152nd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**SENATE BILL NO. 58**
SPONSOR:	**Senator S. McBride**
DESCRIPTION:	**AN ACT RELATING TO THE REMOVAL OF COPAY REQUIREMENTS FOR DELAWARE FAMILIES IN NEED.**

Assumptions:

1. This Act becomes effective upon signature by the Governor.

2. This Act removes the copay requirements for Delaware families under the Purchase of Care (POC) program. The Department of Health and Social Services (DHSS) will be responsible for covering the copays for eligible POC families earning up to 200% of the Federal Poverty Level. Additionally, this Act requires DHSS to pay childcare providers for up to 15 absent days per child per month for eligible POC families.

3. The DHSS, Division of Social Services (DSS), estimates an average monthly copay of $653,958 and assumes costs for June 2023 will be paid in Fiscal Year 2024. To eliminate the copay requirement for this population, costs are annualized at $7,847,496, for Fiscal Year 2024.

4. DSS reported an average number of 11,830 children eligible for POC for the purpose of estimating potential absent day costs. The Division expects an average monthly payment of $382,468; assumed costs for June 2023 will be paid in Fiscal Year 2024. To pay childcare providers for up to 15 absent days per child per month, costs are annualized at $4,589,616 for Fiscal Year 2024.

5. POC is a shared cost program between state and federal funding. Per DHSS, the POC federal grant is fully maximized at the current rates. Therefore, any additional reimbursement rates (including copay and absent days) will be 100% paid by state funds.

6. Cost estimates for copays and absent days do not reflect the potential movement toward expanding eligibility of POC families to 200% of the Federal Poverty Level as proposed in the Fiscal Year 2024 Governor's Recommended Budget. Based on actual historical POC pandemic expenses and existing policies, future costs for copays and absent dates are assumed to increase at an annual rate of 5%.

Cost:

	Annual Copay	Annual Absent Days	Total
Fiscal Year 2024:	$8,501,454	$4,932,084	$13,433,538
Fiscal Year 2025:	$8,239,871	$4,819,097	$13,058,968
Fiscal Year 2026:	$8,651,864	$5,060,052	$13,711,916

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