152nd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE SUBSTITUTE NO. 1 TO HOUSE BILL NO. 5**
AS AMENDED BY:	**HA 1**
SPONSOR:	**Representative Longhurst**
DESCRIPTION:	**AN ACT TO AMEND TITLE 31 OF THE DELAWARE CODE RELATING TO REIMBURSEMENT OF SCHOOL-BASED BEHAVIORAL HEALTH SERVICES.**

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 federal reimbursement must be used by Local Education Agencies (LEAs) to support school-based behavioral health 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 at the end of its life cycle and is unable to accommodate the changes needed to comply with the requirements of this Act. 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. Because the costs of mental health services provided to Medicaid-eligible students are unknown, revenue estimates are indeterminable.

Cost:	**One-Time Costs**	**Ongoing Costs**	**Total Costs**
Fiscal Year 2025:	$1,200,000	$0	$1,200,000
Fiscal Year 2026:	$0	$250,000	$250,000
Fiscal Year 2027:	$0	$250,000	$250,000

Prepared by Kiley Thomson
Office of the Controller General