



Overview of Medicaid in Delaware

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This document provides an 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 and then decreased to hold steady at 90%. As of June 2022, Washington D.C. and 39 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.

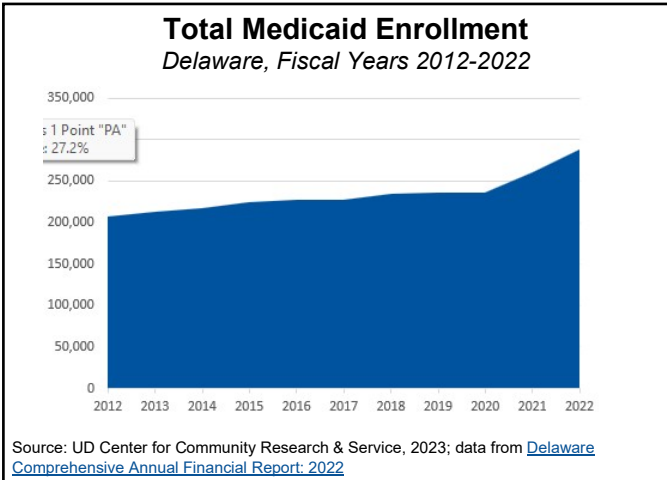
Key Facts

- Enrollment in Delaware’s Medicaid program has been increasing steadily, with a larger jump since the COVID-19 pandemic began.
- More than one-fourth of all Delawareans were enrolled in the Medicare program in December 2021.
- Children and non-elderly adults are Delaware’s largest enrollment groups, making up 43.1% and 47.9% of the total respectively.
- Race and ethnicity breakdowns reveal that, as of 2021, the majority of Delaware Medicaid participants are either white (42%) or African American (29%).
- Of all Medicaid clients enrolled in Delaware, 53.2% reside in New Castle County, 20.7% reside in Kent County, and 26.1% reside in Sussex County. This distribution reflects population distribution by county.
- Delaware’s Medicaid expenditures have increased steadily from 2011 to 2021.

MEDICAID ENROLLMENT

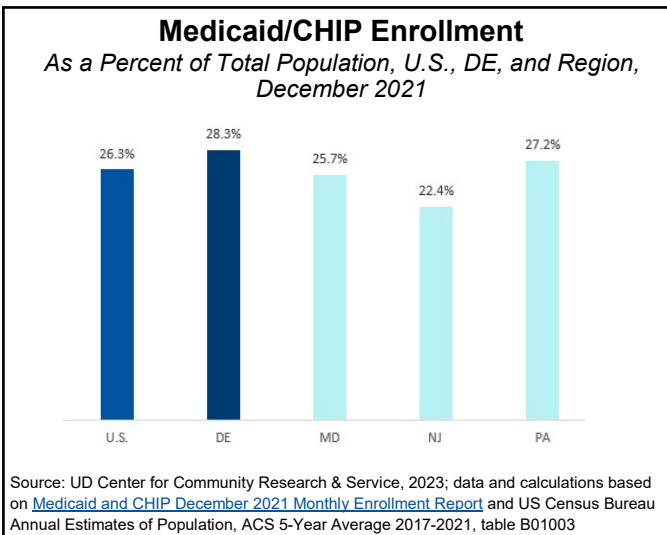
Enrollment in Delaware’s Medicaid program has been increasing steadily, with a larger jump since the COVID-19 pandemic began. There has been an average 3.4% increase per year since 2022.¹ This is about 0.5% higher than the annual population growth.²

FIGURE 1



More than one-fourth of all Delawareans were enrolled in the Medicaid program in December 2021.³ 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 (the Children’s Health Insurance Program).

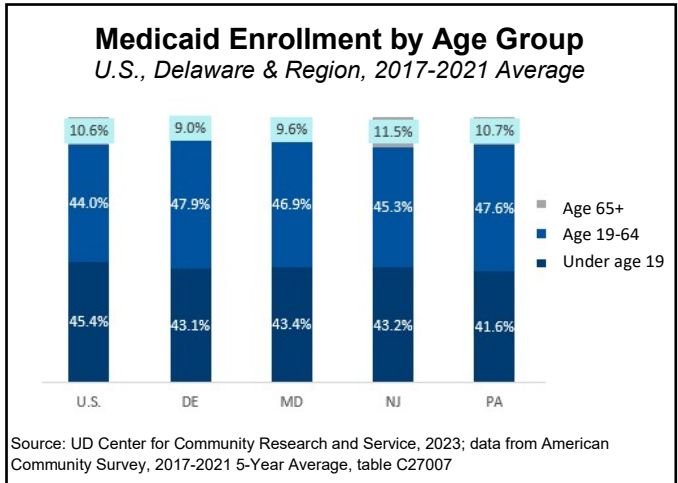
FIGURE 2



Children and non-elderly adults are Delaware’s largest enrollment groups, with each making up 43.1% and 47.9% of the total, respectively.⁴ In each of the surrounding states, adults ages 19-64 and children represent the highest proportion of

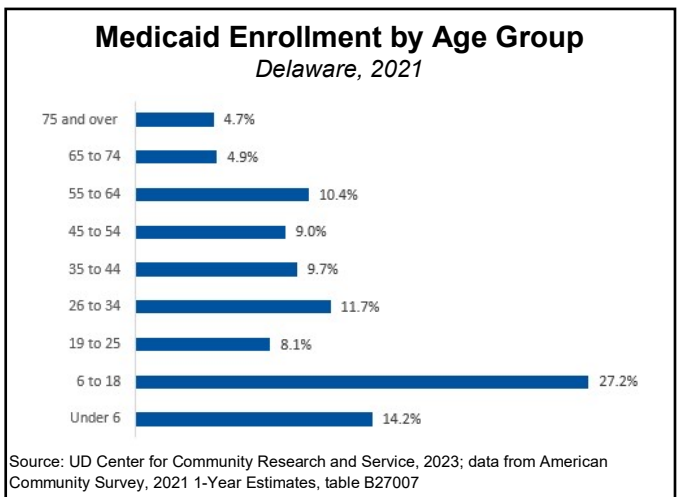
enrollees, and non-elderly adults, the lowest proportion in all surrounding states. Children surpass non-elderly adults in national enrollment trends.

FIGURE 3



Looking at participants in Delaware by more refined age group cohorts shows that, as of 2021, the largest age cohort is the 6-18 age group, which accounts for 27.2% of all participants. The second largest age cohort is also made up of minors, as children under 6 make up 14.2% of participants.

FIGURE 4



Medicaid is a complex program and varies state to state. For more information about

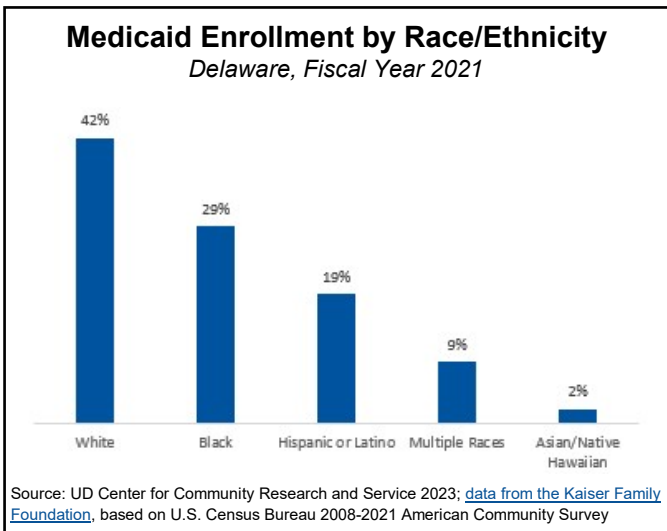
Medicaid nationally... www.medicaid.gov

Medicaid in Delaware... www.dhss.delaware.gov/dhss/dmma/faqs.html

Other state level Medicaid programs... kff.org/Medicaid/

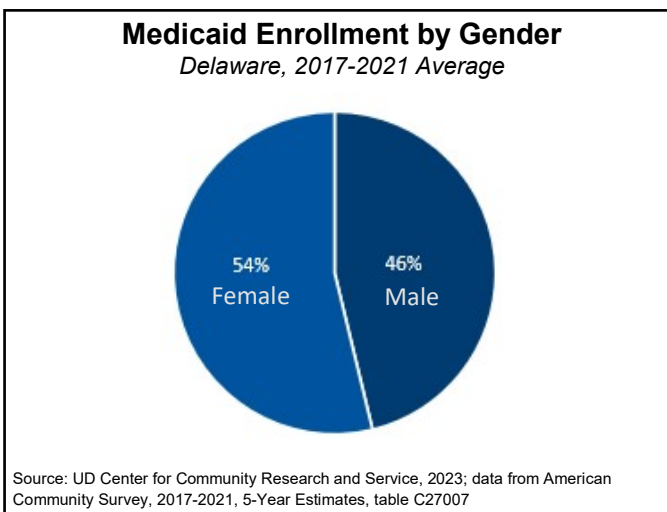
Race and ethnicity breakdowns reveal that, as of 2021, the majority of Delaware Medicaid participants are either white (42%) or African American (29%). These can be compared to Census Bureau estimates of Delaware’s racial population breakdown for whites (68%) and African Americans (24%)⁵, showing an over-representation of African Americans participating in Medicaid.

FIGURE 5



Gender differences in Delaware Medicaid participation reflect a higher percentage of females (54%) than males (46%), likely attributable to eligibility among pregnant women and single mothers, as the state’s population is 51.4% female.

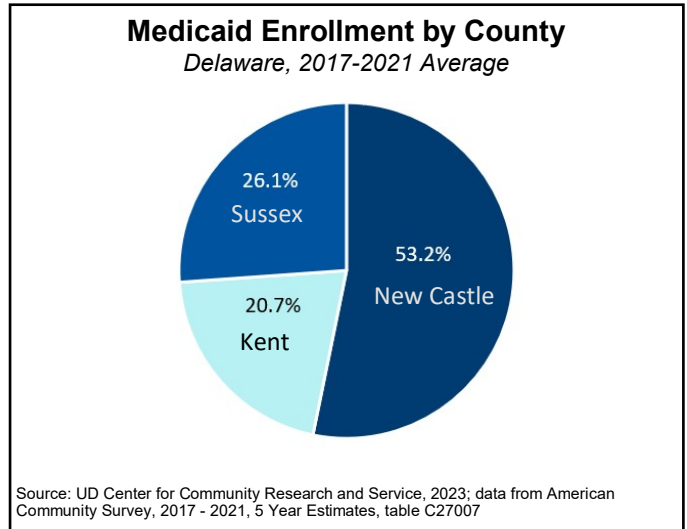
FIGURE 6



According to the data exploring Medicaid coverage by state and county, Delaware’s overall percentage of Medicaid participation is about 21% of the state’s total population.⁶ Of all Medicaid clients enrolled in the state, 53.2% reside in New Castle County, 20.7% reside in Kent County, and

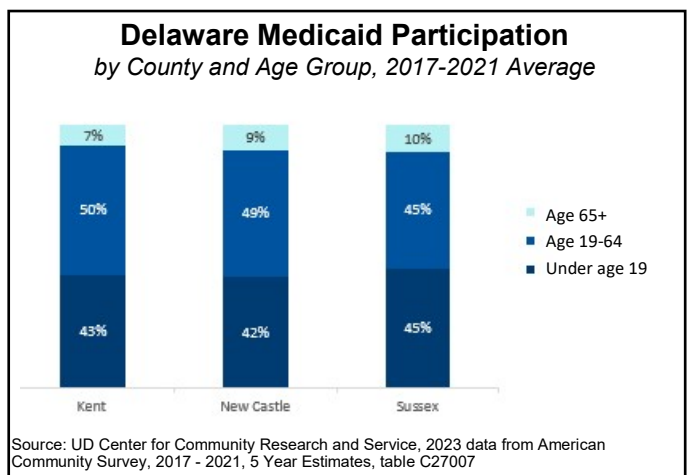
26.1% reside in Sussex County. This distribution reflects the total population distribution of the state of Delaware; New Castle has 558,932 residents, Kent has 176,190, and Sussex has 231,117.⁷

FIGURE 7



Sussex County has the largest proportion of children in the Medicaid Program (45%) compared to Kent and New Castle counties. Adults aged 10-64 make up about 50% each of Kent and New Castle Counties for proportion covered. Sussex and New Castle Counties have similar proportions for the 65+ age group covered.

FIGURE 8



Geographic examination by census tract reveals pockets of high Medicaid coverage for children less than 18 years old and adults 18-64 years old. Similar patterns in these two maps (Figures 9 and 10) reflect the distribution of all individuals (Figure 11) covered by Medicaid.

Areas with corresponding high levels of poverty in downtown Wilmington reflect high levels of Medicaid coverage. Most of the New Castle

County suburbs show lower percentages of Medicaid enrollees than found within the city of Wilmington.

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.

Throughout the pandemic, the Public Health Emergency (PHE) guidelines prohibited the disenrollment of Medicaid recipients.⁸ Disenrollment was allowed when a person asked specifically to be taken off rolls, if a person died, or if a person moved out of state. The Delaware Medicaid program covers individuals living at or below 138% of the poverty level, and CHIP covers children below 200% of the poverty level who are not covered by Medicaid. However, eligibility criteria for Medicaid and CHIP coverage vary by state.

Medicaid unwinding began on April 1st, 2023. Medicaid saw over a 25% increase in recipients between April 2020 and February 2023. An

administrative lift exists as members will need to renew their Medicaid over the course of the unwinding period (through June 2024). Unfortunately, this will allow for some automatic end of coverage, with the exception of a few protected populations.⁹ Loss of secure health coverage can have catastrophic impacts on overall well-being.

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 July 2022, Delaware contracts with three managed care organizations: Highmark Health Options, AmeriHealth Caritas, and Centene's Delaware First Health.

FIGURE 9

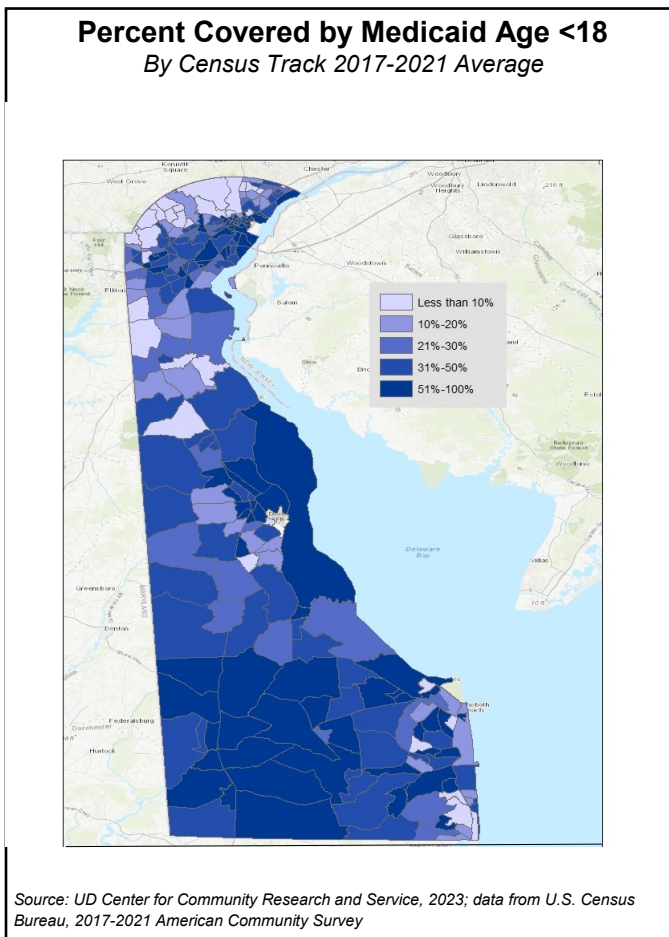


FIGURE 10

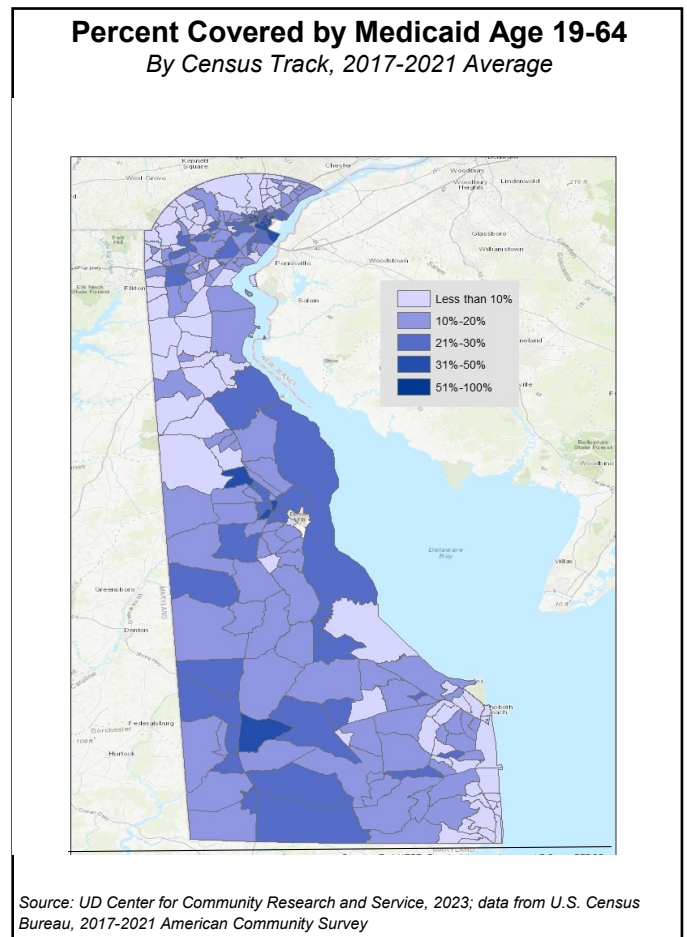
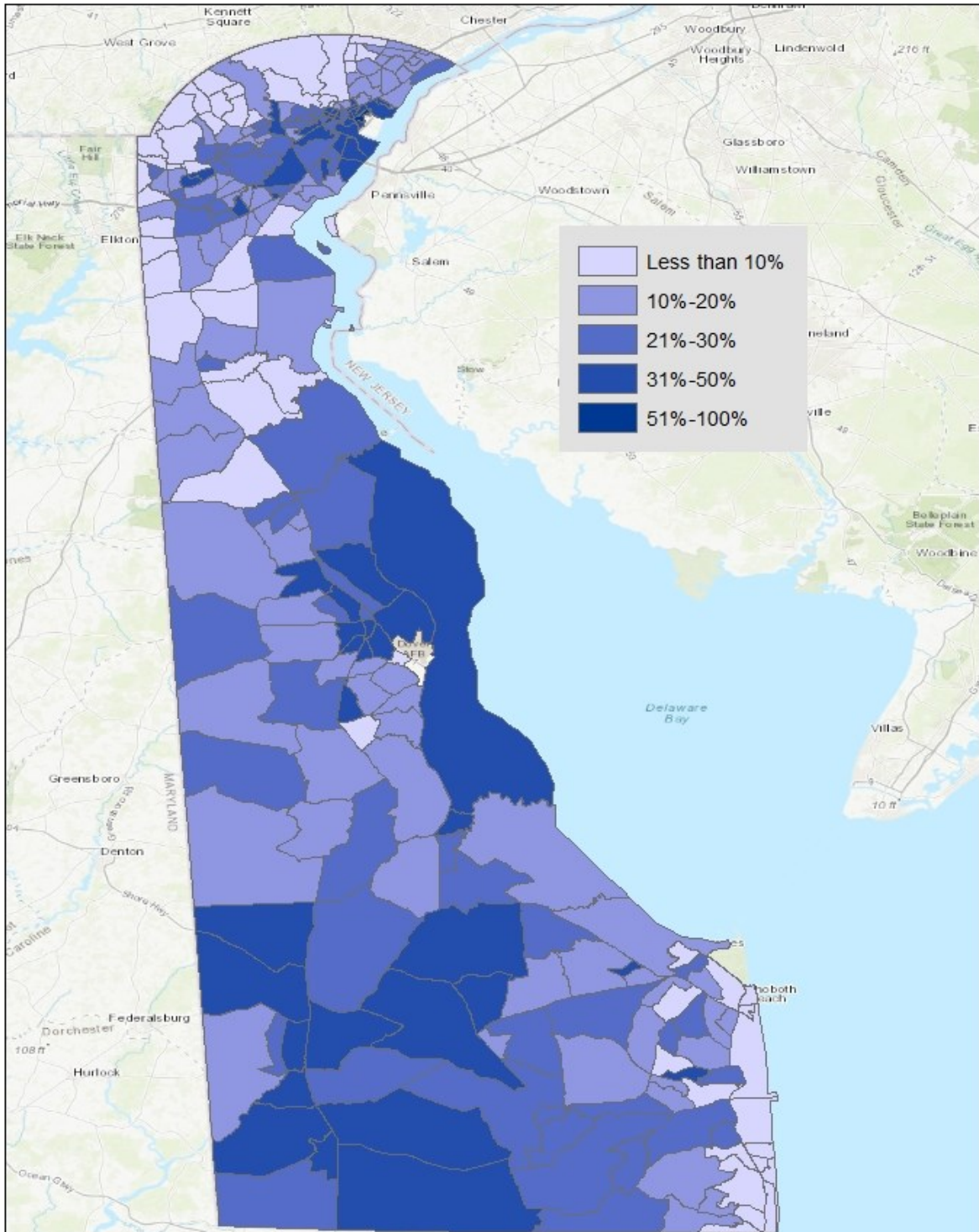


FIGURE 11

Percent of All Covered by Medicaid 2017-2021 Average



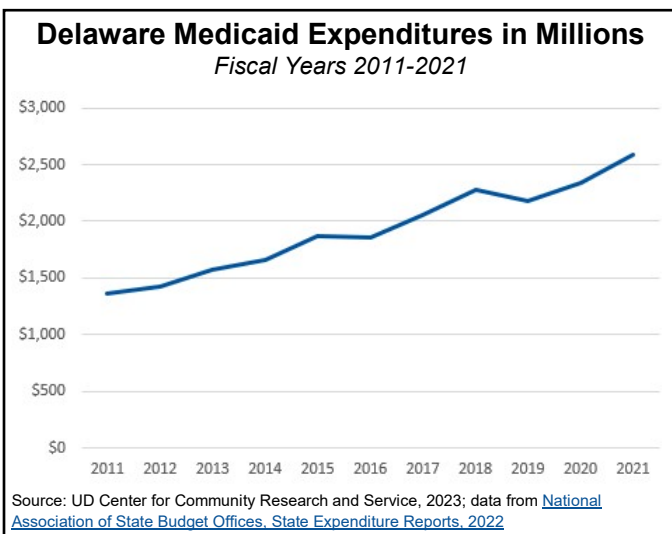
Source: UD Center for Community Research and Service, 2023; data from U.S. Census Bureau, 2017-2021 American Community Survey

MEDICAID EXPENDITURES

Medicaid expenditures are funded by both federal and state governments. The Federal Medical Assistance Percentage 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 2022 FMAP was 63.92%.¹⁰

Delaware’s Medicaid Expenditures have increased steadily from 2011 to 2021. Concurrently, the number of persons who are eligible for Medicaid has risen in Delaware. From 2020 to 2021, state and federal expenditures increased by 2.3% and 14.5%, respectively. From 2021 to 2022, state and federal expenditures have increased by 14.4% and 8.5%, respectively.¹¹

FIGURE 12



Medicaid expenditures as a proportion of total state expenditures have varied considerably since 2011. Delaware was expected to spend \$2.847 billion on Medicaid in fiscal year 2022, of which the Federal government contributed an

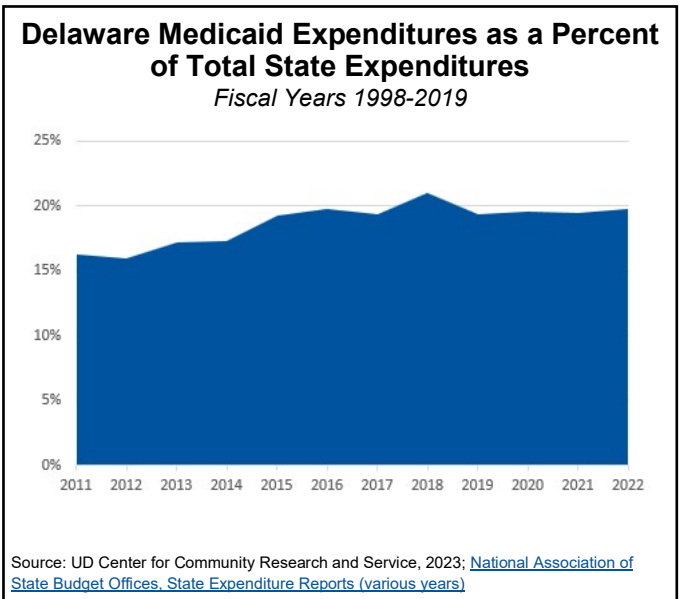
FIGURE 13

U.S. Average	27.6%
Delaware	19.8%
Maryland	19.9%
New Jersey	26.0%
Pennsylvania	34.9%

Source: UD Center for Community Research and Service, 2023, data from [National Association of State Budget Offices, State Expenditure Report, 2022](#)

estimated \$1.982 billion.¹² Currently, Medicaid expenditures are proportionately higher than in recent history, constituting 19.8% of the state’s total expenditures in fiscal year 2022.¹³ However, Delaware’s average is below that found in bordering states and for the U.S. as a whole.

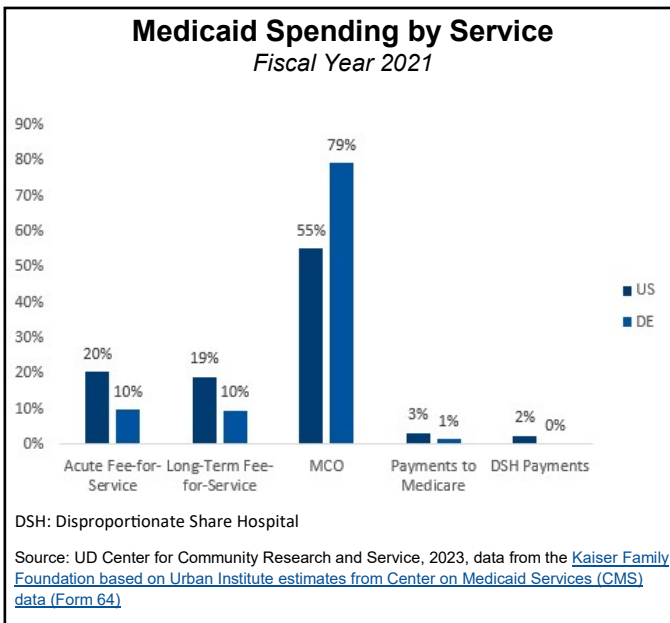
FIGURE 14



Medicaid spending by service is depicted to the right. “MCO”, or managed care, 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. Delaware and its surrounding states (Pennsylvania, New Jersey, Maryland) primarily used Managed Care models to deliver health services.

“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 amounts paid by enrollees. “DSH” is a disproportionate share of hospital payments to hospitals that serve a larger population of low-income clients to help cover their loss of revenue.

FIGURE 15



Acute Care Spending, although only comprising 10% of Medicaid spending in Delaware in FY 2021¹⁴, it still totaled over 235 million dollars. Spending can be broken down into inpatient hospital, physician, Lab, X-ray, outpatient services, prescribed medication, and other services. The “other services” category includes a wide variety of services as dental, physical and occupational therapy, and various other services. This is the largest category of spending within the acute care category.

FIGURE 16

Location	Dollars Spent
Inpatient Hospital	\$52,569,583
Physician, Lab and X-Ray	\$9,360,727
Outpatient Services	\$15,868,535
Prescribed Drugs	\$-4,174,193*
Other Services	\$161,899,739
Total	\$235,524,391

*Where spending is negative, spending for that particular service may be captured in another spending category such as managed care.

Source: UD Center for Community Research and Service, 2023; 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 2021 totaled over \$230 million. The service

with the highest expenditures in Delaware was home health and personal care (80%).

FIGURE 17

Long Term Care Service	U.S.	DE
Nursing Facilities	\$38,388,582,607	\$1,020,102
Intermediate Care Facility for Intellectually Disabled	\$9,074,196,082	\$34,375,364
Mental Health Facilities	\$4,173,104,023	\$14,557,765
Home Health and Personal Care	\$87,283,791,541	\$182,951,564

Source: UD Center for Community Research and Service, 2023; data from the [Kaiser Family Foundation based on Urban Institute estimates from Center for Medicaid Services \(CMS\) data](#)

EXPENDITURES

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/>

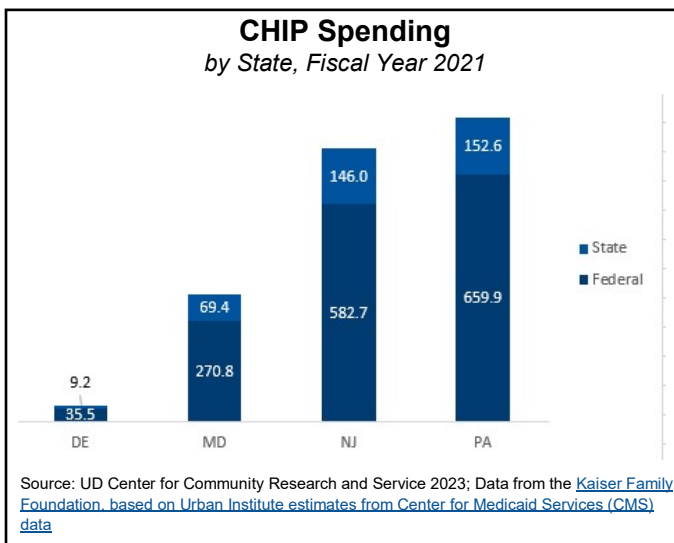
CHILDREN'S HEALTH

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 didn't otherwise have insurance. Similar to Medicaid overall, CHIP is jointly funded by state and federal dollars.

Figure 18 depicts CHIP spending for Delaware and surrounding states, for each state's total CHIP population in FY 2021.

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. Delaware relied most heavily on federal dollars (75% of funding) when compared to the surrounding region, followed by Pennsylvania at 71% and Maryland and New Jersey at 69% each.¹⁵

FIGURE 18

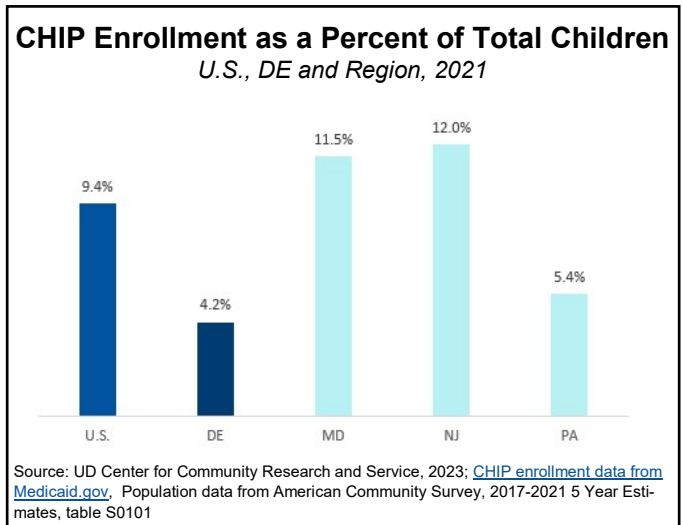


CHIP spending on benefits is structured differently per state, with resources flowing from Medicaid expansion CHIP spending and separate CHIP programs (including coverage of pregnant women in some states).

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. At the end of 2021, over 8,619 children were enrolled in DHCP. Delaware's enrollment was 4.2% of Delaware's children, below the US and the surrounding region.¹⁶

FIGURE 19



AFFORDABLE CARE ACT (ACA)

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/>

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¹ Delaware Department of Finance, Division of Accounting. (2022). 2022 Delaware Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022. Retrieved from: <https://accountingfiles.delaware.gov/docs/2022acfr.pdf>

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^{3, 16} U.S. Centers for Medicare & Medicaid Services (2021). State Medicaid and CHIP Applications, Eligibility Determinations, and Enrollment Data. Retrieved from: https://data.medicaid.gov/dataset/6165f45b-ca93-5bb5-9d06-db29c692a360/data?conditions%5b0%5d%5bproperty%5d=report_date&conditions%5b0%5d%5bvalue%5d=2021-12-01&conditions%5b0%5d%5boperator%5d=%3D&conditions%5b1%5d%5bproperty%5d=preliminary_updated&conditions%5b1%5d%5bvalue%5d=U&conditions%5b1%5d%5boperator%5d=%3D

^{4,6, 7} U.S. Census Bureau (2022). Medicaid/Means-tested public coverage by sex and age 2017-2021 5-year estimates detailed tables, Table 27007. Retrieved from: <https://data.census.gov/table?q=c27007&g=040XX00US10&tid=ACSDT5Y2021.C27007>

⁸ First Focus on Children. (2023, February 3). Fact Sheet: Medicaid Unwinding: How To Protect Children from Losing Coverage. Retrieved from: <https://firstfocus.org/resources/fact-sheet/medicaid-unwinding-how-to-protect-children-from-losing-coverage>

⁹ Delaware Health and Social Services. (2023 February). Delaware's Plan for Unwinding from the COVID-19 Public Health Emergency. https://dhss.delaware.gov/dhss/dmma/files/covid19_phe_unwind_20230220.pdf

¹⁰ Kaiser Family Foundation (2022). Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier. Retrieved from: <https://www.kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/?currentTimeframe=2&selectedDistributions=fmap-percentage&sortModel=%7B%22collid%22:%22Location%22,%22sort%22:%22asc%22%7D>

^{11, 12, 13} National Association of State Budget Offices. (2022). 2022 State Expenditure Report Fiscal Years 2020-2022. Retrieved from: https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2022_State_Expenditure_Report_-_S.pdf

¹⁵ Kaiser Family Foundation (2022). Distribution of Medicaid Spending by Service. Retrieved from: [https://www.kff.org/medicaid/state-indicator/distribution-of-medicaid-spending-by-service/?dataView=1¤tTimeframe=0&selectedRows=%7B%22states%](https://www.kff.org/medicaid/state-indicator/distribution-of-medicaid-spending-by-service/?dataView=1¤tTimeframe=0&selectedRows=%7B%22states%22:%22delaware%22:%22%7D%7D,%22wrapups%22:%22%22united-states%22:%22%7D%7D%7D&sortModel=%7B%22collid%22:%22)

ACS DATA

The U.S. Census Bureau's American Community Survey (ACS) estimates provide a good understanding of Medicaid coverage, as well as participation in other social service programs. Tables C27007, B27007, and S0101 are starting points for further exploration.

TECHNICAL NOTE:

The American Community Survey is an excellent source of small geographic data. However, in small states like Delaware the five-year averaged estimates 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.

This report was produced by the University of Delaware Center for Community Research and Service (CCRS).

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