

# AN 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 below 138% of the federal poverty level (FPL);
- ◆ Pregnant women with family income below 138% of the FPL;
- ◆ Individuals with disabilities; and
- ◆ Individuals over 65 with low income.

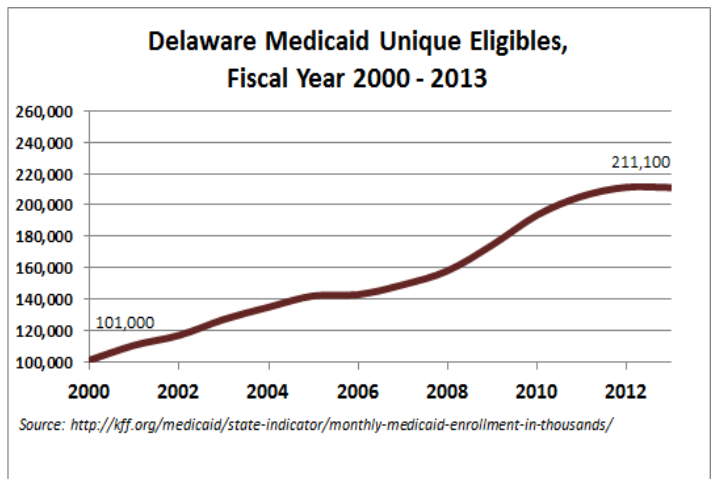
**Individuals** who comprise these groups and sign up for Medicaid are referred to as "eligibles".

**With the passage of the Affordable Care Act (ACA) in 2010**, states receive 100% federal matching funds to expand their Medicaid coverage to childless adults up to 138% of the federal poverty line. At the time of this writing, 31 states, including Delaware, have undertaken this expansion. Although there are national guidelines and mandated minimum coverage benefit levels, 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.

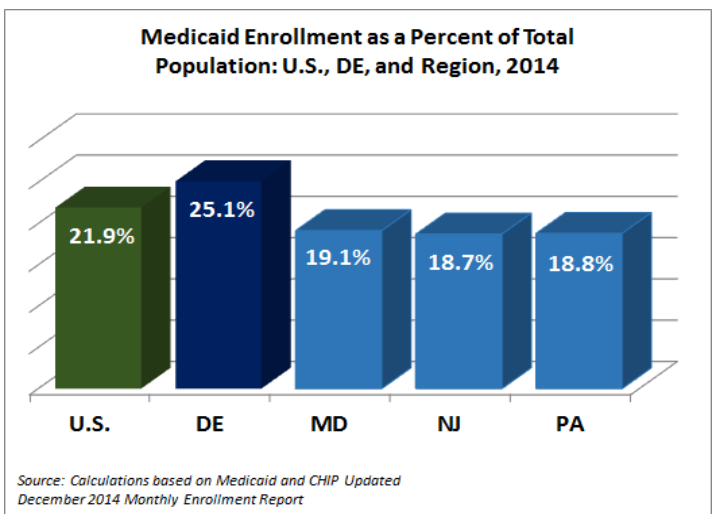
**Since 1996, Delaware's Medicaid program**, under a CMS waiver, has covered childless adults living at or below 100% of the official poverty level. In the same year, Delaware adopted a mandatory managed care health program under a Section 1115 waiver.

## MEDICAID PARTICIPATION

**Participation in Delaware's Medicaid program** has been increasing steadily. Between 2000 and 2013 the average increase has been 5.9% per year.



**Approximately one-fourth (25%) of all Delawareans** were enrolled in the Medicaid program in 2014. Delaware has a higher percentage of enrollment in comparison to the U.S., as well as the region.



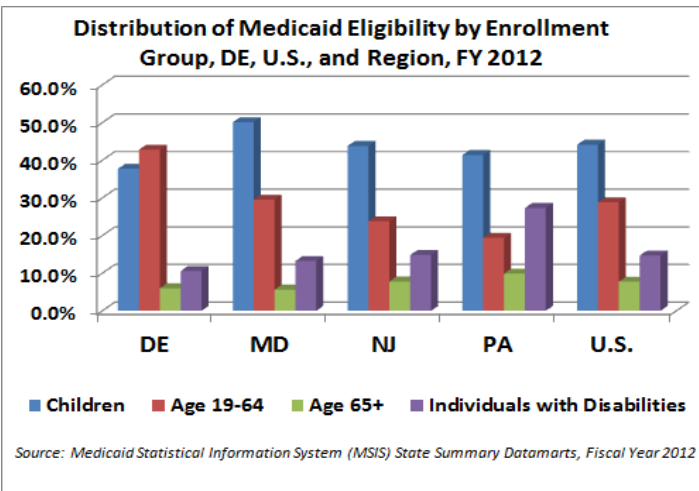
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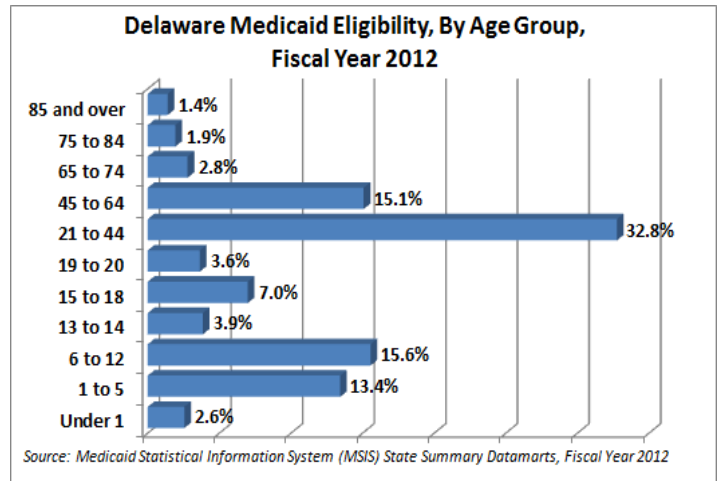
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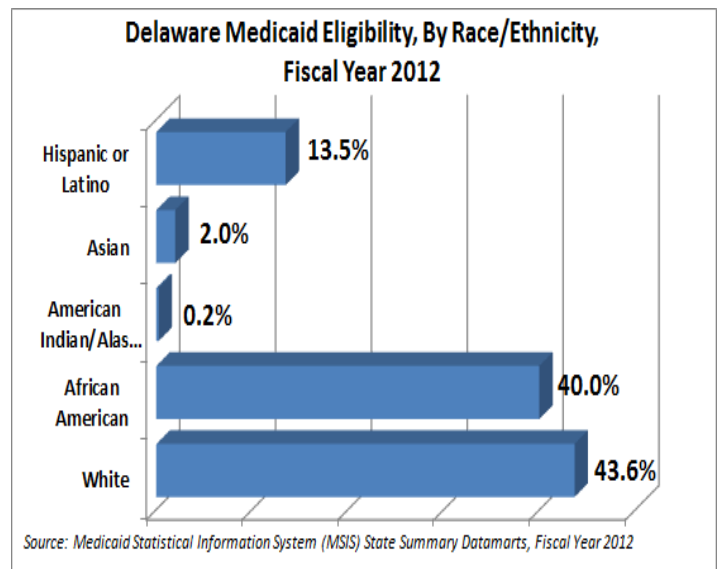
**Examination of four different enrollment groups** shows that children and non-elderly adults are Delaware's largest eligible groups, with each making up about 40% of the total. In surrounding states, and for the U.S. as a whole, children represent a higher proportion of eligibles, and non-elderly adults a lower proportion, due to eligibility standards that are tighter than Delaware's. With many states expanding coverage to childless adults under the Affordable Care Act (at 138% of the FPL and below), it is expected that eligibility profiles in other states will look more similar to Delaware's profile over time.



**Looking at participants in Delaware by smaller age group cohorts** shows that, as of 2012, the largest age cohort is the 21-44 age group, which accounts for almost one-third of all participants (32.5%).



**Race and ethnicity breakdowns** reveal that, as of 2012, the majority of Delaware Medicaid participants are either white (44%) or African American (40%). African Americans are disproportionately represented in Medicaid compared with the state population; African Americans made up approximately 21% of Delaware residents in 2012.



*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 plan that has contracted with the state, and a primary physician within the plan network who coordinates the participant's health care services.*

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

- ◆ [www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MedicareProgramRatesStats/SummaryMedicareMedicaid.html](http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MedicareProgramRatesStats/SummaryMedicareMedicaid.html)

For more information about the national Medicaid program see:

- ◆ [www.medicaid.gov](http://www.medicaid.gov)

For Delaware Medicaid information see:

- ◆ [www.dhss.delaware.gov/dhss/dmma/faqs.html](http://www.dhss.delaware.gov/dhss/dmma/faqs.html)

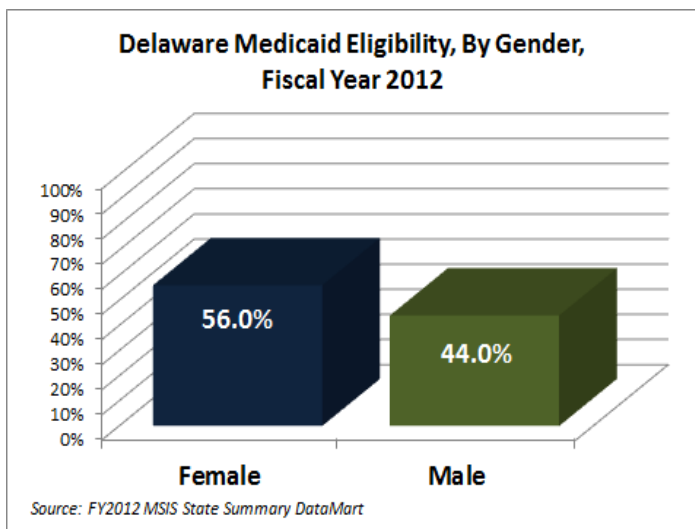
For state level Medicaid information see:

- ◆ [kff.org/medicaid/](http://kff.org/medicaid/)

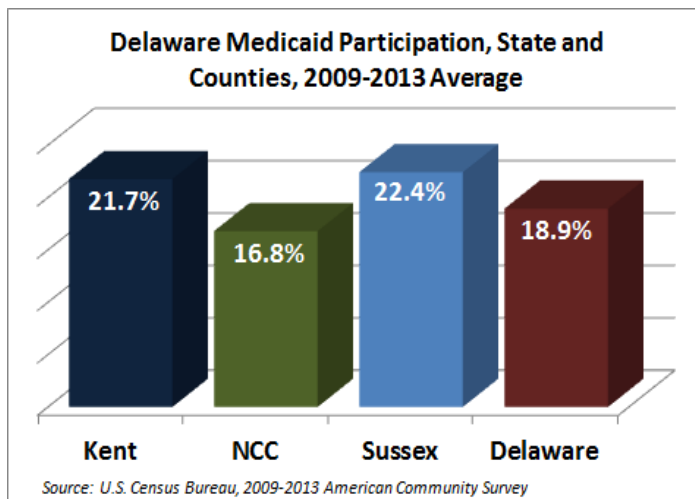
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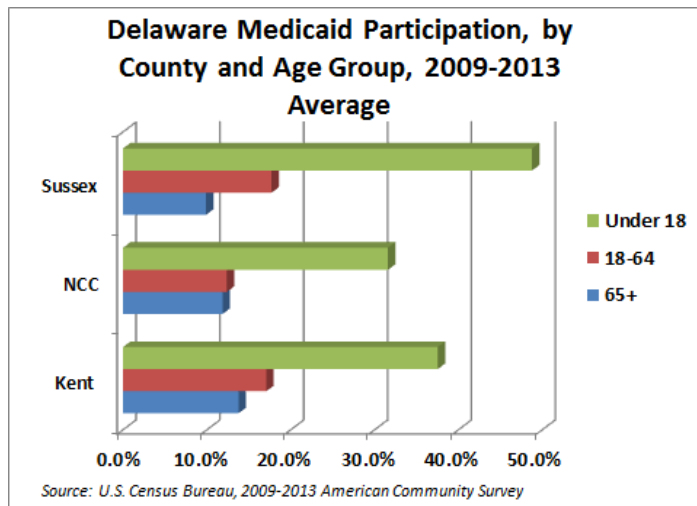
**Gender differences** in Delaware Medicaid participation reflect a higher percentage of females (56%) than males (44%), likely attributable to eligibility among pregnant women and single mothers.



**Although New Castle County** has the largest number of participants due to its large population, it has the lowest percentage of individuals participating in Medicaid (16.8%). Kent and Sussex counties have slightly higher participation rates of 21.7% and 22.4%, respectively.



**Sussex County** has the largest proportion of children in the Medicaid Program (48.8%) compared to New Castle (31.6%) and Kent (37.5%) counties. Proportions of adults (18-64 years old) and older adults (65 years and over) are generally equivalent when comparing counties.



**Further geographic examination by census tract** reveals pockets of high Medicaid coverage (see map on Page 4). Areas with corresponding high levels of Medicaid coverage in downtown Wilmington reflect high levels of poverty. Most of the New Castle County suburbs show relatively low percentages of Medicaid enrollees.

Kent and Sussex counties have higher levels of Medicaid coverage in both urban and rural areas than in New Castle County. In Sussex county, the communities bordering the beach have few enrollees — most likely reflecting communities of wealthier retirees.

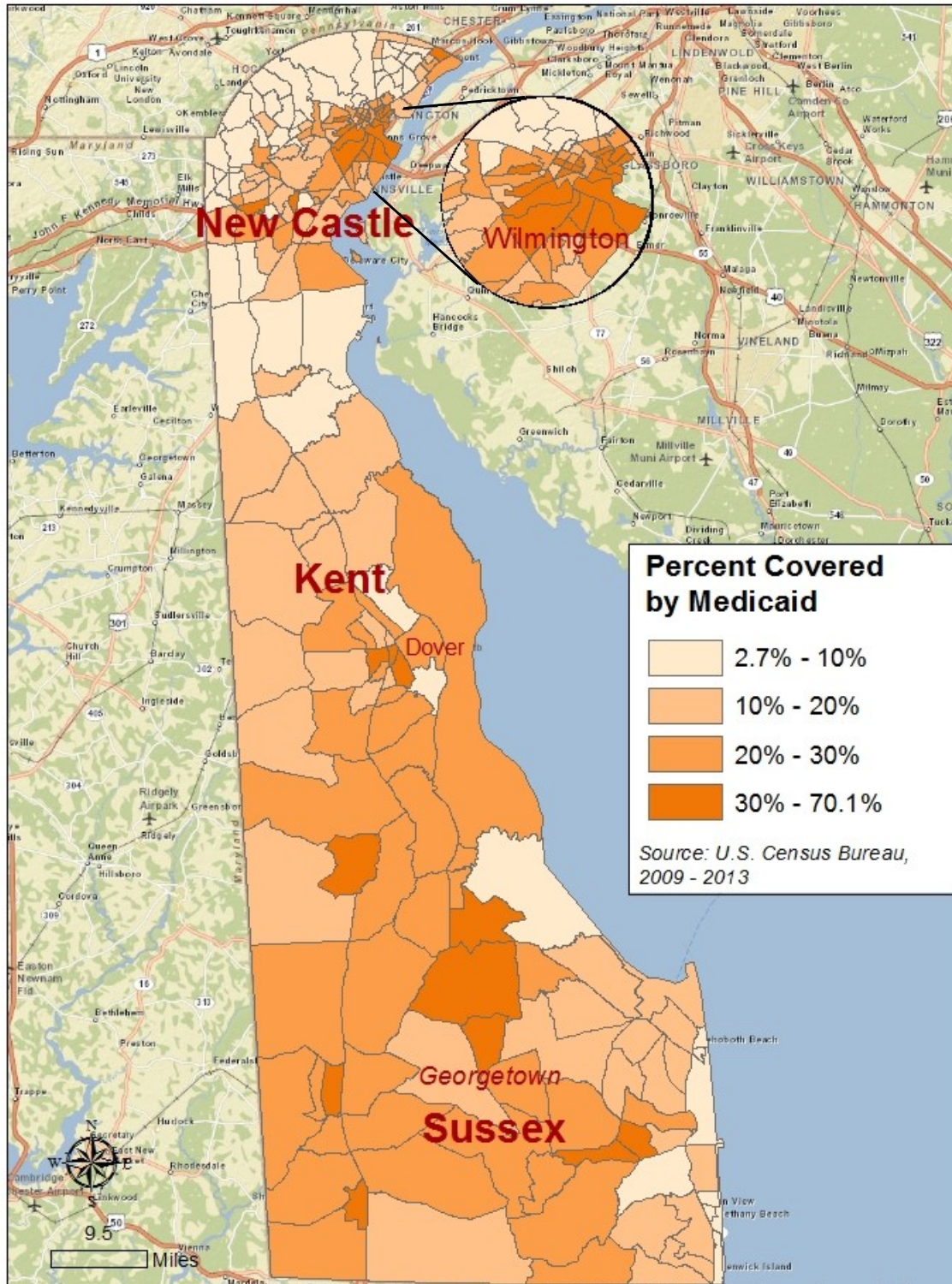
Maps on Page 5 show the distribution of Medicaid coverage for children (less than 18 years old) and adults (18-64 years old). Similar patterns are seen in these two maps reflecting the distribution of all individuals covered by Medicaid.

### TECHNICAL NOTE:

*The American Community Survey ([www.census.gov/acs/www/](http://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.*

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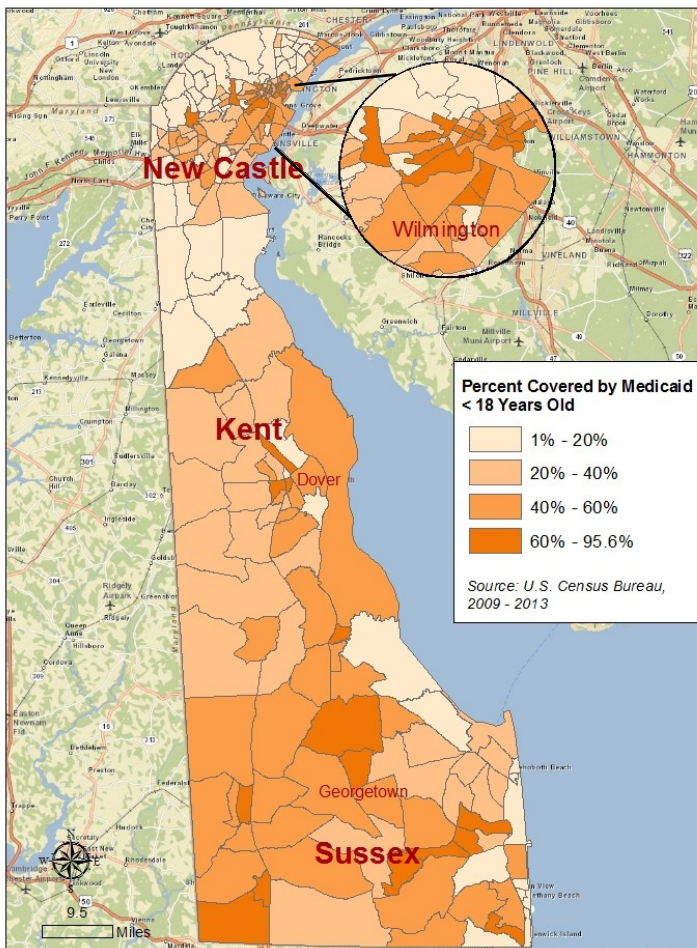
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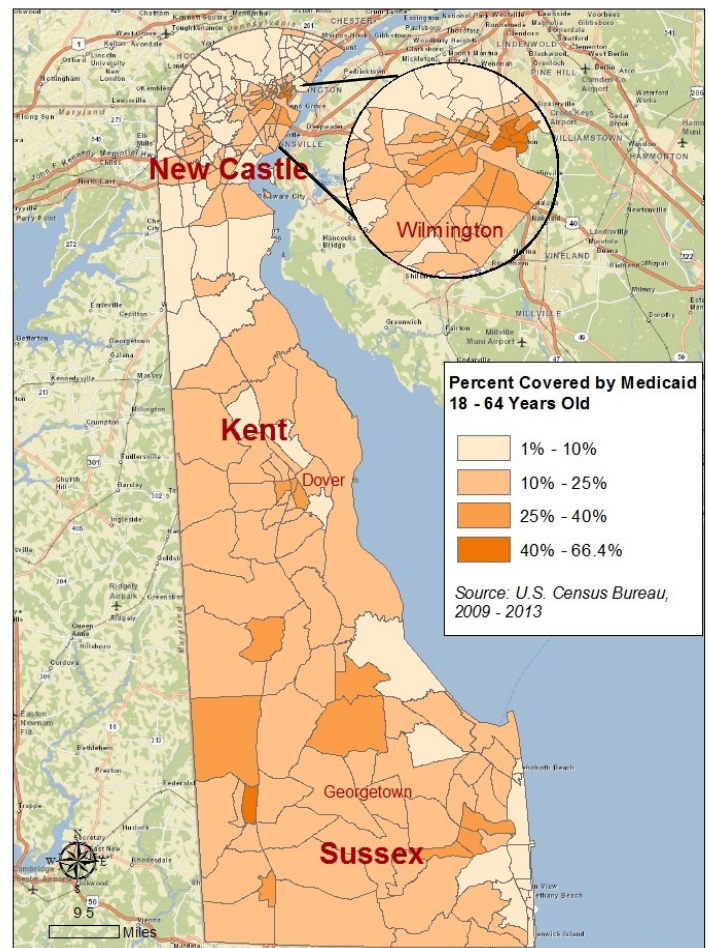
Source: U.S. Census Bureau, 2009 - 2013 American Community Survey

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Source: U.S. Census Bureau, 2009 - 2013 American Community Survey

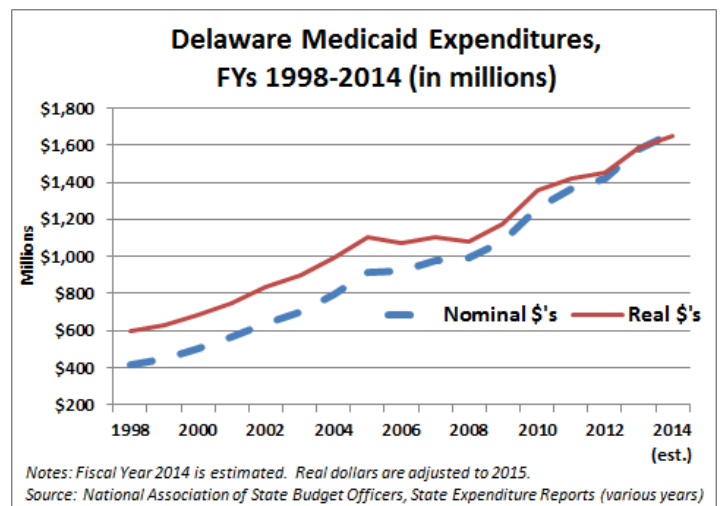


Source: U.S. Census Bureau, 2009 - 2013 American Community Survey

## MEDICAID EXPENDITURES

**Medicaid expenditures are funded** by both the federal and state governments. Delaware's overall federal match is approximately 50%, dependent upon the group covered. On average, the matching rate that Delaware received in fiscal year 2015 was 54.8%. This means that 54 cents of every dollar spent in Delaware on the Medicaid population, is derived from the federal government.

**Delaware's Medicaid Expenditures** have increased steadily since 1996, both in terms of nominal (not adjusted for inflation) and real (adjusted for inflation through 2015) dollars. Concurrently, the number of persons who are eligible for Medicaid has risen in Delaware. Between 2007 and 2014, expenditures increased by 70% while eligibles increased by 27%.

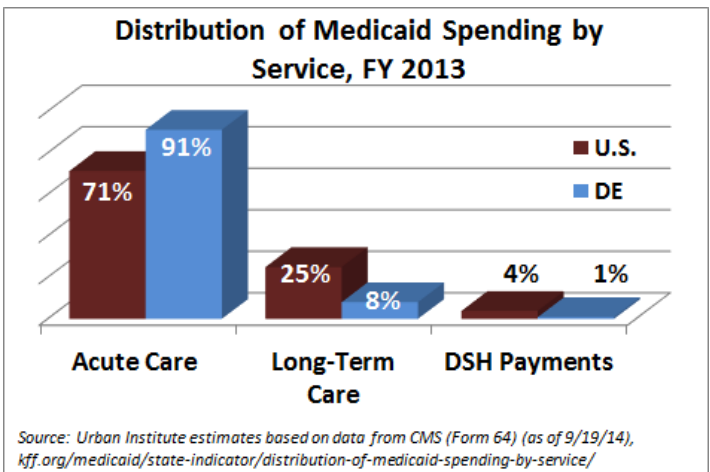
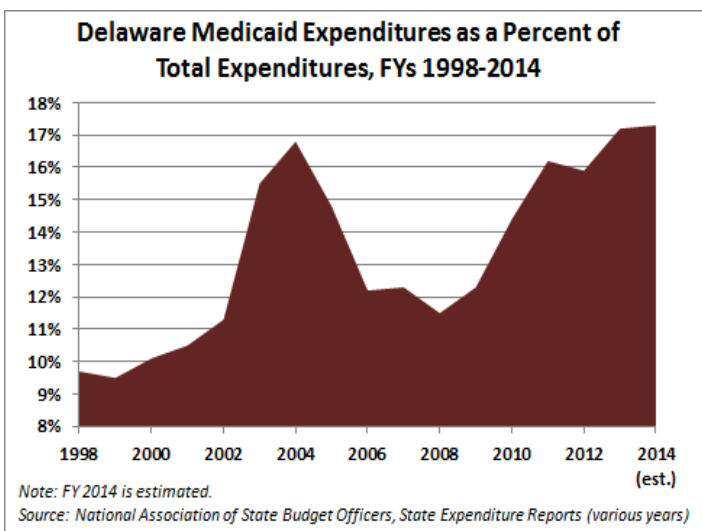


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**Medicaid expenditures as a proportion of all Delaware expenditures** have varied considerably since 1996. Delaware spent \$1.66 billion on Medicaid in fiscal year 2014, of which the Federal government contributed \$1 billion. Currently, Medicaid expenditures are proportionately higher than in recent history, constituting 17% of the state’s total expenditures in fiscal year 2014. However, Delaware’s average is below that found in bordering states and for the U.S. as a whole.

**Medicaid spending by service** is depicted below. “Acute care”, receiving the largest percentage of spending, includes capitation payments for managed care organizations, physician visits, hospitalization, prescription drugs, and clinics. “Long-term care” includes long term nursing facilities, intermediate care facilities for individuals with mental disabilities, and home and personal care. “DSH” are disproportionate share hospital payments to hospitals that serve a larger population of low income clients relative to other hospitals in the state. Since this population often includes Medicaid and uninsured clients, hospitals are paid to help cover their loss of revenue.



## Medicaid Expenditures as a Percent of Total Expenditures, Fiscal Year 2014

U.S. Average	24.4%
Delaware	17.3%
Maryland	22.3%
New Jersey	21.8%
Pennsylvania	27.7%

Source: National Association of State Budget Officers, State Expenditure Report, 2014

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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](http://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:

- ◆ [www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/MedicaidDataSourcesGenInfo/MSIS-Mart-Home.html](http://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/MedicaidDataSourcesGenInfo/MSIS-Mart-Home.html)

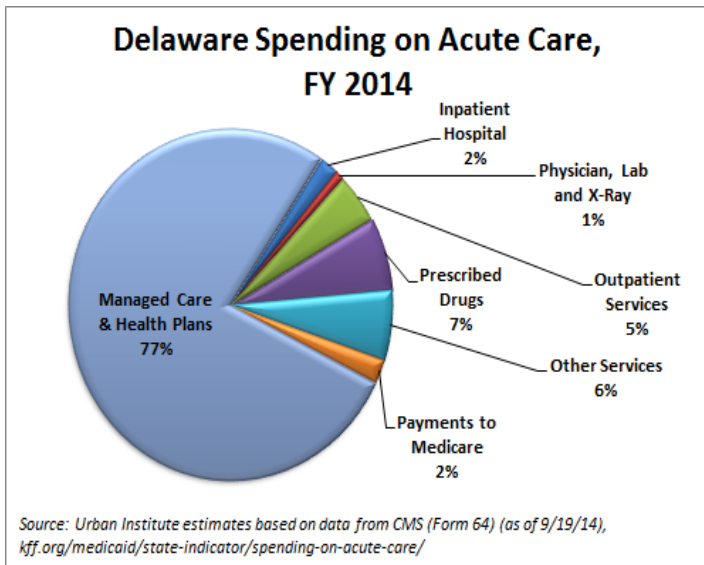
The Henry J. Kaiser Family Foundation also provides valuable information regarding Medicaid:

- ◆ <http://kff.org/>

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The largest discrepancy in acute care spending between the U.S. average and Delaware is the percentage of expenditures incurred by Delaware on managed care and health plans. Delaware spent 25% more on acute care in FY 2014 than the U.S. average while also having a higher percentage of clients in managed care (84%) compared to the U.S. (60%).



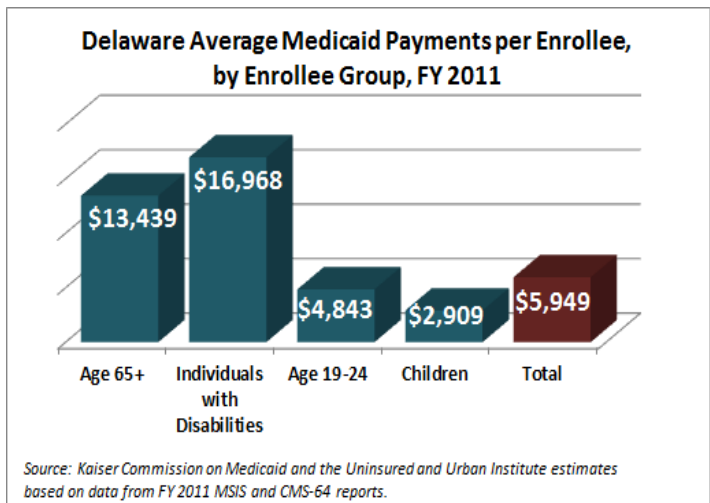
The distribution in spending between the U.S. average and Delaware in fiscal year 2014 is shown below. The two services with the highest expenditures in Delaware were home health and personal care, and Intermediate Care Facilities for the intellectually disabled.

Long Term Care Service	U.S.	DE
Nursing Facilities	42%	1%
Intermediate Care Facility for Intellectually Disabled	9%	22%
Mental Health Facilities	2%	0%
Home Health and Personal Care	47%	78%
TOTAL	100%	100%

Urban Institute estimates based on data from CMS (Form 64) (as of 9/30/14), table located: [kff.org/medicaid/state-indicator/spending-on-long-term-care/](http://kff.org/medicaid/state-indicator/spending-on-long-term-care/)

Average payments per enrollee for FY 2011, the latest year available, were \$5,949. This is slightly above the national average, but at least \$1,200 less than the surrounding states of Pennsylvania, Maryland, and New Jersey.

A breakdown of Medicaid payments by enrollee group demonstrates that Delaware spends more, per enrollee, on aged and people with disabilities. Children, with an average payment of \$2,909, incur the lowest per capita expenditures.



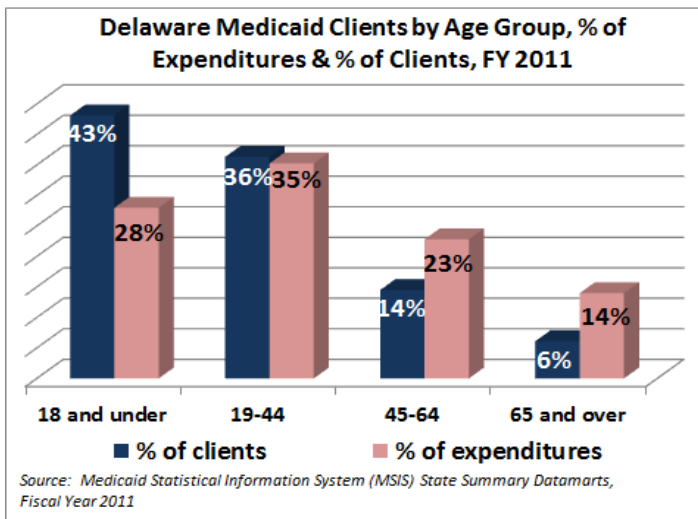
Acute Care Service	U.S.	DE
Inpatient Hospital	16%	2%
Physician, Lab and X-Ray	5%	1%
Outpatient Services	8%	5%
Prescribed Drugs	2%	7%
Other Services	13%	6%
Payments to Medicare	4%	2%
Managed Care & Health Plans	52%	77%
TOTAL	100%	100%

Source: Urban Institute estimates based on data from CMS (Form 64) (as of 9/30/14), table located: [kff.org/medicaid/state-indicator/spending-on-acute-care/](http://kff.org/medicaid/state-indicator/spending-on-acute-care/)

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**Medicaid payments by age group** show that younger adults in Delaware (19-44 years old) account for 36% of all clients, and have a proportionate share of Delaware Medicaid expenditures (35%). While almost half of the Medicaid clients are children, Medicaid expenditures for children are less than one-third (28%) of the total Delaware expenditures.



## CHILDREN'S HEALTH INSURANCE PROGRAM

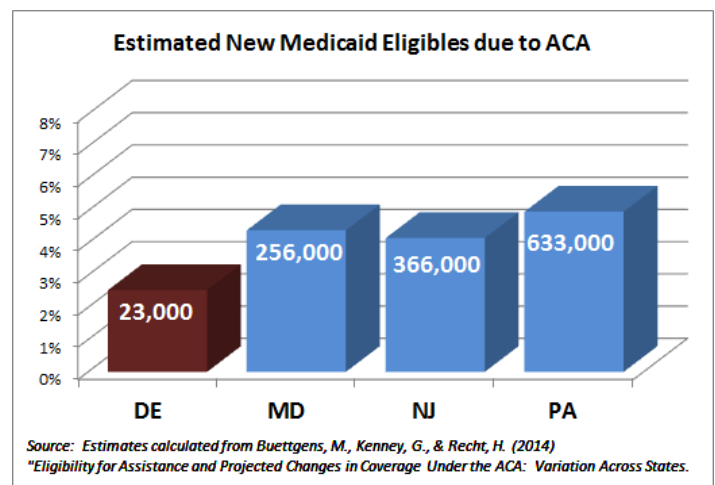
**The Children's Health Insurance Program (CHIP)** was initiated as part of the Balanced Budget Act of 1997. It is a government program that covers children under the age of 19 who are between 133% - 200% of the federal poverty level. In some states CHIP is included in Medicaid while in other states it is a separate program. The federal matching rate under the CHIP program is higher than Medicaid by approximately 15 %.

Delaware's CHIP program is a stand-alone program managed by the Delaware Division of Medicaid & Medical Assistance (DMMA) — the same agency that operates the Medicaid program. Monthly premium payments are \$10, \$15, or \$25 depending upon a family's income. As with Medicaid, CHIP provides the option of three different managed care plans. In FY 2013, over 13,000 children had enrolled in Delaware's CHIP since its inception.

## MEDICAID EXPANSION

**As noted previously,** Medicaid has expanded under the ACA to cover childless adults below 138% of the poverty level. In addition, children now covered under CHIP who are below 133% of the poverty level will be insured through Medicaid. State expenditures on Medicaid coverage have changed; states expanding coverage receive an increased federal matching rate; and children previously insured under CHIP who are now covered under Medicaid receive the same CHIP matching rate.

Due to the ACA, an estimated 23,000 individuals are newly eligible for Medicaid in Delaware. Delaware and its neighboring states have all expanded Medicaid under the ACA.



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