

FY 2007-08
Annual Report
of
Early Intervention Services

Submitted to

Joint Budget Committee
and
Senate and House of Representatives Committees on
Health and Human Services
and
Education

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by

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Early Intervention Services FY 2007-08 Annual Report

The Department of Human Services is submitting the following report in accordance with 27-10.5-710, C.R.S. (2008):

(1) By November 1, 2008, and by November 1 each year thereafter, the department shall submit an annual report to the general assembly regarding the various funding sources used for early intervention services, the number of eligible children served, the average cost of early intervention services, and any other information the department deems appropriate. The department shall submit the report to the joint budget committee as part of the department's annual budget request. The department shall also submit the report to the health and human services committees and the education committees of the senate and house of representatives, or any successor committees.

(2) The department shall request, and certified early intervention service brokers and qualified early intervention service providers shall provide, information regarding early intervention services that the department needs to prepare the annual report required by this section or other required federal or state reports.

Background and Program Description:

Early Intervention (EI) Services are administered by the Division for Developmental Disabilities (DDD). DDD is the State office that provides leadership for the direction, funding, and operation of services for adults and children with developmental disabilities within Colorado both in community-based services and state-operated services. DDD services are administered under the Office of Adult, Disability, and Rehabilitation Services (ADRS) of the Colorado Department of Human Services (CDHS).

Early Intervention Services are provided to infants and toddlers, birth through two years of age, who have been determined to have a significant developmental delay or disability, who have been diagnosed with a physical or mental condition that has a high probability of resulting in a significant developmental delay, or who are living with a parent who has a developmental disability.

Early Intervention Services provide eligible infants and toddlers, and their families with services and supports to enhance child development in the areas of cognition, speech, communication, physical development, motor development, vision, hearing, social-and emotional development, self-help skills, parent-child interaction, and early identification, screening and assessment services.

DDD contracts with twenty Community Centered Boards (CCBs) to deliver community-based services to persons with developmental disabilities. CCBs are private non-profit organizations that are designated annually by DDD as the single entry point into the long-term service and support system for persons with developmental disabilities under Sections 27-10.5-102 (3) and 105, C.R.S. (2008). Each CCB has a non-overlapping geographic service region of one to ten

counties. CCBs are responsible for intake, eligibility determination, service plan development, arrangement for services, delivery of services, monitoring, and many other functions.

CCBs have also been designated by DDD as certified early intervention service brokers under Section 27-10.5-702, C.R.S. (2008). CCBs either deliver services directly and/or contract with qualified individual early intervention professionals to provide early intervention services to eligible infants and toddlers receiving services.

FY 2007-08 Utilization Data:

The following information was submitted by the CCBs (i.e., certified early intervention service brokers) to DDD through survey information or data entered in the DDD Community Contract and Management System (CCMS). Due to the November 1, 2008 reporting requirement to submit this data to the General Assembly, this report contains un-audited financial information from the CCBs.

1) The number of eligible children served

The total unduplicated count of children served as reported by CCBs at any point during the fiscal year was 7,649.

This count represents all the children who were determined eligible for EI Services, had an active Individualized Family Service Plan (IFSP) and who received one or more EI Services during the fiscal year.

Due to the narrow window of eligibility for EI Services and the variety of characteristics of developmental needs of the children, the program experiences a high turnover rate. While the yearly unduplicated count does provide a good representation of the demand on the program in relation to the volume of referrals, intake, eligibility determinations and initial IFSP development, it can appear misleading as to level of ongoing demand for EI Services. A more discerning measure of the ongoing demand for direct services is a monthly average.

The total unduplicated average count of children served per CCMS each month was 4,291.

2) The various funding sources used

In accordance with Section 27-10.5-706, C.R.S. (2008), DDD must use a coordinated system of payment for EI Services. DDD has developed a funding hierarchy that is used by the CCBs during the IFSP development process to identify the possible funding sources that may be available to each child. The funding hierarchy below is the order in which funding sources are accessed for payment. Beginning from the top of the hierarchy and moving downward, if a funding source is not available then the next source down on the list is considered, and so forth until an appropriate funding source is located. The funding hierarchy is as follows:

- Private pay - at the discretion of the parent(s)
- Private Health Insurance (with written consent of the parent(s))
- Medicaid /Title XIX funding and Child Health Plan Plus (CHP+)
- Child Welfare and Temporary Assistance to Needy Families (TANF)

- Department of Education Part B of the Individuals with Disabilities Education Act (IDEA) and School for the Deaf and Blind
- State General Funded EI Services and Other State and Federal Funds
- Other Local Funds, as may be made available
- Traumatic Brain Injury Trust Fund
- Federal Part C of IDEA Funds

FY 2007-08 was the first year in which the EI program began to more discriminately capture the use of funding sources other than State or Federal funds. The following data were submitted by CCB, and represent counts of children served by the various funding sources, meaning that the same child may have been reported in more than one funding source. For example, a child may have physical therapy covered under private health insurance and developmental intervention services covered under State EI funding.

Additionally, the counts represent only those funding sources known to the CCBs. This list does not represent the full array of funding sources since a CCB may not always know about other sources used by families or the extent to which a funding source may be used.

State EI Funds – 4,805

Federal Part C Funds – 3,590

Private Health Insurance – 442

Medicaid – 913

Other Funding Sources – 863

3) The average cost of early intervention services

The average annual cost of direct services per child in FY 2007-08 was \$3,709.

(calculation: \$15,915,611 reported by CCBs in direct service expenses / 4,291 average number of children served each month = \$3,709.)

By using the total average number of children served each month, rather than the unduplicated count for the fiscal year, the average cost is comparable to a full fiscal year appropriation (i.e., the cost to serve one child for one year). This amount does not include the average cost of service coordination which was \$972 or the 15% management fee paid to CCBs for early intervention service brokerage services.

There are two primary factors which cause the average cost per child to be slightly lower than the appropriated direct service rate of \$4,222.44 in FY 2007-08. First, under the coordinated system of payment, one of the goals is "...to ensure that available public and private sources of funds to pay for early intervention services for eligible children are accessed and utilized in an efficient manner." Therefore, additional funding sources are accessed to either fully fund a child's EI Services through these other sources or to supplement the use of State or Federal funds, thus requiring fewer or no State or Federal funds to be used. Second, as lead agency for the federal Part C grant under IDEA, DDD has provided an assurance to the federal Office of Special Education Programs (OSEP) that all eligible children will be served. In FY 2007-08, there were State General Funds appropriated to serve 2,176 children. However, the monthly average number of children served was

4,291. This meant that either the children were served using fewer State funds per child (i.e., stretching the available funds to serve more children), or additional funding sources were accessed to either supplement the State funds available or to fully fund a child's EI Services.

Additional Information:

FY 2007-08 was the first year in which EI funding data was able to be captured in a more discriminate manner and in a single data base. The new data system came online in October 2007, so the reporting capabilities were still in transition during FY 2007-08. The information provided in this report represents a baseline from which future utilization can be compared and contrasted. FY 2008-09 will be the first full fiscal year with EI funding data that is reported by CCBs.

Implementation of the coordinated system of payment for EI Services has dramatically altered how State and Federal funds are used to not only support but facilitate and encourage use of all other available funding sources. Access to qualifying private health insurance plans began January 1, 2008, so the first six months of implementation in FY 2007-08 yielded only nominal gains in alternate funding sources. Six CCBs reported no use of private health insurance plans in FY 2007-08 and five others reported only a few children being served with private insurance funds. It should be noted that some CCBs may have only reported those children whose private health insurance plans used the State operated Trust Fund to pay for EI Services. This means that those children who used private health insurance plans to pay for EI Services directly, and not through the CCB, may not have been reported, and therefore are not included in the calculations.

A state-operated Trust Fund was established as a mechanism to streamline use of private health insurance funds for those insurance carriers who chose to deposit funds into the Trust. As of October 1, 2008, eight insurance carriers, primarily the larger insurance carriers, are using the Trust. Payment for EI Services provided pursuant to a child's IFSP is made directly to the CCBs, as the certified early intervention service brokers, using funds from the Trust. Between January 1, 2008 and June 30, 2008, there were a total of 418 children using the funds held in the Trust Fund with total deposits of \$2,020,925. When an insurance carrier pays into the Trust, they pay a full year's amount per child (i.e., \$5,725), and payments are not prorated for the year. As of October 1, 2008, there have been paid claims totaling \$186,189.71, however, claims for services provided prior to June 30, 2008 are still being received and processed, so the final paid claims amount for that time period will likely be higher.

As mentioned above, the CCBs reported 442 children using private health insurance funds while there were 418 who used the Trust Fund. Not all insurance carriers choose to use the Trust, therefore, there are more children who are accessing their private health insurance plans directly between the carrier and the service provider to cover EI Services.

Operation of the Trust is very new. Insurance carriers, CCBs and the State are still working out some of the initial start up glitches. DDD anticipates that use of this option will continue to grow in FY 2008-09. Use of the Trust is currently optional for insurance carriers, however, it may be worthwhile to investigate having use of the Trust be mandatory in order to streamline service delivery for all children who have a qualifying insurance plan. General access of private health insurance plans, along with use of Medicaid funds are expected to increase FY 2008-09.