152nd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**SENATE SUBSTITUTE NO. 1 FOR SENATE BILL 13**
SPONSOR:	**Senator S. McBride**
DESCRIPTION:	**AN ACT TO AMEND TITLES 16 AND 30 OF THE DELAWARE CODE RELATING TO HOSPITAL QUALITY ASSESSMENTS AND ESTABLISHMENT OF A HOSPITAL QUALITY AND HEALTH EQUITY FUND AND HOSPITAL QUALITY AND HEALTH EQUITY ASSESSMENT COMMISSION.**

Assumptions:

1. This Act becomes effective upon signature of the Governor and is to be implemented for fiscal years after June 30, 2025. Any regulation deemed necessary to administer the initial enactment period of this Act must be adopted by March 31, 2025.

2. This Act creates the Hospital Quality Assessment ("Assessment"), which places a 3.58% assessment on Delaware hospitals' net patient revenues. For the initial enactment period, the assessment percentage is 1.79%; subsequent fiscal years will be assessed at the full percentage. Proceeds of the Assessment and interest earnings are to be credited to the Hospital Quality and Health Equity Fund ("Fund"). Monies deposited to the Fund are to be distributed per the requirements contained in the Act.

3. The Department of Health and Social Services (DHSS) is authorized and responsible for adopting regulations to implement, administer, and enforce the Assessment. As such, the DHSS' Division of Medicaid and Medical Assistance (DMMA) is requesting a 1.0 FTE Management Analyst III to assist with policy and programmatic operations as well as ongoing implementation, compliance, tracking, and reporting.

4. Upon enactment, estimated personnel costs for this position will include the projected salary, including other employment costs (OECs) at a rate of 32.94%, and health insurance. Personnel costs leverage a 50% federal cost match.
    a. Personnel Costs (3 months) of $22,725.
    b. Personnel costs are assumed to increase at a rate of 2% annually.

5. DMMA also estimates the need for system changes to support operational procedures that must be established to support the Assessment. Approximately 800-1000 hours of system development will be needed to develop and execute these system changes. The total cost of this change is $350,000, with a projected state share of $87,500.

Cost (State Share):

	Operating/Recurring	One-Time	Total Costs
Fiscal Year 2025:	$11,362	$87,500	$98,862
Fiscal Year 2026:	$46,358	$0	$46,358
Fiscal Year 2027:	$47,286	$0	$47,286

Prepared by Victoria Brennan
Office of the Controller General