



**152nd GENERAL ASSEMBLY  
FISCAL NOTE**

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<b>BILL:</b>	<b>HOUSE SUBSTITUTE NO. 1 FOR HOUSE BILL NO. 5</b>
<b>SPONSOR:</b>	<b>Representative Longhurst</b>
<b>DESCRIPTION:</b>	<b>AN ACT TO AMEND TITLE 31 OF THE DELAWARE CODE RELATING TO REIMBURSEMENT OF SCHOOL-BASED BEHAVIORAL HEALTH SERVICES.</b>

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**Assumptions:**

1. This Act becomes effective upon signature by the Governor. Upon signature, this Act becomes effective upon notification by the Department of Health and Social Services to the Chief Clerk of the House and the Secretary of the Senate of the following occurrences:
  - a. Submission of the State Plan Amendment to the Centers for Medicare and Medicaid Services;
  - b. Receipt of approval for the State Plan Amendment;
  - c. Then, submission of a Cost Allocation Plan Amendment; and
  - d. Receipt of approval for the Cost Allocation Plan Amendment.
2. It is assumed that the application for the State Plan Amendment and Cost Allocation Plan Amendment would be submitted to the Federal Government in Fiscal Year 2025.
3. This Act requires that the Department of Health and Social Services apply for reimbursement for behavioral health services administered to Medicaid-eligible, or Children's Health Insurance Program (CHIP) eligible individuals, regardless of whether the services are provided under an Individualized Educational Program (IEP) or Individualized Family Service Plan (IFSP).
4. It is assumed that the Cost Recovery Project program would work to obtain reimbursement for services rendered to Medicaid-eligible students. The Department of Education may retain up to 5% of federal reimbursements to defray related administrative costs. The remaining federal reimbursement will become revenue for the Local Education Agencies (LEAs) through which the services were provided. LEAs shall reinvest these funds into school-based behavioral health support programs and services.
5. Per the Department of Education, one-time contractual services funding in the amount of \$200,000 would be needed to create amendment materials for the Centers for Medicare & Medicaid Services and rate setting for mental health services.
6. Per the Department of Education, the current claims system is unable to accommodate additional claims codes and is at the end of its life cycle. If implemented, one-time development costs for a new claims system are estimated to be \$1.0 million. Maintenance costs for the claims system are assumed at approximately \$250,000 annually.
7. Per the Department of Education, the Random Moment Time Study system would need to be upgraded upon implementation of this Act. This system collects data which is used to determine the amount of time spent performing reimbursable activities beyond the direct service claims. Updating costs for the system are assumed at approximately \$75,000 annually.
8. Because the costs of mental health services provided to Medicaid-eligible students are unknown, revenue estimates are indeterminable.

<b><u>Cost:</u></b>	<b>One-Time Costs</b>	<b>Ongoing Costs</b>	<b>Total Costs</b>
<b>Fiscal Year 2025:</b>	\$1,200,000	\$75,000	\$1,275,000
<b>Fiscal Year 2026:</b>	\$0	\$325,000	\$325,000
<b>Fiscal Year 2027:</b>	\$0	\$325,000	\$325,000

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Prepared by Kiley Thomson  
Office of the Controller General