

FISCAL NOTE

This bill contains an appropriation of \$228,337 from the GENERAL FUND to the Department of Education (WDE).

This bill contains an appropriation of \$228,159 from the SCHOOL FOUNDATION FUND and \$5,228,159 from FEDERAL FUNDS to the Department of Health (WDH).

This bill contains an authorization of 1 full-time position(s).

DETAIL OF APPROPRIATION

Agency #: 206 Agency Name: Department of Education
 Unit: 1101 Finance

| EXPENDITURE BY SERIES AND YEAR | FY 2020 | FY 2021 | FY 2022 |
|---------------------------------------|----------------|----------------|----------------|
| 0100 Personnel/Benefit Costs | \$0 | \$113,571 | \$114,766 |
| Total Expenditure Per Year: | \$0 | \$113,571 | \$114,766 |
| Grand Total Expenditure: | \$228,337 | | |
| Total Appropriated to Agency: | \$228,337 | | |
| Total Appropriated by Fund: | | | |
| GENERAL FUND | \$228,337 | | |

DETAIL OF APPROPRIATION

Agency #: 048 Agency Name: Department of Health
 Unit: 0401 Health Care Financing Admin; 0465 Medicaid School Based Services

| EXPENDITURE BY SERIES AND YEAR | FY 2020 | FY 2021 | FY 2022 |
|---------------------------------------|----------------|----------------|----------------|
| 0100 Personnel/Benefit Costs | \$0 | \$97,659 | \$97,659 |
| 0600 Grant & Aid Payments | \$0 | \$0 | \$2,159,151 |
| 0900 Contractual Services Costs | \$0 | \$130,500 | \$130,500 |
| Total Expenditure Per Year: | \$0 | \$228,159 | \$2,387,310 |
| Grand Total Expenditure: | \$2,615,469 | | |
| Total Appropriated to Agency: | \$5,456,318 | | |
| Total Appropriated by Fund: | | | |
| SCHOOL FOUNDATION FUND | \$228,159 | | |
| FEDERAL FUNDS | \$5,228,159 | | |

Description of Appropriations:

The appropriations contained in this bill for the WDH and WDE will provide the departments the staff and necessary funding to support the implementation of a Medicaid school-based services program to allow school districts and other eligible providers to bill the WDH for appropriate claims. The WDH is provided one full-time employee and associated state and federal funding. The WDE is authorized to transfer one full-time position from one budget unit to another budget unit and is appropriated the associated increase in state funding for this position. The WDH

is also appropriated state and federal funding for necessary contract services and \$5,000,000 in federal funds for the federal Medicaid match. The WDE is authorized to transfer up to \$5,000,000 from the WDE's existing School Foundation Program Account (SFP) appropriations to the WDH for the necessary state match under this program. The WDE's SFP appropriations would come from amounts to pay for the state's portion of the education resource block grant model contained in agency 206, unit 4101. It is anticipated that for the first year of implementation, up to \$2,159,151 of federal funds and \$2,159,151 SFP funds would be expended for eligible Medicaid claims.

Under current law, school districts are reimbursed 100 percent of allowable costs related to special education programs and services. It is anticipated under this bill that eligible costs would be split 50 percent with federal Medicaid funds and 50 percent with state funds (SFP). School districts would submit claims to the WDH and the WDE would provide the WDH the necessary state match. School districts would receive the full amount of the approved claim from the WDH and remit the full amount back to the WDE to be deposited within the SFP. The following school year, school districts would receive reimbursement through the education resource block grant model for both the allowable administrative costs and the amounts claimed for Medicaid school based services.

This bill authorizes the WDH to amend the state Medicaid plan to include services authorized under federal law provided in a school-based setting to eligible students. Effective school year 2021-2022, school districts with 25 or more Medicaid eligible students receiving special education programs and services may bill the WDH for eligible costs of any special education programs and services covered under the amended state Medicaid plan.

The estimated fiscal impact is indeterminable due to the unknown number of school districts that may voluntarily participate in the Medicaid school-based services program. However, based upon a report authored by the WDH and WDE, if all school districts with 25 or more Medicaid eligible students receiving special education programs and services billed the WDH for eligible costs, the estimated net fiscal impact, less expenditures to implement program at the state and school districts, would be a savings to the SFP of \$383,745 in the first year and increasing to \$2,797,566 in the third year.