

### Fiscal Estimate - 2023 Session

Original                     
  Updated                     
  Corrected                     
  Supplemental

<b>LRB Number</b> <b>23-0646/1</b>	<b>Introduction Number</b> <b>AB-0236</b>									
<b>Description</b> reimbursement of behavioral health services in school-based settings under the Medical Assistance program										
<b>Fiscal Effect</b>										
<b>State:</b>										
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 33%;"><input type="checkbox"/> Increase Existing Appropriations</td> <td style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues</td> <td style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes                      <input checked="" type="checkbox"/> No</td> </tr> <tr> <td><input type="checkbox"/> Decrease Existing Appropriations</td> <td><input type="checkbox"/> Decrease Existing Revenues</td> <td><input type="checkbox"/> Decrease Costs</td> </tr> <tr> <td><input type="checkbox"/> Create New Appropriations</td> <td></td> <td></td> </tr> </table>		<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Create New Appropriations		
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<b>Affected Ch. 20 Appropriations</b>										
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>								
DHS/ Michael Schmitz (608) 267-2955	Andy Forsaith (608) 266-7684	5/22/2023								

## Fiscal Estimate Narratives

DHS 5/22/2023

LRB Number	23-0646/1	Introduction Number	AB-0236	Estimate Type	Original
<b>Description</b> reimbursement of behavioral health services in school-based settings under the Medical Assistance program					

### Assumptions Used in Arriving at Fiscal Estimate

This bill requires DHS to submit a state plan amendment to allow any school to seek reimbursement under the Medicaid program for behavioral health services provided in a school-based setting to a student who is a Medicaid recipient. Under this proposal, the Department of Health Services (DHS) is required to receive approval of the state plan amendment prior to implementation.

There is the potential for this bill to have a significant GPR cost to the Wisconsin Medicaid program; however, because of uncertainties related to federal approval and the precise intent of this bill, the fiscal estimate is indeterminate.

Under current policy, school districts fund the full up-front cost of health and mental health services provided to certain Medicaid-eligible children while at school but can receive reimbursement for a portion of the federal share of those costs by participating in Medicaid's school-based services (SBS) program. For a school to bill Wisconsin Medicaid for a service and receive federal SBS reimbursement, the Medicaid-enrolled student receiving the service must have an Individualized Education Program (IEP), and the service must be included in the student's IEP. SBS are reimbursed through a combination of initial claims and a cost settlement process that uses a time study to calculate schools' allowable costs. Per state statute, Wisconsin Medicaid reimburses schools 60% of the federal share for SBS. Given a federal matching rate of approximately 60%, schools are reimbursed for about 36% of their total allowable costs through SBS. The remaining 40% of the federal share is deposited in the state's General Fund. Additionally, under Wisconsin's approved SBS state plan amendment, school districts do not need to meet Medicaid provider certification requirements.

In Calendar Year (CY) 2021, there was a monthly average of 382,400 school-aged children (ages 5-17) enrolled in the Medicaid program. Of these students, 42,000 received SBS, which is approximately 11.0% of the school-aged children in the Medicaid program. At a minimum, the bill language appears to expand Medicaid reimbursement for behavioral health services provided in a school-based setting to non-IEP students. Based on the CY 2021 enrollment data, the bill could potentially allow schools to receive Medicaid reimbursement for an additional 340,400 school-aged children to access behavioral health services in a school-based setting.

The bill language does not define behavioral health services, thus it is difficult to evaluate the intended scope of services under the bill. For purposes of this estimate, psychological services, counseling services, and social work services most likely fall in the behavioral health services category. In CY 2021, 3,290 students received psychological services, counseling services, and social work services under the SBS program, which reflects 8% of the total service utilization.

The bill creates a new section of state statute at s. 49.45 (30d), expanding Medicaid reimbursement to school-based behavioral health services. This new section is separate from s. 49.45 (39), which authorizes Medicaid reimbursement for SBS, including certain school-based behavioral health services included the IEPs of eligible children. It is unclear whether the bill's intent is to reimburse schools for the full cost of school-based behavioral health services outside of the SBS benefit or amend the existing SBS state plan amendment to expand the SBS benefit to include behavioral health services to Medicaid-eligible children without IEPs. If the former, schools or school districts would receive both the federal and non-federal share of the Medicaid rate and would need to meet Medicaid provider certification requirements and enroll as behavioral health providers to bill services directly. It is unknown how many schools or school districts would be able to meet these requirements.

If the intent is to modify the existing SBS state plan amendment, there is uncertainty on whether the state could obtain federal approval to expand the SBS benefit to provide only behavioral health services and not other allowable medical services to children without IEPs.

Overall, due to the policy uncertainties described above and lack of available information on potential changes

in utilization under this bill, the fiscal estimate is indeterminate.

### **Long-Range Fiscal Implications**