



Analytics

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RE: Medicaid Busting the Delaware Budget

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Delaware has the eighth highest Medicaid expense per capita of the continental states according to the Kaiser Family Foundation. It is expected the state will spend \$680 million in the 2012 fiscal year, 40% higher than the \$487 million spent in 2010 (the federal government also spent over \$700 million on Medicaid in Delaware in 2010). More money is spent on Medicaid than education and it is the fastest growing budget item.

Delaware offers more generous benefits covering families earning up to \$37,000 a year for some benefits with no co-pays for medical services. The state also offers coverage to a wider range of people. For example, Delaware is only one of eight states offering Medicaid to childless working adults and two of those eight have frozen participation. One in four Delawareans receive Medicaid assistance. Simply offering benefits more in line with the average state would save over \$100 million a year.

Unfortunately, by accepting federal stimulus money, Delaware agreed not to reduce income eligibility requirements or enrollment policies that were in place on March 23, 2010. The Supreme Court will judge the Constitutionality of this federal mandate as part of the case against Obamacare. States with severe budget problems can request a waiver. Following are a few reasonable issues to consider:

- Should there be co-pays so the insured have some personal responsibility?
- Should the maximum allowable income level for Medicaid be lowered from as high 200% of the poverty level?
- Should the childless employed be covered?

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