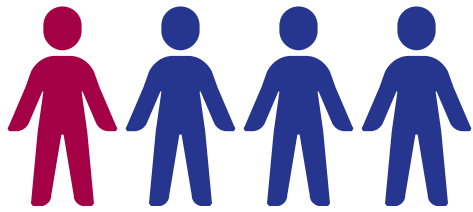


# The Real Impact of Medicaid Cuts in Delaware



The Medicaid program provides essential health benefits for low-income children, families, seniors, and disabled individuals and serves as a lifeline for more than 260,000 Delawareans – nearly **1 in 4 people in the First State**.



This includes **3 in 8 children** and **3 in 5 nursing home residents**.



Cuts to Medicaid may mean less Delawareans covered by the program. We know that uninsured individuals are *less likely to seek preventative care and more likely to delay needed care*. That's a dangerous precedent to set. Some without health coverage may use hospital emergency departments to address all their health care needs, often when those needs have become most serious.

Delaware could face a **40% change** in Medicaid enrollment from the per capita cap and eliminating the ACA expansion match rate. Other studies show that the state's uninsured rate could increase by **58%** if Medicaid expansion is dropped. That translates into **100,000 and 150,000 Delawareans** potentially losing their health care coverage. In addition, a proposed Medicaid work requirement could result in as many as **116,000 Delawareans** losing their health coverage.

# Our Frontlines are Your Lifelines

Medicaid cuts may also mean lower or in some cases no reimbursement for healthcare providers, straining critical resources. Like other government programs, Medicaid reimburses below the cost of care. Hospitals receive payment of only 88 cents for every dollar spent by hospitals caring for Medicaid patients according to the [American Hospital Association](#).

In Delaware, the shortfall to Delaware hospitals for providing care for Medicaid patients was **\$123.9 million** in FY22 alone. At the same time, hospitals are still facing challenges. In FY22, **50%** of Delaware hospitals operated at a loss. In 2023, four out of six of our acute care hospital members were operating at a loss, resulting in a statewide hospital operating margin of **-2.55%**.

## Here's What's At Stake



### Per Capita Cap on Federal Medicaid Spending

Decrease of **\$2.4 billion** over 10 years.

### Eliminating ACA Expansion Match Rate

Decrease of **\$208 million** per year according to the Division of Medicaid and Medical Assistance. The federal government currently covers 90% of every dollar for this population. Every 1% drop in FMAP is \$6.8 million, resulting in a total of \$208 million if the match is reduced to the base amount.



### No Hospital Provider Tax

Lose **\$339 million annually** in funding for the Delaware Medicaid program and Delaware hospitals to serve their patients and communities.



### Per Capita Cap + Eliminating ACA Expansion Match Rate

Decrease of **\$4.2 billion** over 10 years.



#### Sources:

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<https://www.kff.org/medicaid/issue-brief/a-medicaid-per-capita-cap-state-by-state-estimates/>

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MARCH 2025