS) data

Long term care service spending in Delaware for FY 2018 totaled nearly \$190 million. The service with the highest expenditures in Delaware was home health and personal care (76%). Notably, Delaware's spending on nursing facilities makes up only 1% of the long term care budget, while the nation as a whole allocates about a third of all Medicaid expenditures for long term care to nursing facilities.

Medicaid Spending on Long Term Care

U.S. and Delaware, FY 2018

Long Term Care Service	U.S.	DE
Nursing Facilities	33%	1%
Intermediate Care Facility for Intellectually Disabled	8%	17%
Mental Health Facilities	3%	6%
Home Health and Personal Care	57%	76%
TOTAL	101%*	100%

*Total may exceed 100% due to rounding

Source: UD Center for Community Research and Service, 2020; data from the Kaiser Family Foundation, based on Urban Institute estimates from Center for Medicaid Services (CMS) data

CHILDREN'S HEALTH

The Children's Health Insurance Program (CHIP) was initiated as part of the Balanced Budget Act of 1997. Information regarding CHIP funding sources can be found from the Medicaid and CHIP Payment and Access Commission (MACPAC). CHIP is a government program that covers children under the age of 19 who are between 133% - 200% of the federal poverty level. CHIP was designed to expand Medicaid for children whose family's income was too high for traditional Medicaid but that didn't otherwise have insurance. Similar to Medicaid overall, CHIP is jointly funded by state and federal dollars.

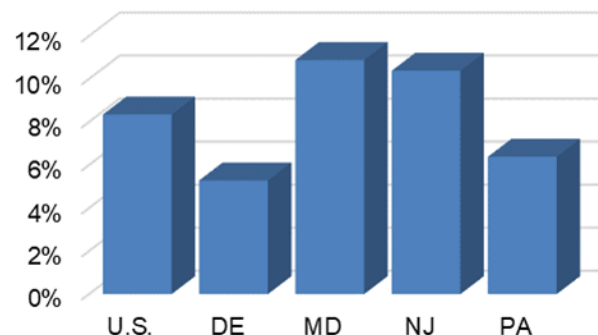
The following chart depicts CHIP spending per capita, for each state's total CHIP population. Delaware's spending in Fiscal Year 2018 is higher per capita than that of the surrounding states.

In terms of dollar allocation, federal dollars outweighed state dollars for all states listed. Pennsylvania, New Jersey, and Maryland spent more per capita from their state budget compared to Delaware, whose majority of CHIP dollars came from federal funds in 2018. Delaware relied most heavily on federal dollars when compared to the surrounding region.

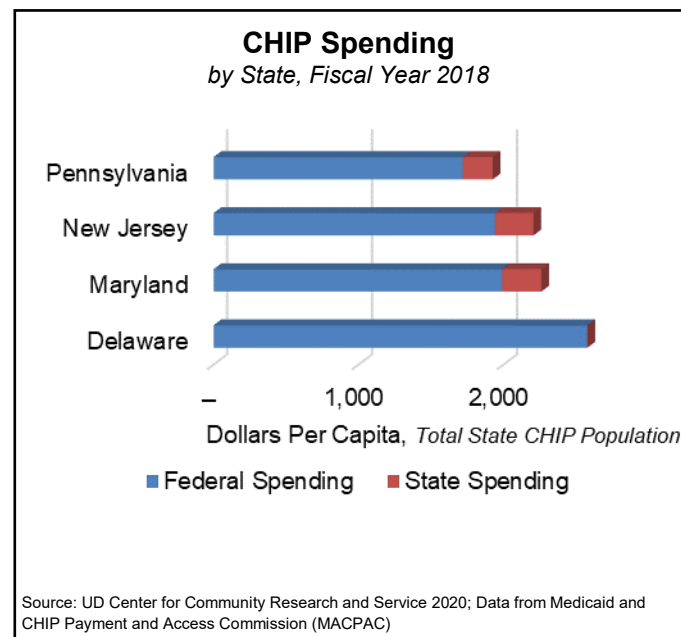
Delaware's CHIP is a stand-alone program called the Delaware Healthy Children Program (DHCP) is managed by the Division of Medicaid and Medical Assistance. Eligibility and premiums depend on family size and income, with premiums ranging from \$10-\$25 per month. In FY 2018, over 11,358 children were enrolled in DHCP. Delaware's enrollment was 5.3% of Delaware's children, below the US and the surrounding region.

CHIP Enrollment as a Percent of Total Children Under 19

U.S., DE and Region, 2018



Source: UD Center for Community Research and Service, 2020; CHIP enrollment data from Medicaid.gov (*excludes Maine and Arkansas), Population data from American Community Survey, FY 2018, 1 Year Estimates



Source: UD Center for Community Research and Service 2020; Data from Medicaid and CHIP Payment and Access Commission (MACPAC)

CHIP spending on benefits is structured differently per state, with resources flowing from Medicaid-expansion CHIP spending and separate CHIP programs (including coverage of pregnant women in some states).

This report was produced by the University of Delaware Center for Community Research and Service (CCRS) Medicaid Research Program. The mission of this research team is to obtain and maintain data on health care services, and to carry out research which can lead to improvements in the quality, equitability, effectiveness, efficiency, availability, and affordability of health care services in Delaware and beyond. The research team compiled this brief with publicly available data and documents to provide the reader with a "primer" on Medicaid in Delaware. All data used in this report is from secondary sources. The policy implications of the Medicaid and CHIP programs are extensive and the importance of the program-especially during the pandemic when so many are losing employment and their employee-sponsored health insurance- is paramount. The authors hope that the information contained herein provides a starting point for policy discussions.

All Contributors and Editors are from the Center for Community Research and Service:

Contributors:

Erin Lynch, Assistant Policy Scientist
Olivia Malinowski, Research Assistant
Liddy McCulla, Undergraduate Student

Editors:

Janice Barlow, Policy Scientist
Mary Joan McDuffie, Policy Scientist
Rebecca McColl, Assistant Policy Scientist
Erin Knight, Associate Director, CCRS
Stephen Metraux, Director, CCRS