152nd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 150**
SPONSOR:	**Representative Griffith**
DESCRIPTION:	**AN ACT TO AMEND TITLE 31 OF THE DELAWARE CODE RELATING TO MEDICAL COVERAGE FOR ALL DELAWARE CHILDREN.**

Assumptions:

1. This Act becomes effective January 1, 2024, upon signature by the Governor.

2. This Act directs the Department of Health and Social Services (DHSS) through the Division of Medicaid and Medical Assistance (DMMA) to develop and operate a medical coverage program for children in Delaware who are not otherwise covered, including children who are not documented (Cover All Children). Coverage for this program will be co-extensive with funding provided under the Delaware Medicaid Program and the Children's Health Insurance Program (CHIP).

3. Additionally, this Act directs DHSS to extend the CHIP coverage to provide services to include prenatal, labor and delivery, and postpartum care to pregnant individuals regardless of immigration status.

4. For the Cover All Children program, DMMA anticipates 2,000 children would represent the complete annual enrollment of eligible children who reside in Delaware and are not otherwise qualified for Medicaid or other federally funded medical coverage. Assuming an effective date of January 1, 2024, DMMA estimates 600 children would be served in the first fiscal year, 1,500 children enrolled in the second year, with total enrollment in year three. Inpatient services at a hospital or other health care facility are not considered for the purposes of this calculation.

5. DMMA reported a per member per month (PMPM) cost of $270 per child for the first fiscal year with a 5 percent annual medical inflation each subsequent year. Using a weighted average to estimate the number of eligible individuals each year, first year estimates total $572,439 for six months of services; the second year is estimated to total $3,519,652, and the total estimated funding for year three is $6,637,086. All costs for this program will be state funded.

6. For covered prenatal services, DMMA estimates 285 eligible individuals in the first year with a total of 296 eligible individuals by the conclusion of year three. Assumptions for labor and delivery coverage includes a monthly average of 57 births for undocumented individuals; all calculations used weighted averages and assumed five months of prenatal coverage due to timing and enrollment. Costs estimates are assumed at $1,450 PMPM include prenatal care services, eligibility for non-emergency medical transportation, and labor and delivery costs. Further, cost estimates assume medical inflation in the out years. First year estimates total $1,684,150 for six months of services; the second year is estimated to total $3,426,955, and the total estimated funding for year three is $3,360,429. These estimates only include the state funded portion of these costs. Federal funding can be leveraged for these services.

7. When considering postpartum coverage, DMMA used a weighted average of eligible individuals similar to that of labor and delivery calculations. Coverage was calculated using ten months of services in full years and assumed lower Year 1 expenses due to no retroactive eligibility. An estimate of $620 PMPM was used for this calculation. First year estimates total $899,189 for six months of services; the second year is estimated to total $4,494,347, and the total estimated funding for year three is $4,660,082. All costs for this program will be state funded.

8. In addition, DMMA estimates a one-time cost of $500,000 for system upgrades to support the Cover All Children program changes and approximately $225,000 estimated for the additional new benefit programming. An annual cost of $250,000 is estimated for systems maintenance and support.

9. Upon implementation, the DHSS estimates the need for 1.0 FTE, Social Services Administrator to oversee the new benefits, eligibility and program administration. First year costs are assumed at six months to reflect the January enactment date, subsequent years are assumed at 12 months and are as follows:
    a. Personnel costs, including salary and other employment costs (OECs) at a rate of 31.93% (annualized): $84,021;
    b. One-time startup costs (computer, equipment, etc.) of $1,400; and
    c. Ongoing costs, including network costs and supplies of $1,150.

10. Personnel costs are assumed to increase at a rate of 2% annually.

Cost:

	Operating/Recurring	One-Time	Total Costs
Fiscal Year 2024:	$3,198,363	$726,400	$3,924,763
Fiscal Year 2025:	$11,777,805	$0	$11,777,805
Fiscal Year 2026:	$15,276,162	$0	$15,276,162

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