

Delaware

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1. MANAGED CARE OPPORTUNITY ASSESSMENT (UPDATED 10-04-23)

Delaware awarded contracts in July 2022 to incumbents AmeriHealth Caritas and Highmark Health Options Blue Cross Blue Shield, in addition to new entrant Centene/Delaware First Health for its Diamond State Health Plan (DSHP) and Diamond State Health Plan Plus (DSHP Plus) programs statewide. Contracts were effective January 1, 2023, and run for five years with three optional one-year extensions. DSHP/DSHP Plus serve approximately 280,000 individuals.

In January 2022, Delaware allowed four Medicaid Accountable Care Organizations (ACOs) to enter into downside, risk-sharing arrangements with Highmark and AmeriHealth. Contracts, which were awarded to Aledade Delaware, Delaware Care Collaboration, Delaware Children's Health Network, and Delaware Medicaid Quality Partners, took effect July 2021.

Delaware added adult dental coverage to Medicaid fee-for-service and managed members aged 19 to 65 on October 1, 2020.

Since 1994, managed care organizations in Delaware have covered traditional Medicaid eligibles plus adults up to 100% of the federal poverty level through the Diamond State Health Plan program. In 2012, the state moved its long-term care and dual eligible populations into managed care through a program called Diamond State Health Plan Plus. In 2015, the state carved in prescription drugs, which has historically been a fee-for-service program. Effectively, Delaware became 100% Medicaid managed care on Jan. 1, 2015, except for pediatric dental. The contracts also allowed health plans to offer extra benefits like vision and dental.

HMA Managed Medicaid Opportunity Assessment for Delaware	
Positive Metrics	Strong Indicators
<ul style="list-style-type: none">• About 89.2% of Medicaid beneficiaries were enrolled in a managed care plan in 2022.	<ul style="list-style-type: none">• Dental benefits were added to Medicaid fee-for-service and managed care members in October 2020.
Negative Metrics	Weak Indicators
<ul style="list-style-type: none">• Medicaid managed care enrollment remained flat in January 2019.	<ul style="list-style-type: none">• The Delaware Department of Health and Social Services is attempting to quash an audit of Medicaid beneficiary eligibility by the State Auditor.
Source: HMA	

2. RFP DEVELOPMENTS AND ANALYSIS^(UPDATED 10-04-23)

Delaware released a request for proposals (RFP) for its Diamond State Health Plan (DSHP) and Diamond State Health Plan Plus (DSHP Plus) programs in December 2021. Delaware’s Medicaid program operates under a Section 1115(a) demonstration, with a current renewal effective until December 31, 2023. DSHP/DSHP Plus provides integrated physical, behavioral health, and long-term services and supports. Combined the plans serve approximately 280,000 individuals. The state awarded contracts to incumbents AmeriHealth Caritas and Highmark Health Options Blue Cross Blue Shield, in addition to new entrant Centene/Delaware First Health.

The previous Medicaid managed care contracts were awarded to Highmark Health Options Blue Cross Blue Shield and AmeriHealth Caritas in 2017. Highmark and UnitedHealthcare were the incumbent plans. AmeriHealth Caritas, Delaware Physicians Care (Aetna), Health Partners Plans, United Healthcare, Centene, and Anthem’s Amerigroup submitted responses to the RFP.

Delaware Medicaid RFP Calendar

<u>Contract</u>	<u>Key Dates</u>	<u># of Beneficiaries</u>
Delaware Medicaid Managed Care	RFP Released: December 15, 2021 Responses Due: March 15, 2022 Contract Award: July 12, 2022 Contract Start Date: January 1, 2023	~280,000

Source: Delaware Health and Social Services, HMA

3. MANAGED CARE ENROLLMENT UPDATE

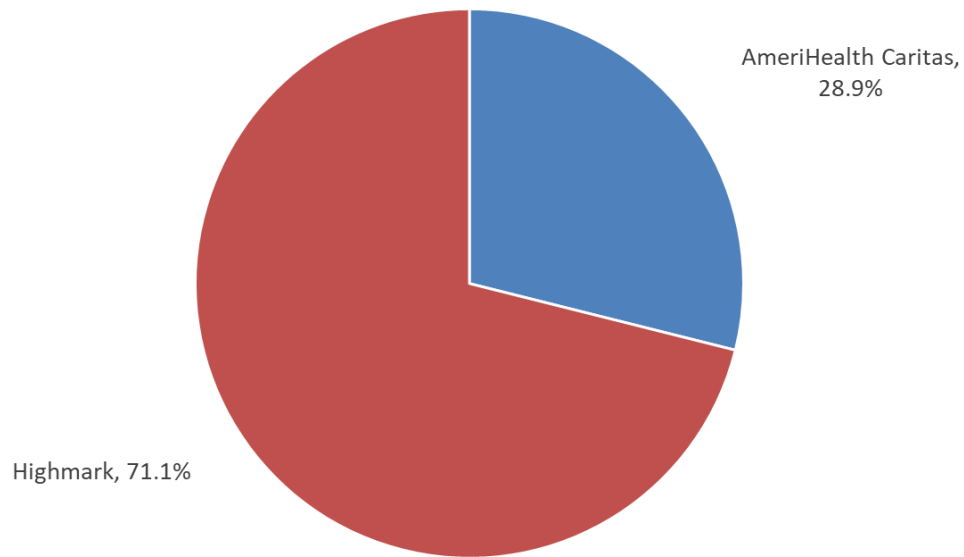
Managed Medicaid enrollment in Delaware was 199,985 in January 2019. Highmark held a 71.1% market share, and AmeriHealth held a 28.9% market share.

Enrollment in Delaware Medicaid Managed Care by Plan, January 2019

Plan	2018	Jan-19
AmeriHealth Caritas	53,420	57,790
+/- between reporting periods	NA	4,370
% chg. between reporting periods	NA	8.2%
% of total	26.7%	28.9%
Highmark	146,595	142,195
+/- between reporting periods	NA	(4,400)
% chg. between reporting periods	NA	-3.0%
% of total	73.3%	71.1%
Total, 2 DE plans	200,015	199,985
+/- between reporting periods	NA	(30)
% chg. between reporting periods	NA	0.0%

Source: Delaware Dept. of Health and Social Services, HMA

Delaware Medicaid Managed Care Market Share by Enrollment, January 2019



Source: Delaware Dept. of Health and Social Services, HMA

4. MEDICAID FEE FOR SERVICE VS. MANAGED CARE PENETRATION

Total Medicaid enrollment in Delaware was 300,480 in 2022. About 89.2% of Medicaid beneficiaries were enrolled in a managed care plan. The remainder are in fee-for-service Medicaid. Total Medicaid expenditures in Delaware was \$3.1 billion in 2022, with about 86.6% through managed care and the rest through fee-for-service.

Delaware Expenditures and Enrollment for Total Medicaid vs. Medicaid Managed Care, 2014-20

Year	Total Medicaid Expenditures	Medicaid Managed Care Expenditures ⁽¹⁾	Medicaid Managed Care Expenditures as % of Total	Total Medicaid/CHIP Enrollment	Medicaid MCO Enrollment	Medicaid MCO Enrollment as % of Total
2022	\$3,136,940,055	\$2,716,840,204	86.6%	300,480	268,107	89.2%
2021	\$2,413,163,883	\$2,108,178,146	87.4%	278,171	232,124	83.4%
2020 ⁽²⁾	\$2,376,240,280	\$2,094,560,656	88.1%	254,739	199,985	78.5%
2019 ⁽²⁾	\$2,245,537,767	\$1,893,738,855	84.3%	230,983	199,985	86.6%
2018	\$2,237,920,184	\$1,903,550,188	85.1%	248,964	200,108	80.4%
2017	\$2,133,796,292	\$1,771,721,344	83.0%	247,948	198,601	80.1%
2016	\$1,883,220,982	\$1,616,107,823	85.8%	236,796	190,188	80.3%
2015	\$1,860,130,571	\$1,506,484,021	81.0%	241,638	203,666	84.3%
2014	\$1,691,771,386	\$1,218,883,754	72.0%	235,775	230,000	97.6%

(1) Includes evaluation and management, vaccine codes, Community First Choice, and preventive services Grade A or B, ACIP vaccines and their administration, Prepaid Ambulatory Health Plans, and Prepaid Inpatient Health Plans.

(2) MCO Enrollment as of January 2019.

Sources: CMS64 for expenditures. CMS for total Medicaid/CHIP enrollment. States, NAIC for Medicaid managed care enrollment.

5. SNPs AND DUAL ELIGIBLES

Delaware had 20,623 Special Needs Plan members as of March 2023.

Delaware SNP Enrollment by Plan, March 2022

	Total SNPs	DSNPs	CSNPs	ISNPs	% Share
UnitedHealthcare ¹	13,085	5,884	0	7,201	63.4%
Cigna ²	4,011	4,011	0	0	19.4%
Humana	2,293	2,293	0	0	11.1%
CVS Health	1,160	1,160	0	0	5.6%
AmeriHealth	74	74	0	0	0.4%
Total	20,623	13,422	0	7,201	100.0%

¹ UnitedHealthcare ISNP enrollment includes members from Maryland and Virginia

² Cigna DSNP enrollment includes members from the District of Columbia and Maryland

Source: CMS, HMA